AGENIX

AGENIX LIMITED

ABN: 58 009 213 754

Annual Report

For the Year Ended 30 June 2014

AGENIX LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

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AGENIX LIMITED
EXECUTIVE CHAIRMAN'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014

On behalf of Agenix Limited's board of directors, I present this 2014 Annual Report for the year ended 30 June 2014. This is my sixth report as Chairman and fifth as Chief Executive Officer, so I will keep it short.

FY2014 was punctuated by recognition that the company's prospects of successfully monetising its existing projects, de-risking those projects, and making solid returns to shareholders remains some way off. The lacklustre share performance was also recognised as a function of the great voting machine of the public market having its say. We are listening and have responded.

In the past few years we have worked hard to partner the Company's main asset, a radio-diagnostic test for detecting pulmonary embolisms called ThromboView®. Despite that work, and the wide net cast, we have been unable to partner ThromboView® into a Phase III study in its current format. The evolving competitive landscape makes it unlikely we will now be able to do so without speeding the test up, and on further costly research with an uncertain outcome and shrinking patent runway.

Our hepatitis B (HBV) drug AGX - 1009 completed its preclinical studies in China but not at the rate we would have liked. This project was meant to enter Phase I studies in 2012 and the delays translated directly to costs. Given the evolving competitive landscape, an emerging China-for-China policy, and the continued cash outlays required, we took the decision to exit China then successfully sold this project, before it had even got into the clinic, to a Chinese pharmaceutical company for $2 Million, probably a unique feat for an Australian life sciences company. The fact that Agenix is exiting China and that our Chinese subsidiary banked the payment for this sale in August 2014 comes as a relief to many of our investors.

The review also assessed that developing the DiagnostIQ® rapid point-of-care test platform from its current two-analyte format into a multiplex molecular diagnostic tool would not meet investor expectations of near term revenue, so — despite its merits — the project has been iced for now.

So we have been exploring strategic alternatives to enhance value and accelerate the path to revenue in a responsible way. These alternatives could include, among others, possible joint ventures, strategic partnerships, a reverse listing, further asset sales or other possible transactions. There can be no assurance that this exploration process or negotiations will result in any transaction. The Company does not currently intend to disclose further developments with respect to this process, unless and until the Board of Directors approves a specific transaction or otherwise concludes the ongoing review of strategic alternatives. However, discussions and due diligence involving a plurality of options are well underway.

Financial Results

The Group's profit for the year ended 30 June 2014 was $786,160 compared to a loss of $3,258,469 in the previous financial year. The profit is primarily attributed to:

- the reversal of the 2013 impairment of the investment in AGX-1009 totalling $1,135,498.
- recognising the profit on disposal of AGX -1009 amounting to $760,028.

Total income for the year ended 30 June 2014 was $28,190 up from $13,445 in the previous financial year due to increase in licence fees on the Group's intellectual property.

Operating expenses for the year totalled $832,769 compared with the previous financial year of $1,429,764, excluding the charge in 2013 of $1,135,498 in relation to the impairment of costs associated with AGX-1009, research and development costs totalling $206,682 outlined above in respect of AGX-1009 and the expensing of the licence fee of $500,000. On a like-for-like basis operating expenses were reduced by a further $327,349 compared to the prior year. This represents cost savings in excess of $500,000 over the previous 2 years.

Current assets at 30 June 2014 were $2,085,169 (2013: $709,747). Total liabilities at 30 June 2014 were $705,220 (2013: $514,446). The change in current assets reflects the disposal of AGX – 1009 which was settled after year end. The increase in current liabilities is mainly due to the costs associated with the disposal of AGX -1009.

Agenix slashed overheads to strengthen our balance sheet, including deep cuts to board and executive remuneration. To provide the financial resources essential to realise the full potential of our Company, the sale of AGX-1009 China project removed a considerable expense, as will exiting all China operations. Prior to this, $275,000 was raised by way of loans from directors with $50,000 repaid to date.

Oversight and risk

Oversight and management of risk remains a key focus for the Board. July 2014 saw the Company successfully put behind it the long-standing possibility of a legal claim by a Singapore based investor OKS-AGX inherited by the Board due to the expiry of the statutory limitations period of 6 years. The potential claim primarily related to a historical China transaction incompetently executed by a previous Board and management back in 2007. The Board recognises that while the potential claim was never a reflection on current Board and management, the potential claim has been a millstone for several years and killed numerous potential deals. The Company will have more options now that the debacle of 2008 is firmly consigned to the dustbin of history.

The Board is committed to the highest possible standards of corporate governance. Risk management, governance procedures and the interests of shareholders always take precedence over collegiality. Most importantly, trust and integrity are the essential human values honoured across the Company in everything we do.

Landscape and outlook

Agenix listed more than 25 years ago, and its investors truly know about the expense, risks and long development times of turning lab research into products with revenue. ThromboView®, for example, was conceived in the 1990s and around $38.5M was spent on that project by the time I stepped into Agenix in 2008. The board has felt a strong sense of responsibility to see the Company generate a return on that investment but the game has moved on from simply passing muster with the regulators. In the past few years, there have been fundamental changes to the way healthcare is accessed, delivered and funded. Payers now demand evidence about patient outcomes in connection with a particular test or therapy. Effectively, projects are not de-risked until much later in the development cycle than was historically recognised. In a nutshell, even development stage companies have joined the healthcare system. The game has changed and we have to change with it.

FY2014 was a good year financially for the sector in the United States and, although Australia has not enjoyed the same run, there remains a strong sense that the 'window is open' for the right opportunity. In that sense, Agenix is open for business.

Nick Weston

Nicholas Weston
Executive Chairman
29 August 2014
Melbourne

AGENIX LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Your Directors present their Report on Agenix Limited and its controlled entities (hereafter referred to as the "Group") for the financial year ended 30 June 2014.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Mr Nicholas Weston LL.B, B. Ec.

Chairman. Appointed 22 August 2008. Chief Executive Officer since 4 January 2010

Nick Weston is a seasoned chairman and chief executive with a background in technology sector businesses. He holds degrees in law and economics and is also a registered trademarks attorney.

Prior to joining Agenix, Mr Weston's eponymous law firm, Nicholas Weston, has been ranked three times by Managing Intellectual Property Magazine since being founded in 2005. Mr Weston is a member of the World Intellectual Property Organization's (WIPO) Arbitration and Mediation Center's List of Arbitrators and Mediators and also the Center's Domain Name Panel. He is a member of the Australia China Business Council.

Datuk Anthony Lee Vui Han (Lee) BEcon.

Non-executive Director. Appointed 27 August 2007.

During the year Mr Lee was awarded the title of Datuk for his contributions to the Malaysian state where he resides in recognition of his services. Datuk Lee has a Bachelor of Economics Degree with a Major in Banking & Finance.

Datuk Lee has in excess of 20 years international business experience and has been actively involved in business development/marketing, quality control and cost management.

Datuk Lee is also involved in project management and is responsible for the management, business development, cost control, and growth of Malaysian companies such as UF Engineers Sdn BHD, a company involved in major public utilities infrastructure such as highways, Onika Quarry Sdn BHD, a company operating quarries in Tawau and Semporna and Leeka Holdings Sdn. Bhd, a company involved with palm oil plantations.

Datuk Lee currently holds Directorships in the aforementioned companies.

Mr Christopher McNamara B.Bus (Acc.), CA

Non-executive Director. Appointed 21 February 2008.

Chris McNamara, based in Melbourne, Australia, is a chartered accountant with extensive experience with business operations in Asia, and with management of property and equity investment portfolios.

Mr Craig Chapman B. Com CPA CSA

Non Executive Director. Appointed 21 May 2013.

Craig has over 25 years' experience across a range of service sectors and has been instrumental in a number of highly successful consolidation plays listed on the ASX including S8 Limited (ASX: SEL), Greencross Limited (ASX: GXL) and G8 Education Limited (ASX:GEM).

Craig has held senior management roles, company secretarial positions and directorships with the above companies. Craig holds a Bachelor of Commerce degree from the University of Queensland and is a CPA. He also holds a Graduate Diploma in Applied Corporate Governance and is a member of the Institute of Chartered Secretaries and Administrators.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

No Director has held the position of Director with any other listed company within the last three years other than Mr Craig Chapman who held the position of Executive Director in G8 Education Limited (ASX:GEM) from 25 March 2010 until his resignation on 26 August 2011.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this Report the interests of the Directors in the shares and options of the Company are:

	Listed securities		Unlisted securities
Director	Ordinary Shares	Options	Options
N Weston (i)	1,013,955	144,793	417,392
A. Lee	1,485,187	153,906	434,783
C. McNamara (ii)	401,016	98,619	-
C Chapman (iii)	21,739,051	6,754,525	2,490,000

(i) 579,172 Ordinary shares 144,793 listed options and 200,000 unlisted options held by Nick Weston and 434,782 Ordinary Shares and 217,392 unlisted options held by Rights Lab Pty Ltd ATF Weston Superannuation Fund.

(ii) 154,616 Ordinary shares and 38,619 Options held jointly with Diana Mary McNamara and 6,400 Ordinary shares held indirectly through ING Custodians Pty Limited RPS (Christopher McNamara) account. 240,000 Ordinary Shares and 60,000 Options held solely by Christopher McNamara.

(iii) 2,000,000 Ordinary Shares held by Reefpeak Pty Limited and 19,739,051 Ordinary Shares and 9,224,525 Options held by Craig Chapman ATF Nampac Discretionary Trust.

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr Gary Taylor (B. Bus) was appointed Company Secretary and Chief Financial Officer on the 31 March 2011; he is a qualified accountant with strong experience in early stage, international high-growth businesses. He brings over 30 years entrepreneurial experience working in Asia, USA, Australia and Europe.

DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed by the Company during or since the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- Divestment of the AGX 1009 project following completion of successful pre-clinical trials.
- Maintenance of the ThromboView® project, a product in development related to the detection of blood clots.
- Continuing extensive partner identification and negotiations for the development of a comprehensive partnering program of the ThromboView® project.
- Continuing the initial review and opportunity development of the rapid point-of-care human diagnostic technology acquired by way of a share exchange transaction for the licensing of the exclusive world-wide royalty free rights to the human health applications for Tyrian Diagnostic Limited's proprietary DiagnostIQ® rapid point-of-care test platform.

There were no significant changes in the nature of principal activities other than the decision to divest the AGX – 1009 project.

OPERATIONAL AND FINANCIAL REVIEW

Operational highlights

The main operational highlights during the year were:

- Divestment of AGX 1009 following completion of pre-clinical trials.
- Extensive worldwide negotiations in respect of ThromboView® with respect to partnering Phase III clinical trials.
- Continued management of the Group's global intellectual property portfolio during the year.

Financial result

The Group's profit for the year ended 30 June 2014 was $786,160 compared to a loss of $3,258,469 in the previous financial year. The profit is primarily attributed to:

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Current assets at 30 June 2014 were $2,085,169 (2013: $709,747). Total liabilities at 30 June 2014 were $705,220 (2013: $514,446). The change in current assets reflects the disposal of AGX – 1009 which was settled after year end. The increase in current liabilities is mainly due to the costs associated with the disposal of AGX -1009.

CAPITAL

Baycrest Capital LLC Funding Facility

On 31 January 2013, the Company entered into a Continuous Investment Agreement with Baycrest Capital LLC for the provision of up to $3 million over three years. Baycrest Capital is a specialist fund that invests in high growth Australian public companies. Agenix has full control over the timing, price and number of shares Baycrest purchases. Since entering into the agreement and to the date of this report no draw down under this facility has occurred.

Ordinary Shares issued for services rendered in lieu of cash

During the year ordinary shares were issued for services rendered in lieu of cash as follows:

Party	Purpose	Number of Ordinary Shares	$
BFC Group Ltd	Corporate advisory fees	800,000	26,298
Jaykaw Advisory Services Pty Ltd	Corporate advisory fees	1,304,560	20,000

Ordinary Shares issued for in satisfaction of the licence agreement with Tyrian Diagnostics Limited

During the year ordinary shares were issued in satisfaction of the company's obligations pursuant to the licence agreement with Tyrian Diagnostics Limited.

Party	Purpose	Number of Ordinary Shares	$
Tyrian Diagnostics Ltd	Licence fee	16,371,177	338,000

Issue of and or exercise of Options

No options were issued or exercised during the financial year.

No options have been issued or exercised since 30 June 2014.

BUSINESS DYNAMICS

Thromboview®

Our lead program, is Thromboview®, a patented technetium-99m-labelled antibody based radio-imaging test for venous thromboembolism (VTE). It can accurately test for conditions including pulmonary embolism (PE), upper extremity venous thromboembolism (UEVTE) and deep vein thrombosis (DVT). Thromboview® to this day has significant advantages not available in current standard imaging tests.

We have been unable to partner ThromboView® into a Phase III study in its current format. The evolving competitive landscape makes it unlikely we will now be able to do so without speeding the test up, and on further costly research with an uncertain outcome and shrinking patent runway.

AGX – 1009

As announced in the 2013 Annual report, the company commenced the divestment program for AGX – 1009 following completion of the pre-clinical trials. Binding agreements were entered into with a Chinese Pharmaceutical Company to sell the intellectual property, including trial data. The transaction was completed in August 2014. At the request of the purchaser the application to the Chinese Food and Drug

Administration (CFDA) for clinical trials was placed on hold pending completion of the divestment, which would enable the purchaser to have input into the design of the final application.

DiagnostIQ®

In October 2012 the Company acquired all human-health rights to a point-of-care medical device: -DiagnostIQ® from Tyrian Diagnostics Limited. DiagnostIQ® is a single-use; hand-held cassette technology that used alone is a non-instrumented qualitative testing device and can also be used in conjunction with an electronic reader as a quantitative system. It is proven to work in low resource environments. This medical device is protected to 2022 by patents and patent applications in numerous major markets covering product and process. The proprietary test design provides in-built sample clean-up, controlled sample functionality, highly reproducible results and is very fast with only 5 minutes to the result. The format is suitable for processing a wide variety of samples.

We have assessed that developing the DiagnostIQ® rapid point-of-care test platform from its current two-analyte format into a multiplex molecular diagnostic tool would not meet investor expectations of near term revenue, so — despite its merits — the project has been put on hold.

Other opportunities

The Company has been exploring strategic alternatives to enhance value and accelerate the path to revenue in a responsible way. These alternatives could include, among others, possible joint ventures, strategic partnerships, a reverse listing, further asset sales or other possible transactions. There can be no assurance that this exploration process or negotiations will result in any transaction. The Company does not currently intend to disclose further developments with respect to this process, unless and until the Board of Directors approves a specific transaction or otherwise concludes the ongoing review of strategic alternatives. However, discussions and due diligence involving a plurality of options are well underway.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the Group have occurred during or since the end of the financial year except for the completion of the divestment of AGX – 1009. The divestment of AGX -1009 resulted in proceeds of RMB 11,741,864 ($AUD 2,056,729) being received in China in August 2014 and therefore substantially increasing the Group's cash balance.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than the receipt of funds upon completion of the divestment of AGX 1009 totalling $2,056,729, no matters or circumstance have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

SHARE OPTIONS

At the date of this report, the following unlisted options could be exercised into ordinary shares:

Type of option	Number of options	Grant date	Expiry date	WAEP* $
Employee	200,000	4 January 2013	4 January 2015	0.0225
C Note	5,000,000	27 June 2013	30 June 2015	0.0500
Directors	1,521,740	27 June 2013	30 June 2015	0.0500

*Weighted Average Exercise Price

The following listed options could be exercised into ordinary shares:

Type of option	Number of options	Expiry date	WAEP* $
Listed	20,577,983	30 June 2015	0.0500

Since the last annual report 200,000 employee options with an exercise price of $0.30 lapsed on 4 January 2014.

INDEMNIFICATION AND INSURANCE FOR DIRECTORS AND OFFICERS

During the year, the Group has paid a premium in respect of a contract insuring all of the Directors and executive officers of the Group against a liability incurred in their role as Directors and officers of the Group, except where:

1. the liability arises out of conduct involving a wilful breach of duty; or
2. there has been a contravention of Sections 182 or 183 of the Corporations Act 2001.

The insurance contract contains a confidentiality condition which prohibits disclosure of the nature of the liabilities insured or the premium paid.

DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

	Full Meetings of Directors		Meetings of Committees			
			Audit[1]		Remuneration[1]	
	Entitled to Attend	Attended	Entitled to Attend	Attended	Entitled to Attend	Attended
N. Weston	10	10	-	-	-	-
A. Lee	10	10	-	-	-	-
C. McNamara	10	10	-	-	-	-
C. Chapman	10	10	-	-	-	-

1. Due to the current size of the Board no audit or remuneration committees were formed during the year. The activities of these committees are undertaken by the Board during regular Board meetings. Refer Statement of Corporate Governance Practices - 2014 for detailed information.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Other than information disclosed in this Report, and as set out on Page 2 of the Executive Chairman's Report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years, as well as the business strategies and prospects of the Group, has not been included in this Report because the Directors believe that to include such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to any significant environmental regulations in the countries which it operates.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Board did not engage the independent auditors to perform any non-audit services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration required under Section 307C of the Corporations Act which forms part of the Director's Report for the year ended 30 June 2014 has been received and can be found on page 19.

REMUNERATION REPORT

The audited Remuneration Report which forms part of the Directors' Report for the year ended 30 June 2014 can be found on Pages 11-18.

Signed in accordance with a resolution of the Directors.

Nick Weston

Nicholas Weston

29 August 2014

Melbourne

This Remuneration Report which forms part of the Directors' Report, sets out information about the remuneration of Agenix Limited directors and its senior management for the financial year ended 30 June 2014.

The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and senior management details
- Remuneration Policy
- Relationship between the remuneration policy and company performance
- Remuneration of directors and senior management
- Key terms of employment contracts
- Additional disclosures relating to key management personnel

Director and senior management details

The following persons acted as Directors of the Company during or since the end of the financial year:

Nicholas Weston (Chairman)

Christopher McNamara

Anthony Lee Vui Han (Lee)

Craig Chapman

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year unless otherwise noted:

Tang Wen Sen (Chairman – Agenix Biopharmaceutical (Shanghai) Co Ltd) 1 July 2013 – 30 September 2013

Gary Taylor (Company Secretary and Chief Financial Officer)

John Yue (Manager New Drug Development - Agenix Biopharmaceutical (Shanghai) Co Ltd)

Remuneration policy

The performance of the Company depends upon the quality of its Directors, executives and staff. To prosper, the Company must attract, motivate and retain highly-skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to Security holder value; and
- establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Relationship between the remuneration policy and company performance

Agenix seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of specified timelines and targets in relation to milestones, return on equity ratios, and continued employment with the Group. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between management and security holders.

As part of each executive's remuneration package there is a performance-based component. The intention of this program is to facilitate goal congruence between executives with that of the business and security holders. Generally, the executive's performance based remuneration is tied to the Company's successful achievement of certain key milestones as relates to its operating activities, as well as the Company's overall financial position.

The satisfaction of the performance conditions includes a review of the audited financial statements of the Group; as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

The development of remuneration policies and structures are considered in relation to the effect on Company performance and Security holder wealth. They are designed by the Board to align Director and executive behaviours with improving Company performance and, ultimately, Security holder wealth.

The following table shows the gross sales revenue, profits and dividends for the last 5 years for the listed entity, as well as the share price at the end of the respective financial years. The significant reduction in the Company's share price is reflective of the decision of a previous board to divest the Company of certain assets.

	2010 $000	**2011 $000**	**2012 $000**	**2013 $000**	**2014 $000**
Gross sales revenue	6	-	-	3	25
Net profit (Loss)	2,478	(2,707)	(1,355)	(3,258)	786
Share price at year-end	0.017	0.014	0.004	0.023	0.015
Dividends paid	Nil	Nil	Nil	Nil	Nil

The overall level of key management personnel compensation takes into account the overall operating performance of the Group over a number of years. Focus for current key management personnel and Directors has therefore been on cost saving measures and recovery efforts to ensure the ongoing viability of the Group and implementing a strategy to maximise Security holder value seeking to partner existing intellectual assets and by introducing new products for commercialisation, where the risk of clinical failure is diminished.

In accordance with best practice corporate governance, the structure of non-executive Director and senior management remuneration is separate and distinct.

Performance based remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually by the Board, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and Security holder wealth, before the KPIs are set for the following year. All bonuses require Board approval for payment.

Remuneration of directors and senior management

	Short Term Employment Benefits				Post Employment Benefits	Other Long Term Post Employee Benefits	Share Based Payments	
	Salary & Fees $	Bonus $	Non Monetary $	Other $	Super -annuation $	$	Equity-settled $	Total $
2014								
Non Executive Officers								
C McNamara	32,000	-	-	-	2,960	-	-	34,960
A Lee	32,000	-	-	-	2,960	-	-	34,960
C Chapman	46,000	-	-	-	-	-	-	46,000
Tang Wen Sen[2]	17,720	-	-	-	-	-	-	17,720
Executive Officers								
N Weston	121,482	22,773	-	10,011	13,343	-	1,857	169,466
G Taylor	130,000	-	-	-	-	-	-	130,000
J Yue	36,502	7,304	-	-	18,212	-	-	62,018
	415,704	30,077	-	10,011	37,475	-	1,857	495,124
2013								
Non Executive Officers								
C McNamara	32,000	-	-	-	2,880	-	-	34,880
A Lee	32,000	-	-	-	2,880	-	-	34,880
C Chapman[1]	5,041	-	-	-	-	-	-	5,041
Tang Wen Sen	62,758	-	-	-	-	-	-	62,758
Executive Officers								
N Weston	137,615	47,783	-	9,193	15,190	-	3,838	213,619
G Taylor	150,000	-	-	-	-	-	-	150,000
J Yue	32,300	-	-	-	15,083	-	-	47,383
	451,714	47,783	-	9,193	36,033	-	3,838	548,561

1. Appointed 21 May 2013
2. Ceased as part of key management personnel during the year

No director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

The following tables provide employment details of persons, who were, during the financial year, members of key management personnel of the consolidated group. The tables also illustrate the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

		Proportions of remuneration related to performance			Proportions of elements of remuneration not related to performance		Total %
	Position held at 30 June 2014	Non salary cash based incentives %	Shares %	Options Rights %	Salary, benefits, fees %	Shares Rights %	
Non Executive Officers							
C. McNamara	Director	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
A Lee	Director	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
C Chapman	Director	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Executive Officers							
N. Weston	Chief Executive Officer and Executive Chairman	13.44%	0.00%	1.10%	85.46%	0.00%	100.00%
G Taylor	Company Secretary & Chief Financial Officer	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
J Yue	Manager New Drugs – China	11.78%	0.00%	0.00%	88.22%	0.00%	100.00%

Cash Bonuses, Performance-related Bonuses and Share-based Payments

The terms and conditions relating to options and bonuses granted as remuneration during the year to key management personnel and other executives during the year are as follows:

Group Key Management Personnel	Remuneration Type	Grant Date	Reason for Grant (Note 1)	Percentage vested/paid during the year %	Percentage forfeited during the year %	Percentage remaining as unvested %	Expiry date for vesting or payment	Range of possible values relating to future payments
N. Weston	Options	25/10/2012	(a)	100.00%	0.00%	0.00%	4/01/2014	$0
	Options	4/01/2013	(a)	0.00%	0.00%	100.00%	4/01/2015	$0-$2,203
	Cash	1/07/2012	(b)	24.88%	0.00%	75.12%	4/01/2015	$0-$104,750

Note 1 (a) The grant of Options to the Chief Executive Officer was approved by Security holders at the 2012 Annual General Meeting and consists of 200,000 options exercisable at $0.30 expiring 4 January 2014 and 200,000 options exercisable at $0.0225 expiring 4 January 2015.

Note 1 (b) The Chief Executive remuneration structure for calendar year 2014 was a fixed salary package of $150,000 and a variable component of $100,000 which vests upon attainment of specific criteria when they are met. Effective 1 July 2014 the remuneration package was restructured so that the role of the Chief Executive was payable on a time spent basis and the remuneration changed to a fixed Chairman's Fee of $50,000 per annum plus statutory superannuation entitlements. The variable component was paid in cash during the year in accordance with the time lines for achieving specific goals and targets. The achievement of the underlying KPI's for the bonuses in the 2013 and 2014 calendar year will be determined once the repatriation of funds from the sale of AGX-1009 has been completed. At the date of this report, the decision in respect of the KPI's having been achieved has been deferred pending receipt of funds. For the year ended 30 June 2014 $54,750 (2013: $25,000) of the bonus remains subject to assessment.

Key terms of employment contracts

Agenix Limited

The employment conditions of Mr Nicholas Weston, the Chairman were formalised in a contract of employment. The current contract of employment commenced on 4 January 2012. Effective 1 July 2014, Mr Weston has agreed to reduce his base remuneration to $50,000 per annum to save costs. Additional remuneration for time spent over and above that necessary to effectively discharge his duties as Chairman will require approval of the Board. Mr Weston's appointment with the Company may be terminated with the Company giving 6 months' notice or by Mr Weston giving 3 months' notice. The Company may elect to pay Mr Weston an equal amount to that proportion of his salary equivalent to 6 months' pay in lieu of notice, together with any outstanding entitlements due to him. The Company may, at any time, by notice in writing terminate Mr Weston's contract immediately in the event of serious misconduct.

The employment conditions of Mr Gary Taylor, Chief Financial Officer and Company Secretary are formalised in consulting contracts. The current contracts with Mr Taylor commenced on 31 March 2012. Mr Taylor's appointment with the Company may be terminated with the Company giving 1 months' notice or by Mr Taylor giving 1 months' notice. The Company may elect to terminate the consulting contracts with Mr Taylor and pay any outstanding entitlements due under the contracts. The Company may, at any time, by notice in writing terminate Mr Taylor's contracts immediately in the event of serious misconduct.

Agenix Biopharmaceutical (Shanghai) Co Limited

The employment conditions of Mr John Yue, Manager, New Drugs are formalised in a contract of employment. The current employment contract with Mr Yue commenced on 1 April 2012. Mr Yue's appointment with the entity may be terminated with the entity giving 1 months' notice or by Mr Yue giving 1 months' notice. The entity may elect to pay Mr Yue an equal amount to that proportion of his salary equivalent to 1 month's pay in lieu of notice for every year of service or part thereof, together with any outstanding entitlements due to him. The entity may, at any time, by notice in writing terminate Mr Yue's contract immediately in the event of serious misconduct.

Non-executive officer remuneration

Agenix Limited

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to security holders.

Non-executive director remuneration is determined within the aggregate Directors fee pool, which is periodically recommended for approval by security holders. The latest determination was at an Extraordinary General Meeting held on 17 April 2007 when security holders approved an aggregate remuneration of $500,000 per annum.

Each Director receives a fee for being a Director of the Company. No additional fees are paid for Board committee membership. Should a Director be requested by the Chairman to undertake review work additional to normal Board and Board committee work, the Director receives additional fees based on commercial hourly rates. However, the additional fees will not result in the aggregate amount of Directors' fees approved by security holders being exceeded.

Agenix Biopharmaceutical (Shanghai) Co Ltd.

Mr Tang Wen Sen was the Non-Executive Chairman and legal representative of Agenix Biopharmaceutical (Shanghai) Co Limited. Mr Tang received a fee for being a Director and legal representative of RMB 400,000 per annum (AUD $68,416). Mr Tang Wen Sen's contract was not renewed and his services ceased from 30 September 2013. Mr Nick Weston assumed the roles previously held by Mr Tang Wen Sen but does not receive any additional fees in respect of this appointment.

All directors of Agenix Limited are directors of Agenix Biopharmaceutical (Shanghai) Co Limited but do not receive any additional fees in respect of this appointment.

Additional disclosure relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/other	Balance the at end of the year
Ordinary shares					
N Weston	1,013,955	-	-	-	1,013,955
C McNamara	401,016	-	-	-	401,016
A Lee	1,485,187	-	-	-	1,485,187
Tang Wen Sen[1]	3,259,722	-	-	(3,259,722)	-
C Chapman	20,836,614	-	902,437	-	21,739,051
	26,996,494	-	902,437	(3,259,722)	24,639,209

[1] Disposals/other represent shares held by Tang Wen Sen when he ceased to be part of key management personnel.

Other than stated above no other KMP hold ordinary shares.

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options					
N Weston[1]	762,185	-	-	(200,000)	562,185
C McNamara	98,619	-	-	-	98,619
A Lee	588,689	-	-	-	588,689
C Chapman	8,793,307	-	-	451,218	9,244,525
	10,242,800	-	-	251,218	10,494,018

[1] Expired/ forfeited/other represents 200,000 options that expired on 4 January 2014.

Other than stated above no other KMP holds ordinary shares or options in the company.

Other transactions with key management personnel and their related parties

The following transactions were made with key management personnel or their related parties during or since the end of the financial year.

The unsecured loan has been formalised by way of loan agreement.

- Parties – Reefpeak Pty Limited a company associated with Craig Chapman and Anthony Lee have provided and remains outstanding at balance date $125,000 and $100,000 respectively.
- Drawdowns as required to meet working capital requirements
- Interest rate 8% per annum payable monthly in arrears ($1,682 accrued)
- Security – Nil
- Repayable in 12 months of the drawdown or earlier at the sole discretion of the company.

Rental payments – Mr Nick Weston provides office and associated facilities and charged the company $15,000 during the financial year ($6,875 payable).

Loans provided and repaid during the year – Mr A Lee provided and was repaid $50,000 as an unsecured loan during the financial year.

Total amounts payable, excluding loans, to KMP and their related parties are as follows:

	Current payables
N Weston	19,386
C McNamara	21,328
A Lee	50,231
C Chapman	5,778
	96,724

Other than the transactions detailed above, no other transactions were made with key management personnel or their related parties during or since the end of the financial year.

End of Remuneration Report

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DECLARATION OF INDEPENDENCE BY CRAIG JENKINS TO THE DIRECTORS OF AGENIX LIMITED

As lead auditor of Agenix Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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

C Jenkins
Director
BDO Audit Pty Ltd

Brisbane, 29 August 2014

Agenix Limited (“Agenix” or “the Company”) Approach to Corporate Governance and Responsibility

The Agenix Board of Directors is committed to the principles underpinning good corporate governance, applied in a manner which is most suited to Agenix, and to best addressing the directors’ accountability to security holders and other stakeholders. This is supported by a commitment to the highest standards of legislative compliance and financial and ethical behaviour.

The Company continues to address directors’ accountability to stakeholders in a manner consistent with the Company’s individual circumstances enhanced through the introduction of publicly available policies and procedures which are designed to foster a culture of transparency in the way Agenix is directed and managed.

As a measure of its stated commitment to good corporate governance principles, The Board will continue to:

- Review and continually improve its governance practices; and
- Monitor developments in good corporate governance.

Report on Compliance with the ASX

Corporate Governance Principles and Recommendations 3rd Edition

Currently, the ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition in the reporting period. Agenix has chosen to adopt ASX Corporate Governance Principles and Recommendations 3rd Edition (“Recommendations”) which is recommended to take effect for reporting periods commencing on 1 July 2014.

Listed companies must identify the recommendations that have not been followed and provide reasons for the Company’s decision. Where a recommendation has been followed for only part of the period the company must state the period during which it had been followed.

As detailed within this Statement of Corporate Governance Practices; Agenix considers its governance practices comply with:

- each of the ASX Corporate Governance Principles (“Principles”); and
- the Recommendations, except for those detailed, and for the reasons outlined, in this Report.

For the reasons expressed within this statement, Agenix has elected not to adopt Recommendations 1.5, 2.1, 2.2, 2.4, 2.5, 4.1, 6.2, 7.1 and 8.1. Agenix is a small company and accordingly the Directors consider that many of the corporate governance guidelines intended to apply to larger companies are not practical.

Agenix’s Statement of Corporate Governance is available at www.agenix.com.

Date of this statement

This statement outlines the:

- principles and Recommendations identified by the ASX as underlying good corporate governance; and
- main corporate governance practices of Agenix during the year to 30 June 2014, except where stated otherwise.

Principle 1: Lay solid foundations for management and oversight.

Companies should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.

Recommendation 1.1:

The Company should disclose:

- **the respective roles and responsibilities of the board and management; and**
- **those matters expressly reserved to the board and those delegated to management.**

Recommendation 1.2:

The Company should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a director and provide all material information in its possession relevant to enabling security holders to make an informed decision on whether or not to elect or re-elect a director.

Recommendation 1.3:

Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.

Recommendation 1.4:

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

Recommendation 1.5:

Companies should have a diversity policy which sets measurable objectives for achieving gender diversity and disclose such policy together with the progress of achieving those measurable objectives at the end of each reporting period.

Recommendation 1.6:

Disclose the process for evaluating the performance of the board and disclosing in respect of each reporting period whether an evaluation was undertaken.

Formalisation of board and management functions

The Board has formalised its roles and responsibilities into a Charter. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has delegated to management.

In summary the responsibilities of the Agenix Board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and controlling the Chief Executive Officer;
- ratifying the appointment and where appropriate the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- corporate governance.

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing Agenix's annual budget, recommending it to the Board for approval and managing day to day operations within the budget;
- managing day to day operations in accordance with standards for social and ethical practices which have been set by the Board; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

Director's appointment

Agenix performs appropriate checks of any person to be appointed a director, either by the Board or nominated by Security Holders. These checks are undertaken in accordance with the recommended procedures set out in Australian Standard AS 4811-2006 Employment Screening.

A nominated person is required to disclose to the Board any information sought regarding their overall character and ability to fulfil his or her responsibilities as a Director.

Agreements with Directors and senior executives

Agenix ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the company's expectations of them. Material terms of contracts of employment are included in the remuneration report.

Company Secretary

Due to the size of the organisation the task of the Company Secretary are performed by the Chief Financial Officer. The Company Secretary advises the Board on all governance matters, ensures board policies and procedures are followed, despatches timely board papers, accurately records the minutes of meetings and assists in the induction and professional development of directors. The appointment or removal of the Company Secretary is a matter for the Board.

Diversity

The Board recognises the benefits of achieving an appropriate mix of diversity on its Board and throughout the Company as a means of enhancing the Company's performance and organisational capabilities. However, at this stage of development of the Company, the Board has elected not to establish a formal diversity policy due to limited number of personnel employed by the Company and the nature of its current activities.

Measurement of diversity objectives

Agenix aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation. The Agenix Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

Women employees

Agenix has four directors, all of which are male. The Company Secretary/Chief Financial Officer is male. The other three employees of the Company are male. Agenix had no female employees as at the date of this report. The research being undertaken by Agenix is outsourced and this includes female scientists whose positions range from lead scientist to research assistants.

Board performance evaluation

The Board has adopted an on-going, self-evaluation process to measure its own performance, that of individual directors and the performance of its committee functions during the reporting period.

The Chairman meets periodically with the individual directors to discuss the performance of the Board and the director. The Chairman's performance is also formally evaluated by the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

A performance evaluation for the Board, its committee functions and directors including the Chairman took place during the reporting period in accordance with the process detailed within this statement.

The outcomes of the self-assessment program are used to enhance the effectiveness of individual directors and the Board collectively.

Procedure for selection and appointment of new directors

The process for appointing a director with Agenix is that, when a vacancy exists, the Board identifies candidates with the appropriate expertise and experience, using external consultants as appropriate. The most suitable candidate is appointed but must stand for election at the next annual general meeting following the appointment.

Consistent with current law there is no retirement age for directors fixed by the *Corporations Act 2001 (Cth),* ASX Listing Rules, although a person of or over the age of seventy-two (72) years of age may not be appointed or re-appointed as a director except pursuant to a resolution of the Company in accordance with the Company's Constitution.

The process for re-election of a director is in accordance with the Company's Constitution, which requires that each year, at least one-third of the non-executive directors retire from office at the Annual General Meeting. The retiring directors may be eligible for re-election.

Principle 2: Structure the board to add value.

Companies should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Recommendation 2.1:

The Board should have a nomination committee and structure that committee so that it:

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

and disclose:

- **the nomination committee charter;**
- **the members of the committee;**
- **at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings;**

Alternatively, if there is no nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to effectively discharge its duties and responsibilities effectively.

Recommendation 2.2:

The board should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve.

Recommendation 2.3:

An entity should disclose those directors considered to be independent directors. If interests, positions, associations and relationships may cause doubt as to the independence of a director, why the board considers that party to be independent.

Recommendation 2.4:

The majority of the board should be independent directors.

Recommendation 2.5:

The chair should be an independent director.

Recommendation 2.6:

An entity should have a program for the induction of new directors and provide appropriate professional development opportunities to all board members in order to develop and maintain the skills and knowledge needed to effectively perform their duties as a director.

Establishment of nomination committee

Agenix has elected not to adopt Recommendation 2.1 as it considers that its existing selection and appointment practices, detailed within this Statement, are an efficient means of meeting the needs of the Company, particularly having regard to the fact that Agenix is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The Agenix Board currently consists of four (4) members. It is considered further division of the Board for the purposes of establishing a formal committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The small size of the Agenix Board, and the nature of its business, means that Agenix has the present capacity to consider directors competencies, selection and nomination practices in the context of duly constituted meetings of the Board and as a part of its self-evaluation processes.

Skills matrix

Agenix has identified the skills and competency of each board member.

Agenix has elected not to adopt Recommendation 2.2 as it considers that its current practices of identifying skills and competency are an efficient means of meeting the needs of the Company, particularly having regard to the fact that Agenix is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

Independence

An Agenix director will be considered independent where he or she is:

- independent of management, that is a non-executive director; and
- free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case by case basis by reference to the director's individual circumstances rather than general materiality thresholds.

The Agenix Board has made its own assessment to determine the independence of each director on the Board. It is the Board's view that during the year ended 30 June 2014 that one current non-executive director was independent, namely: Mr A Lee. Further particulars as to the reasons for the appointment of Executive Chair are found later in this report under the heading Chairman.

In view of the size of the Company and the nature of its activities, the Board considers that the current mix of skills, experience, qualifications and experience on the Board is consistent with the long term interests of the Company. The Board will continue to monitor the requirements for independent directors in the context of the Company's communicated long term objectives.

The Board has based upon its overall assessment of the factors facing the company elected not to adopt Recommendation 2.4 until it is practical to do so and will continue to monitor the requirements of this recommendation.

The Board has established criteria for assessing the independence of its directors.

Composition of the Board

The Agenix Board currently comprises four (4) non-executive directors. The desirable composition of the Board is based on the following factors:

- the Company's constitution provides for the number of directors to be not less than three (3) and not more than ten (10) as determined by directors from time to time;
- the Board is cognisant that the position of Chairman should where possible be held by a non-executive director.
- Consistent with the Company's objective that the Board should encompass a broad range of relevant expertise, the present Board consists of directors with a collective of diverse skills, qualifications and experience as more fully detailed in the Directors Report.
- The Board considers that the individual Directors make highly-skilled decisions in the best interests of Agenix, despite the majority of the Board not being independent directors.

There is no shareholding requirement imposed upon directors under the Company's Constitution, however all of the directors of Agenix hold shares in the Company.

Details of all holdings by directors in the Company are included within the Directors' Report.

Chairman

The chairman is selected by the Board.

The current Chairman, Mr N Weston, was appointed as an independent non-executive director and Chairman on 22 August 2008 and continued in that role until 4 January 2010.

Mr Weston was appointed to the role of Chief Executive Officer on 4 January 2010 and held this position until 30 June 2014.

The Board has considered:

- whether it would be beneficial to appoint a lead independent director;
- other positions held by the existing chair and the other non-executive director and the available time of each director; and
- the skills and qualifications and experience of the existing directors and based on its overall assessment of these factors it has elected not to adopt Recommendation 2.5 to appoint an independent chair.

The Board will continue to assess the requirements of this recommendation in the context of the Company's individual circumstances and its communicated long term objectives.

Separation of roles of Chair and CEO

For the year ended 30 June 2014 the roles of Chairman and CEO were combined.

In view of the size of the Company, the nature of its activities and, the Board considers that the skills, experience, qualifications of the Executive Chair are consistent with the long term interests of the Company. The Board will continue to monitor the requirements for separation of the roles of Chair and CEO in the context of the Company's communicated long term objectives.

The Board has based upon its overall assessment of the factors facing the company elected not to adopt Recommendation 2.5 until it is advantaged by doing so and will continue to monitor the requirements of this recommendation.

Induction program

Procedures for induction of new directors are in place to allow new directors to participate fully and actively in board decision making at the earliest opportunity.

All directors are offered an induction program appropriate to their experience upon appointment so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services and operations, scheduled meetings with the Chairman and CEO or Executive Chairman of the Company.

Director education

The Board encourages directors to continue their education by participating in applicable workshops and seminars and attending site visits and undertaking relevant external education.

The Company Secretary provided directors with on-going information on matters such as corporate governance, the Company's constitution and the law.

Board briefings and agendas

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the Board is addressed.

Prior to each meeting, Directors receive financial, operational and strategy reports from senior management who are available to discuss reports with the Board.

Access to information

All directors have access to company records and information, and receive regular detailed financial and operational reports from senior management.

The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the Agenix constitution and the law. In addition the Chairman and other non-executive Directors consult with each other and the Chief Financial Officer, and may confer and request additional information from any Agenix employee or consultant. Management are available to discuss reports, and any issue arising, with the Board as required.

Term of office, skills, experience and expertise of each director

The qualifications, experience and expertise of the directors, and the respective terms of office held by individual directors, are set out in the Directors Report contained within the 2014 Agenix Annual Report.

Independent professional advice

Agenix has in place a procedure whereby, after appropriate consultation, directors are entitled to seek independent professional advice, at the expense of Agenix, to assist them to carry out their duties as directors. The policy of Agenix provides that any such advice is made available to all directors.

Principle 3: Promote ethical and responsible decision-making

The entity should act ethically and responsibly.

Recommendation 3.1:

Establish a code of conduct for its directors, senior executives and employee and disclose the code or a summary of the code of it.

Code of conduct

Agenix is committed to the operation of its business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of the Company and the industry in which it operates.

The Board has approved a *Code of Conduct* which applies to all directors, executives, management and employees without exception.

The Code of Conduct is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all Agenix directors, executives, management and employees in the context of their respective roles and the performance of their duties with Agenix.
- directors, executives, management and employees are aware of their responsibilities to Agenix under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of Agenix.

In summary, the Code provides that all directors and senior executives must:

- act honestly, in good faith and in the best interests of the company;
- use due care, skill and diligence in fulfilling their duties;
- use the power of their position for a proper purpose, in the interest of the company;
- not make improper use of information acquired by virtue of their position;
- not allow personal interest, or those of associates, to conflict with the interest of the company;
- exercise independent judgement and actions;
- maintain the confidentiality of company information acquired by virtue of their position;
- not engage in conduct likely to bring discredit to the company; and
- comply at all times with both the spirit and the letter of the law, as well as, policies of the company.

Principle 4: Safeguard integrity of financial reporting.

Entities should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Recommendation 4.1:

The Board should have an audit committee and structure that committee so that it:

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

and disclose:

- **the audit committee charter;**
- **the members of the committee and their experience and qualifications;**
- **at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings;**

Alternatively, if there is no audit disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Recommendation 4.2:

The board should, before it, approves the entity's financial statements receive from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) a declaration that the financial records of the entity have been properly maintained and such declaration be provided in accordance with Section 295A of the Corporations Act and the declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3:

The Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders pertaining to the audit.

Establishment of audit committee

Agenix has elected not to adopt Recommendation 4.1 as it considers that its existing practices, detailed within this Statement, are an efficient means of meeting the needs of the Company, particularly having regard to the fact that Agenix is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The Agenix Board currently consists of four (4) members. It is considered further division of the Board for the purposes of establishing a formal audit committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The Board considers that the technical skills, qualifications and experience represented by the involvement of members Mr C McNamara, Mr N Weston, Mr C Chapman and Mr A Lee are most suited to the effective discharge of these responsibilities.

This approach, which is more suitable for the size of the company, results in the Company not meeting the strict interpretation of the recommendations set out in Principal 4.

The Board, will, however, continue to monitor the requirements of this recommendation in the context of the Company's prevailing position and circumstances.

Audit committee – terms of reference

Notwithstanding, the Agenix Audit Committee role and responsibilities, composition, structure and membership requirements are detailed in a formalised charter comprising the Audit Committee – Terms of Reference.

Reflecting the relative small size of the Company, the full Board remain responsible for:

- review the annual and half year financial reporting carried out by Agenix;
- review the accounting policies of Agenix;
- review the scope and audit programmes of the internal and external auditors and any material issues arising from these audits;
- oversee the independence of external auditors and determining procedures for the rotation of audit partners; and
- the sufficiency of, and compliance with, ethical guidelines and company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to Agenix; and
- the effectiveness of the group's risk management systems and strategies.

Meetings

The audit committee meetings are incorporated into normal board meetings.

Reporting

The Board Members converse as and when required on matters relevant to the audit function.

Engagement and rotation of external auditor

The Board is responsible for nominating the external auditor. If the Board recommends a change in external auditor, the Board's nomination of external auditors requires Security holder approval. The Board approves the compensation of the external auditor.

The Board meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements with particular emphasis on scope, quality and independence of the audit.

It has been determined by the Board that the external auditor will not provide services to the Company where the auditor would:

- have a mutual or conflicting interest with the Company;
- be in a position where they audit their own work;
- function as management of the Company; or
- have their independence impaired or perceived to be impaired in any way.

Specifically, the external auditor will not normally provide the following types of services to the Company:

- bookkeeping or other services relating to the accounting records of the Group;
- financial information or information technology systems design or implementation;
- appraisal and valuation services, fairness opinions or contributions in kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions, including temporary staff assignments or human resource services, including recruitment of senior management;
- broker or dealer services, investment advisor, corporate finance or investment banking services; and
- legal and litigation support services.

Procedures are in place governing approval of any non audit work before the commencement of any engagement.

The Board has elected to adopt a policy which is consistent with the primary and secondary rotation obligations regarding auditors such that:

- the lead or review audit partner's responsibilities may not be performed by the same person for longer than five (5) consecutive years ("primary rotation obligation"); and
- the lead or review audit partner's responsibilities may not be performed by the same person for more than five (5) out of seven (7) consecutive years ("secondary rotation obligation").

In addition, the Board requires a minimum of two (2) consecutive years "cooling off" period before an auditor undergoing rotation can return to playing a significant role in the audit of the Company.

Mr Craig Jenkins of BDO Audit Pty Limited was the lead audit partner for Agenix for the year ended 30 June 2014.

The lead signing and review External Audit Partner attend that part of Board meetings pertaining to audit matters by standing invitation.

Number of meetings and names of attendees

Due to the audit committee function being undertaken by the Board no separate meetings were held.

CEO and CFO assurance

The Chief Executive Officer and the Chief Financial Officer of Agenix report in writing to the Board that:

- consolidated financial statements of Agenix and its controlled entities for each half year and full financial year present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with accounting standards; and
- declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer equivalent under Recommendation 4.2 in respect of the year ended 30 June 2014. This assurance was provided in accordance with the process outlined in this Statement.

External auditor attendance at AGM

Agenix ensures that the lead audit partner or his representative attends the AGM in order to be available to answer questions from security holders pertaining to the audit.

Principle 5: Make timely and balanced disclosure

Entities should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1:

Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.

The Agenix Board is committed to keeping its security holders, and the market, fully informed of major developments having an impact on the Company.

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price, or value of the Agenix securities and to ensure those matters are notified to the ASX in accordance with ASX disclosure requirements.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

The Company Secretary is responsible for all communications with the ASX.

Principle 6: Respect the rights of security holders

The entity should respect the rights of security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1:
The Company should provide information about itself and its governance to investors via its website.

Recommendation 6.2:
The Company should design and implement an investor relations program to facilitate effective two-way communication with investors.

Recommendation 6.3:

The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meeting of security holders.

Security holder communication policy

Agenix recognises the rights of security holders to be informed of matters, in addition to those prescribed by law, which affect their investments in the Company.

Agenix is committed to:

- dealing fairly, transparently and openly with both current and prospective security holders;
- the use of available channels and cost effective technologies to reach security holders who may be geographically dispersed and in order to communicate with all security holders; and
- facilitating participation in Security holder meetings and dealing promptly with Security holder enquiries.

Agenix communicates information to security holders through:

- the annual report;
- disclosures to the ASX and ASIC;
- notices and explanatory memorandum of annual general meetings and general meetings;
- occasional letters from the Chief Executive Officer to inform security holders of key matters of interest; and
- the Company's website on the internet at www.agenix.com

Investor relations program

As a small listed company, Agenix currently does not have the resources for a dedicated investor relations employee or consultant. Security holders are given the opportunity to meet management immediately following general meetings. In addition management will respond to meeting or information requests by security holders in a timely manner.

Participation at meetings of security holders

The Board encourages active participation by security holders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of Agenix's strategy, performance and goals.

Consistent with best practice, important issues are presented to security holders as single resolutions expressed in plain, unambiguous language. Proceedings are held in a locality, and at a readily accessible venue, conducive to maximising the number of security holders present, and able to participate, at the meeting. Security holders are provided with opportunities of asking the Board questions regarding the management of the Company.

Principle 7: Recognise and manage risk.

Companies should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1:

The Board should have a risk committee and structure that committee so that it:

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

and disclose:

- **the risk committee charter;**
- **the members of the committee;**
- **at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings;**

Alternatively, if there is no risk committee or the committee does not satisfy the recommend structure, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Recommendation 7.2:

The Board should:

- **review the risk management framework at least annually to satisfy itself that it continues to be sound; and**
- **disclose, in relation to each reporting period, whether a review has taken place.**

Recommendation 7.3:

The Company should disclose:

- **if it has an internal audit function, how that function is structured and what role it performs; or**
- **if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**

Recommendation 7.4:

The company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Risk committee

Agenix has elected not to adopt Recommendation 7.1 as it considers that its existing practices, detailed within this Statement, are an efficient means of meeting the needs of the Company, particularly having regard to the fact that Agenix is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, board structure and composition.

The Agenix Board currently consists of four (4) members. It is considered further division of the Board for the purposes of establishing a formal audit committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The Board considers that the technical skills, qualifications and experience represented by the involvement of members Mr C McNamara, Mr N Weston, Mr C Chapman and Mr A Lee are most suited to the effective discharge of these responsibilities.

The Board, will, however, continue to monitor the requirements of this recommendation in the context of the Company's prevailing position and circumstances.

Oversight and management of material business risks

The Board of Agenix:

- recognise that effective management of risk is an integral part of good management and vital to the continued growth and success of Agenix;
- is responsible for the oversight of the Group's risk management and control framework including the development of risk profiles as part of the overall business and strategic planning process including budgeting, decision making (e.g. investment appraisal), monitoring and reporting, project management and internal controls; and
- has implemented a policy framework designed to ensure that the Group's risks are identified, analysed, evaluated, monitored, and communicated within the organisation on an ongoing basis, and that adequate controls are in place and functioning effectively.

The Agenix risk management and control policy framework incorporates the maintenance of appropriate policies, procedures and guidelines which address the Company's unique operating environment and is utilised by the Board as a means of identifying opportunities and avoiding or mitigating losses in the context of its business.

The Chief Executive Officer has ultimate responsibility for the control and management of operational risk and the implementation of avoidance or mitigation measures within the Group and may delegate control of these risks to the appropriate level of management at each location.

The Chief Executive Officer's approach to management of risk as part of key business processes includes consideration, identifying, managing and monitoring uncertainties and vulnerabilities that might impact on the achievement of our corporate goals and reputation.

Review of risk management framework

The Board regularly monitors the operational and financial performance of the Company and the economic entity against budget and other key performance measures. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks.

Management has reported to the Board on the effectiveness of the Company's management of its material business risks in respect of the year ended 30 June 2014. This report was undertaken in accordance with the process outlined in this Statement.

Principle 8: Remunerate fairly and responsibly.

An entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders

Recommendation 8.1:

The Board should establish a remuneration committee.

The remuneration committee should be structured so that it:

- **has at least three (3) members and consists of a majority of independent directors; and**
- **is chaired by an independent chair, who is not chair of the board;**

and disclose:

- **the remuneration committee charter;**
- **the members of the committee;**
- **at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings;**

Alternatively, if there is no remuneration committee or the committee does not satisfy the recommend structure, disclose that fact and the processes it employs for setting the

level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Recommendation 8.2:

An entity should separately disclose its policies and practices regarding the remuneration of non-executive directors' and the remuneration of executive directors and other senior executives.

Recommendation 8.3:

An entity which has an equity-based remuneration scheme should:

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

Establishment of remuneration committee

Given the nature and size of the Company's operations, the Board has decided against the use of a separate remuneration committee in accordance with Recommendation 8.1. This function is undertaken by the full Board.

The Agenix Board currently consists of four (4) members. It is considered that further division of the Board for the purpose of convening formal remuneration committee meetings would not achieve enhanced efficiency or enable the Board to add greater value to this process.

The small size of the Agenix Board, the nature of its business and its management structure, means that Agenix has the present capacity of giving due consideration to the overall remuneration policies and strategies and strategies of the Company during the conduct of its regular board meetings and by appropriate recourse to relevant market data and, where applicable, to external executive remuneration consultants.

Executive director and non-executive director remuneration

The aggregate remuneration of non-executive directors is approved by security holders.

Individual directors' remuneration is determined by the board within the approved aggregate total. In determining the appropriate level of director's fees, data from surveys undertaken of other public companies similar in size or market section to Agenix is taken into account.

Non-executive directors of Agenix are:

- not entitled to participate in performance based remuneration practices unless approved by security holders.
- currently remunerated by means of the payment of cash benefits in the form of directors' fees or alternatively by issue of securities in lieu of cash benefits provided it is approved by security holders.

Agenix does not currently have in place a retirement benefit scheme or allowance for its non-executive directors, except for the payment of superannuation currently equal to nine and one half per cent (9.5%) as required by law.

A review of the compensation arrangements for the Chief Executive Officer and Senior Executives is currently conducted by the full Board at a duly constituted Directors' Meeting. The review is performed annually and is based upon criteria including individual performance, market rates paid for similar positions and the results of the Company during the relevant period.

The broad remuneration policy objective of Agenix is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest possible quality and standard to enable the organisation to succeed.

At the 2010 Annual General Meeting security holders approved the establishment of a new directors and executives share plan known as the Agenix Corporate Equity Plan ("ACEP") which provides the Board with the discretion to grant options to eligible Directors, executives and consultants for the purpose of acquiring options and shares pursuant to the plan rules.

The Board ensures that the payment of equity based executive remuneration is made in accordance with thresholds established by ACEP and exercises its discretion under the scheme in a manner consistent with the broad remuneration policy objectives of the Company.

Agenix is committed to making timely disclosure of all relevant information relating to its remuneration practices and policies.

Policy disclosure

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of their remuneration are detailed in the Directors' Report contained within the Agenix 2014 Annual Report and Notes to and forming part of the 2014 Financial Statements.

Remuneration scheme

The Company does not currently have an equity-based remuneration scheme. In the event that the board determines that it is in the best interests of security holders to introduce an equity-based remuneration scheme, the scheme will be designed to ensure that it does not limit the economic risk and that it meets requirements of Section 206J of the Corporations Act.

AGENIX LIMITED
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $	2013 $
Revenue	4	28,190	13,445
Depreciation and amortisation expense	5(d)	(8,360)	(15,173)
Employee benefit expense	5(e)	(481,027)	(440,230)
Finance costs	5(b)	(3,403)	(3,334)
Foreign exchange gains (losses)	5(c)	(4,483)	22,061
Occupancy and administrative expenses		(293,576)	(664,169)
Research & development expenses	5(a)	(40,063)	(769,027)
Share based payment expense	22	(1,857)	(3,838)
Loss before income tax expense from continuing operations		(804,579)	(1,860,265)
Income tax expense	6	-	-
Loss for the year after tax from continuing operations		(804,579)	(1,860,265)
Profit after income tax from discontinued operations	7	1,590,739	(1,398,204)
Profit (Loss) after income tax expense for the year		786,160	(3,258,469)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign controlled entities		3,832	(20,565)
Other comprehensive income for the year, net of tax		3,832	(20,565)
Total comprehensive income for the year		789,992	(3,279,034)
Profit (Loss) attributed to owners of Agenix Limited		786,160	(3,258,469)
Total Comprehensive Income attributed to owners of Agenix Limited		789,992	(3,279,034)
Earnings per share for loss from continuing operations attributable to the owners of Agenix Limited			
Basic earnings	19	($0.0066)	($0.0384)
Diluted earnings	19	($0.0066)	($0.0384)
Earnings per share for profit from discontinued operations attributable to the owners of Agenix Limited			
Basic earnings	19	$0.0131	($0.0286)
Diluted earnings	19	$0.0107	($0.0286)
Earnings per share for profit from attributable to the owners of Agenix Limited			
Basic earnings	19	$0.0065	($0.0670)
Diluted earnings	19	$0.0053	($0.0670)

The accompanying notes should be read in conjunction with these financial statements.

AGENIX LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	27,944	654,399
Trade and other receivables	12	6,752	10,400
Prepayments		3,664	44,948
		38,360	709,747
Assets of discontinued operations classified as held for sale	7	2,046,809	-
TOTAL CURRENT ASSETS		2,085,169	709,747
NON-CURRENT ASSETS			
Property, plant and equipment	14	7,130	15,632
Intangible assets	15	-	-
TOTAL NON-CURRENT ASSETS		7,130	15,632
TOTAL ASSETS		2,092,299	725,379
CURRENT LIABILITIES			
Trade and other payables	16	193,835	514,446
Financial liabilities	17	225,000	-
		418,835	514,446
Liabilities directly associated with assets classified as held for sale	7	286,385	-
TOTAL CURRENT LIABILITIES		705,220	514,446
TOTAL LIABILITIES		705,220	514,446
NET ASSETS		1,387,079	210,933
EQUITY			
Issued capital	18	77,190,398	76,806,100
Share based payment reserve	18	4,663,636	4,661,780
Foreign currency translation reserve	18	(102,842)	(106,674)
Accumulated losses		(80,364,113)	(81,150,273)
TOTAL EQUITY		1,387,079	210,933

The accompanying notes should be read in conjunction with these financial statements

AGENIX LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated

	Note	Issued Capital	Accumulated losses	Share based payment reserve	FX translation reserve	Total equity
		$	$	$	$	$
Balance at 1 July 2012		74,357,980	(77,891,804)	4,657,942	(86,109)	1,038,009
Total comprehensive income for the year:						
Loss for the year		-	(3,258,469)	-	-	(3,258,469)
Other comprehensive income:						
Foreign currency translation reserve differences		-	-	-	(20,565)	(20,565)
Total comprehensive income for the year		-	(3,258,469)	-	(20,565)	(3,279,034)
Transactions with owners in their capacity as owners:						
Shares issued during the year, net of transaction costs		2,448,120	-	-	-	2,448,120
Share based payments		-	-	3,838	-	3,838
		2,448,120	-	3,838	-	2,451,958
Balance at 30 June 2013	18	76,806,100	(81,150,273)	4,661,780	(106,674)	210,933
Total comprehensive income for the year:						
Profit for the year		-	786,160	-	-	786,160
Other comprehensive income:						
Foreign currency translation reserve differences		-	-	-	3,832	3,832
Total comprehensive income for the year		-	786,160	-	3,832	789,992
Transactions with owners in their capacity as owners:						
Shares issued during the year, net of transaction costs		384,298	-	-	-	384,298
Share based payments		-	-	1,856	-	1,856
		384,298	-	1,856	-	386,154
Balance at 30 June 2014	18	77,190,398	(80,364,113)	4,663,636	(102,842)	1,387,079

The accompanying notes should be read in conjunction with these financial statements

AGENIX LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		25,093	9,102
Payments to suppliers and employees		(785,974)	(906,464)
Payments relating to research and development		(98,346)	(442,590)
Interest received - bank		2,877	4,730
Finance costs		(1,721)	(3,334)
Net cash provided by (used in) operating activities	11	(858,071)	(1,338,556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	-
Payments for property, plant and equipment		-	(2,988)
Net cash provided by (used in) investing activities		-	(2,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		-	1,861,932
Proceeds from borrowings		275,000	140,000
Repayment of borrowings		(50,000)	(70,000)
Net cash provided by (used in) financing activities		225,000	1,931,932
Net increase (decrease) in cash held		(633,071)	590,388
Cash at beginning of financial year		654,399	56,323
Effect of exchange rate of cash held in foreign currencies		6,616	7,688
Cash at end of financial year	11	27,944	654,399

The accompanying notes should be read in conjunction with these financial statements

Note 1: Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

Agenix has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AABS) that are mandatory for the current period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There is no significant impact arising from adopting these Accounting Standards or Interpretations on the financial performance and the position of the consolidated entity.

The following Accounting Standards are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

Agenix has applied AASB 10 from 1 July 2013, which has a new definition of “control”. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its “power” over that other entity. A reporting entity has power when it has the rights that give it the current ability to direct the activities that significantly affect the investee’s returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether or not it has the necessary power for consolidation purposes.

AASB 12 Disclosure of Interests in Other Entities

Agenix has applied AASB 12 from 1 July 2013 The standard contains the entire disclosure requirements associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 ‘Consolidated and Separate Financial Statements’, AASB 128 ‘Investments in Associates’, AASB 131 ‘Interest in Join Ventures’ and Interpretation 112 ‘Consolidation – Special Purpose Entities’.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

Agenix has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the ‘exit price’ and provides guidance on measuring fair value when a market becomes less active. The ‘highest and best use’ approach is used to measure non-financial assets whereas liabilities are based upon transfer value. The standard requires increased disclosure where fair value is used.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Management Personnel Disclosure Requirement

Agenix has applied AASB 2011-4 from 1 July 2013, which amends AASB 124 Related Party Disclosures by removing the disclosure requirements for individual key management personnel (KMP). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify that the KMP disclosure requirements to be included within the Remuneration Report which forms part of the Directors’ Report.

Note 1: Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available for sale financial assets and financial assets and liabilities at fair value through the profit and loss.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary Information about the parent entity is disclosed in Note 10.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all the subsidiaries of Agenix Limited ('company or parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Agenix Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Operating segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports presented to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 1: Significant accounting policies (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is Agenix Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

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

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on the that period's taxable income based upon the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised in prior periods, where applicable.

Deferred tax assets are recognised for deductable temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses. No deferred tax assets have been recognised at reporting date.

Agenix Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each individual subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within the group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

The head entity has significant unused tax losses which have not been recognised as a deferred asset at this time as a result no assets or liabilities arise under tax funding agreements with the consolidated tax entity. In the event that the tax consolidated group derives sufficient future taxable amounts to recoup unused tax losses, the tax funding arrangement will ensure that the intercompany charge equals the then tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 1: Significant accounting policies (continued)

Discontinued operations

A discontinued operation is a component of the consolidated entity has been disposed of or is classified as held for sale and that represents a separate major line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Agenix has not at any time during or since the end of the reporting period obtained bank overdraft facilities.

Trade and other receivables

Trade and other receivables primarily consist of amounts due to the consolidated entity in respect of the refund of input tax credits claimed under the ‘Good and Services Tax’ regime. These receivables are recognised at amortised cost, less any provision for impairment.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of the disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 1: Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives of between 2 and 5 years.

The residual values, useful lives and deprecation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The consolidated entity does not have any finance lease commitments. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets. The risks and benefits under operating leases remain with the lessor.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible Assets

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 5 to 10 years. Patents relating to the research phase of a project are expensed at the time of incurring the cost, as the future value of the patent cannot be determined.

AGX- 1009

AGX - 1009 is a separately acquired intangible asset and comprises intellectual property, rights and know-how and patents in respect of the property. Intellectual property is recognised at cost of acquisition. Intellectual property is carried at cost less any accumulated amortisation and any impairment losses. The costs incurred in respect of pre-clinical trials are considered directly attributable costs for preparing the product for its intended use as the primary purpose of the trials is to ensure that the efficacy of the product is established. These costs are in addition to the purchase price of AGX - 1009 and have been assessed as forming part of the overall acquisition. The life of the overall intellectual property was assessed on an annual basis to assess whether or not impairment is required.

AGX - 1009 was divested during the year with proceeds being received from the divestment after year end.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Note 1: Significant accounting policies (continued)

Development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

DiagnostIQ®

In 2013 the Group acquired the rapid point-of-care human diagnostic technology by way of a share exchange transaction to licence the exclusive world-wide royalty free rights of the human health applications for Tyrian Diagnostic Limited's proprietary DiagnostIQ® rapid point-of-care test platform. The share exchange transaction was completed in the current year. Upon acquisition the Group assessed whether or not the licence fee payable was capable of being treated as an intangible asset in accordance with the applicable accounting standard (AASB 138). The Group formed the view that not all tests required to be met could be met in accordance with the accounting standard and as a result the licence fee was expensed directly to the profit and loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the reporting period and which are unpaid. Due to the short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

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

Where there is an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred including interest on borrowings regardless of term.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, and it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in provision resulting from the passage of time is recognised as a finance cost.

Note 1: Significant accounting policies (continued)

Employee benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date an dare measure at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits

No other long term benefits which are required to be recognised as non- current liabilities exist as at the date of this report or the reporting period.

Share based payments

Equity settled share-based compensation benefits are provided to employees.

Equity settled transactions are awards of securities, or options over securities, which are provided to employees in exchange for the rendering of services. Cash settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by the price of the securities.

The cost of equity- settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. Fair value is independently determined using the Black-Scholes pricing option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the securities price at grant date and expected price volatility of the underlying securities, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do no determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of other vesting provisions, if any.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions and considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of the modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or the employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Agenix has not entered into any cash settled equity transactions during or since the reporting period.

Issued Capital

Ordinary securities are classified as issued capital.

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

Note 1: Significant accounting policies (continued)

Earnings per security

Basic earnings per security is calculated by dividing the profit (loss) attributable to the owners of Agenix Limited excluding any costs of servicing equity other than ordinary securities, by the weighted average number of ordinary securities outstanding during the reporting period, adjusted for bonus elements or share consolidation elements in ordinary securities issued during the reporting period.

Diluted earnings per security adjusts the figures used in the determination of basic earnings per security to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary securities and the weighted average number of securities assumed to have been issued for no consideration in relation to dilutive potential ordinary securities.

Goods and services tax (GST) and foreign based value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the appropriate Taxation Authority. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST or VAT, where applicable. The net amount recoverable from or payable to the tax authority is shown as other receivable or other payable in the statement of financial position.

Cash flows are presented on a gross basis. The GST or VAT, as applicable, components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments or contingencies are disclosed net of the amount of GST or VAT recoverable, or payable to the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not mandatory have not been adopted by the consolidated entity for the reporting period ending 30 June 2014.

The new standards and their mandatory reporting dates designated in brackets are:

- AASB 9 Financial Instruments and consequential amendments (after 1 January 2017)
- AASB 2012-3 Offsetting financial assets and liabilities (after 1 January 2014)
- AASB 2012-3 Recoverable amount disclosure for non-financial assets (after 1 January 2014)
- Annual improvements to IFRSs 2010-2012 Cycle (after 1 July 2014)
- Annual improvement to IFRSs 2011-2013 Cycle (after 1 July 2014)

The adoption of these standards will have no material effect on the statement of financial position or the profit or loss of the consolidated entity.

Note 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on the historical experience and other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The consolidated entity considers that its judgements, estimates and assumptions will not carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 3: Going concern

The Group's financial statements have been prepared and presented on a basis assuming it continues as a going concern.

Subsequent to year end the Group received the equivalent of $2,042,531 from the sale of its AGX-1009 project in its Chinese subsidiary Agenix Biopharmaceutical (Shanghai) Co Limited. The sale proceeds of AGX-1009 currently reside in China and the Chinese authorities have restrictions on foreign exchange transactions in RMB from China to other countries. All foreign transactions in China must be approved by the Chinese Authorities and may be subject to a quota. Accordingly this cash has a significant restriction on its use.

The reported loss from continuing operations was $804,579 (2013: $1,860,265).

As at 30 June 2014 the Group had cash at bank totalling $27,944 (2013: $654,399) and whilst the Group has a net current asset position of $1,379,949, this includes a receivable of $2,042,531 that has since been collected as cash which is subject to restrictions and is not available to meet immediate cash needs.

The Group's ability to continue as a going concern is dependent on its ability to repatriate the proceeds from the sale of AGX-1009 project in China, access borrowings, raise additional capital and access to the Baycrest Continuous Investment Agreement which provides funding, subject to the terms of the agreement, of up to $3,000,000 over 36 months commencing on 31 January 2013.

The going concern basis of accounting contemplates the continuity of normal business activities, including the realisation of assets and settlement of liabilities in the normal course of business.

The Board believes that the Group will be able to repatriate the proceeds from the sale of AGX-1009 project in China, continue to access short term borrowings or raise new equity capital to fund its business plans by way of a rights issue or capital raising from existing and potential cornerstone investors.

Should the Group not be successful in achieving these mitigating factors, the Group may not be able to continue as a going concern. Furthermore, the ability of the Group to continue as a going concern is subject to the ability of the Group to successfully develop and commercialise the products being developed. If the Group is unable to obtain funding of an amount and timing necessary to meet its future operational plans, or to successfully commercialise its intellectual property, the Group may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 4: Revenue

	Note	Consolidated 2014 $	Consolidated 2013 $
Licence fees		25,382	3,745
Interest received - bank		2,808	4,700
Government grants		-	5,000
Total revenue		28,190	13,445

Note 5: Expenses

		Note	2014 $	2013 $
	Expenses			
a.	**Research & development expensed as incurred**			
	ThromboView®		28,563	50,165
	AGX - 1009		-	218,862
	DiagnostIQ®		11,500	500,000
	Other			-
			40,063	769,027
b.	**Finance costs**			
	Interest - external		3,403	3,334
			3,403	3,334
c.	**Foreign exchange (gain)/loss**			
	Realised foreign currency translation losses (net)		1,394	1,562
	Unrealised foreign currency translation losses (gains) (net)		3,089	(23,623)
			4,483	(22,061)
d.	**Depreciation and amortisation**			
	Depreciation of non-current assets	14	8,360	15,173
			8,360	15,173
e.	**Employee benefit expense**			
	Wages and salaries		451,275	413,633
	Compulsory superannuation and pension contributions		17,255	15,190
	Annual leave provided		-	-
	Workers compensation insurance		716	1,045
	Fringe benefits tax		11,781	10,362
			481,027	440,230
f.	**Significant revenue and expenses**			
	Expenses			
	Impairment of intangible asset	15	-	1,135,498
	Reversal of impairment of intangible asset	15	(1,135,498)	-
	Research & development expensed as incurred	6a.	40,063	769,027
	Employee benefit expense	6e.	481,027	440,230
			(614,408)	2,344,755

Note 6: Income tax expense

	Note	Consolidated 2014 $	2013 $
The prima facie tax, using tax rates applicable in the country of operation, on profit (loss) differs from the income tax provided in the financial statements as follows:			
Profit (Loss) before tax from continuing operations		(804,579)	(1,860,265)
Profit before tax from discontinued operations		1,590,739	(1,398,204)
Profit (Loss) before Tax		786,160	(3,258,469)
Prima facie tax on profit (loss) from ordinary activities before income tax at Australian tax rate 30% (2013: 30%)		(241,374)	(558,080)
Prima facie tax on profit (loss) from discontinued operations before income tax at Chinese tax rate 25% (2013: 25%)		397,685	(349,551)
		156,311	(907,631)
Tax effect of:			
— share based expense payments during year		557	427
— Other items not deductable/ taxable		(283,665)	438,514
Deferred tax assets not recognised as recoverability is not probable		126,797	468,690
Income tax expense		-	-
Deferred tax assets are not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur.			
Origination and reversal of temporary timing differences		13,232	142,131
Operating tax losses as at 30 June available to off-set future taxable income[1]		58,121,148	63,381,709
Capital tax losses as at 30 June to off-set future taxable capital gains		21,217,314	21,217,314

[1] Chinese taxation law limits the availability of losses carried forward for a period of 5 years from the year in which they are incurred, subject to some deferral rules, and as such will have no effect until 2016. As a result of discontinuing operations in China it is expected that the available tax losses will not be recouped and therefore not available to off-set future taxable income and excluded from carry forward losses.

Australia taxation law (subject to eligibility criteria) has no time limit on the availability of losses carried forward to be offset against future assessable income.

Note 7: Discontinued operations

In April 2014 Agenix Biopharmaceutical (Shanghai) Co Limited (ABSL) entered into an agreement to sell its project AGX 1009 upon completion of pre-clinical trials. Upon crystallisation of the sale of AGX 1009 during the year ended 30 June 2014, the Directors intention is to sell or liquidate ABSL as it is no longer required to be maintained. As a result the operations of ABSL are treated as being discontinued and the assets and liabilities disclosed as held for sale at balance date.

Financial performance information	**Consolidated**	
	2014 $	**2013 $**
Interest received	69	30
Total revenue	69	30
Unrealised foreign exchange losses	(27,018)	(1,487)
Research and development	(21,305)	(28,093)
Employee benefit expense	(169,580)	(166,091)
Corporate expenses	(86,954)	(67,064)
Impairment/reversal of impairment of intellectual property	1,135,498	(1,135,498)
Total expenses	830,641	(1,398,234)
Profit (Loss) before income tax expense	830,710	(1,398,204)
Income tax expense	-	-
Profit (Loss) after income tax expense	830,710	(1,398,204)
Profit on disposal before income tax	760,029	-
Income tax expense	-	-
Profit on disposal after income tax	760,029	-
Profit (Loss) after income tax expense on discontinued operations	1,590,739	(1,398,204)
Cash flow Information		
Net Cash used in operating activities	(233,322)	(276,190)
Carrying amounts of assets and liabilities disposed		
Trade and other receivables	2,042,531	
Prepayments	104	
Security deposits	4,174	
Total assets	2,046,809	
Trade and other payables	199,470	
Provisions	86,915	
Total liabilities	286,385	
Net assets	1,760,424	
Details of the disposal		
Sale consideration	2,066,066	
Carrying amount of intellectual property disposed	(1,135,498)	
Disposal costs	(170,539)	
Profit on disposal before income tax	760,029	
Income tax expense	-	
Profit on disposal after income tax	760,029	

Note 8: Segment information

The following is an analysis of the Groups revenue and results from continuing and reportable segments.

	Thromboview	DiagnostIQ	Other	Eliminations Unallocated	Total	Discontinued AGX - 1009
Consolidated – 2014	**$**	**$**	**$**	**$**	**$**	**$**
Revenue						
Sales to external customers	-	-	25,382	-	25,382	-
Interest revenue				2,739	2,739	69
Intersegment sales	-	-	-	-	-	-
Total Revenue	-	-	25,382	2,739	28,121	69
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(62,152)	(11,500)	-	-	(73,652)	1,590,739
Depreciation and amortisation					(8,360)	-
Finance costs					(3,403)	-
Share based payment expense					(1,857)	-
Administration costs and directors' salaries					(685,807)	-
Realised foreign exchange gains (losses)					(1,394)	-
Unrealised foreign exchange gains (losses)					(30,106)	-
Profit / (Loss) before income tax					(804,579)	1,590,739
Income tax expense					-	-
Profit / (Loss) after income tax expense					(804,579)	1,590,739

Note 8: Segment information (Continued)

	Thromboview	DiagnostIQ	Other	Eliminations Unallocated	Segment total	Discontinued AGX - 1009	Total
Consolidated – 2014	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assets							
Segment assets	1,008	-	-	-	1,008	2,046,809	2,047,817
Unallocated assets							
Cash and cash equivalents					27,110	-	27,110
Other receivables					6,578	-	6,578
Prepayments					3,664	-	3,664
Fixed assets					7,130	-	7,130
Total Assets	1,008	-	-	-	45,490	2,046,809	2,092,299
Liabilities							
Segment liabilities	20,085	-	-	-	20,085	286,385	306,470
Unallocated liabilities							
Trade and other payables					173,750	-	173,750
Financial liabilities					225,000	-	225,000
Total liabilities					418,835	286,385	705,220

Note 8: Segment information (Continued)

	Thromboview	DiagnostIQ	AGX - 1009	Other	Eliminations Unallocated	Total
Consolidated - 2013	**$**	**$**	**$**	**$**	**$**	**$**
Revenue						
Sales to external customers	-	-	-	3,745	-	3,745
Intersegment sales	-	-	-	-	-	-
Total Revenue	-	-	-	3,745	-	3,745
EBITDA	(90,750)	(500,000)	(1,652,911)	3,745	-	(2,239,916)
Depreciation and amortisation	-	-				(15,173)
Interest received and receivable -bank						4,730
Government grants						5,000
Finance costs						(3,334)
Share based payment expense						(3,838)
Administration costs and directors' salaries						(1,026,512)
Realised foreign exchange gains (losses)						(1,562)
Unrealised foreign exchange gains (losses)						22,136
Loss before income tax						(3,258,469)
Income tax expense						-
Loss after income tax expense						(3,258,469)

Note 8: Segment information (Continued)

	Thromboview	DiagnostIQ	AGX - 1009	Other	Eliminations Unallocated	Total
Consolidated - 2013	**$**	**$**	**$**	**$**	**$**	**$**
Assets						
Segment assets	7,168	-	269,464	-	-	276,632
Unallocated assets						
Cash and cash equivalents						432,566
Other receivables						6,614
Prepayments						3,185
Fixed assets						6,382
Total Assets	7,168	-	269,464	-	-	725,379
Liabilities						
Segment liabilities	12,709	338,000	79,925	-	-	430,634
Unallocated liabilities						
Trade and other payables						83,812
Total liabilities	12,709	338,000	79,925	-	-	514,446

Geographical information	**Sales to external customers**		**Geographical non-current assets**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Australia	25,382	3,745	516	6,381
China	-	-	6,614	9,251
	25,382	3,745	7,130	15,632

Note 9: Auditors' remuneration

	Consolidated	
	2014 $	2013 $
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial statements	40,989	46,053
	40,989	46,053

There was no remuneration paid or payable to the auditors for non-audit services.

Note 10: Parent entity information

The *Corporations Act* requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by regulation 2M.3.01 which requires the following limited disclosure in regards to the parent entity (Agenix Limited). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described in Note 1.

Parent entity	2014 $	2013 $
Current assets	36,685	670,168
Non-current assets[1]	1,194,170	6,382
Total assets	1,230,855	676,550
Current liabilities	396,645	418,315
Total liabilities	396,645	418,315
Net assets	834,210	258,235
Equity		
Issued capital	77,190,398	76,806,100
Share based payment reserve	4,663,636	4,661,780
Accumulated losses	(81,019,824)	(81,209,645)
Total equity	834,210	258,235
Profit/(loss) for the year[1]	189,821	(3,864,127)
Total comprehensive income for the year	189,821	(3,684,127)

1. The Company assessed the carrying values of non-current assets which comprise mainly investments in Subsidiaries and unsecured loans to subsidiaries as at 30 June 2014. In assessing the carrying value consideration was given to the 2013 charge of $2,266,116 being the provision of write down on the carrying value of the investment and loans was expensed to the Profit and Loss in that year. As a result of the successful divestment of AGX -1009 a reversal of impairment in respect of investments in subsidiaries and unsecured loans to subsidiaries totalling $933,099 was made during the year ended 30 June 2014 which resulted in Agenix Limited recording a profit for the year.

Note 10: Parent entity information (continued)

Guarantees

Agenix Limited and its Australian controlled entities have entered into a Deed of Cross Guarantee (Refer Note 13).

The parties to the Deed of Cross Guarantee are:

Agenix Limited

Agen Limited

Agen Biomedical Limited

The effect of the Deed is that Agenix Limited has guaranteed to pay any deficiency in the event of the winding up of the Australian controlled entities and the Australian controlled entities have guaranteed to pay any deficiency in the event of winding up of Agenix Limited. Agen Inc and Agenix Biopharmaceutical (Shanghai) Company Limited, each being overseas subsidiaries are not subject to the Deed of Cross Guarantee.

Contractual commitments

There were no contractual commitments for the acquisition of property, plant and equipment entered into by the parent entity at 30 June 2014 (2013 - $nil).

Contingent liabilities

At the date of this report no contingent liability exists in relation to the Deed of Cross Guarantee.

The following contingent liability existed in respect of the OKS AGX subscription deed dated 18 March 2008:

	2014 $	2013 $
Agenix Limited raised $5 Million from a placement of 41,666,667 pre share consolidation basis shares (1,666,667 shares post consolidation) under a subscription deed on 18 March 2008. By letter dated 16 June 2008, the Company was requested to confirm that it was not in breach of certain warranties within the deed, which the Company duly confirmed. In July 2008 OKS AGX reserved its rights. At the date of this report, the Company is of the view that period within which a claim may be made has, under the Limitations of Actions Act 1974 (QLD), now lapsed.	-	5,000,000

Note 11: Cash and cash equivalents

	Consolidated	
	2014 $	2013 $
Cash at bank and in hand	27,944	16,243
Deposits on demand	-	638,156
Cash and cash equivalents	27,944	654,399

Cash at bank and in hand is non-interest bearing. Deposits on demand bear floating interest rates between 1.4% and 3.5% (2013: 1.4% and 4.5%). These deposits have an average maturity of 30 days, but are callable upon demand.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

	2014 $	2013 $
Cash and cash equivalents	27,944	654,399

Reconciliation of the net profit (loss) after tax to the net cash flows from operations

	2014 $	2013 $
Net profit (loss) after income tax	786,160	(3,258,469)
Non-cash items		
Depreciation of non-current assets	8,360	15,173
Reversal of impairment AGX - 1009	(1,135,498)	-
Share based payment expense	1,857	3,838
Equity settled expenditure	46,298	330,850
Equity settled – DiagnostIQ® licence fee	338,000	162,000
Impairment of AGX-1009	-	1,135,498
Unrealised net foreign currency (gains) losses	3,088	(22,136)
Gain on disposal of AGX-1009	(760,028)	
Other	129,371	(13,256)
Changes in assets and liabilities		
Decrease (increase) in receivables	3,648	(7,778)
Decrease (increase) in prepayments and other current assets	41,284	(29,415)
(Decrease) increase in payables	(320,611)	345,139
Net cash provided by (used in) operating activities	(858,071)	(1,338,556)

Note 12: Trade and other receivables

		Consolidated	
	Note	**2014**	**2013**
		$	**$**
Other receivables	12a	-	3,696
Australian Taxation Office	12b	6,752	6,704
		6,752	10,400

12a. **Provision for impairment of receivables**

All amounts receivables that are neither past due or impaired are with clients who have a good credit history based upon review of their credit status. No receivables balances are past due or impaired balances at year end.

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

12b. **Australian Taxation Office**

This represents the amount due from the Australian Taxation Office in respect of GST.

Note 13: Controlled entities

	Country of Incorporation	Percentage Owned (%)*	
a.		**2014**	**2013**
Subsidiaries of Agenix Limited:			
Agenix Biopharmaceutical (Shanghai) Company Limited	Peoples Republic of China	100	100
Agen Limited	Australia	100	100
Agen Biomedical Limited	Australia	100	100
Agen Inc.	United States	100	100

** Percentage of voting power is in proportion to ownership*

b. Pursuant to Class Order 98/1418 dated 5 May 1999, relief has been granted to all of the above controlled entities of Agenix Limited, that were incorporated in Australia ('closed group') from the *Corporations Act 2001* requirement for the preparation, audit and lodgement of their financial reports.

c. Agenix Limited and the controlled entities subject to the Class Order, being the closed group, have entered into a Deed of Cross Guarantee. The effect of the Deed is that Agenix Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entities and the controlled entities have guaranteed to pay any deficiency in the event of the winding up of Agenix Limited. Agen Inc. and Agenix Biopharmaceutical (Shanghai) Company Limited are not subject to the Deed of Cross Guarantee.

d. As detailed in Note 3 Agenix Biopharmaceutical (Shanghai) Co Limited subsequent to year end received the equivalent of $2,042,531 from the sale of its AGX-1009 project although this cash has a significant restriction on its use.

	Closed Group Parties to Deed of Cross Guarantee	
	2014 **$**	**2013** **$**
Financial information in relation to:		
i. Statement of Profit and Loss and Other Comprehensive Income		
Profit / (loss) before income tax[1]	131,015	(2,820,102)
Income tax expense	-	-
Profit / (loss) after income tax	131,015	(2,820,102)
Profit / (loss) attributable to members of the parent entity	131,015	(2,820,102)
Other comprehensive income	-	-
Total comprehensive income for the year[1]	131,015	(2,820,102)
ii. Accumulated Losses		
Accumulated losses at the beginning of the year	(81,215,185)	(78,395,083)
Profit (Loss) after income tax	131,015	(2,820,102)
Accumulated losses at the end of the year	(81,084,170)	(81,215,185)

Note 13: Controlled entities (continued)

iii. Statement of Financial Position

	Closed Group Parties to Deed of Cross Guarantee 2014 $	2013 $
CURRENT ASSETS		
Cash and cash equivalents	27,277	627,519
Trade and other receivables	6,752	6,453
Prepayments	3,664	49,729
TOTAL CURRENT ASSETS	37,693	683,701
NON-CURRENT ASSETS		
Investment in subsidiary[1]	202,674	-
Receivables[1]	945,711	-
Property, plant and equipment	516	6,382
TOTAL NON-CURRENT ASSETS	1,148,901	6,382
TOTAL ASSETS	1,186,594	690,083
CURRENT LIABILITIES		
Trade and other payables	191,730	437,388
Financial liabilities	225,000	-
TOTAL CURRENT LIABILITIES	416,730	437,388
TOTAL LIABILITIES	416,730	437,388
NET ASSETS	769,864	252,695
EQUITY		
Issued capital	77,190,398	76,806,100
Share based payment reserve	4,663,636	4,661,780
Accumulated losses	(81,084,170)	(81,215,185)
TOTAL EQUITY	769,864	252,695

1. The Closed Group assessed the carrying values of non-current assets as at 30 June 2014. In assessing the carrying value of investments in overseas entities and loans to those entities which are not part of the closed group a reversal of previous impairments to the carrying values of investment in subsidiary and receivables from subsidiaries was credited to the profit and loss during the year as a direct result of the divestment of AGX-1009.

Note 14: Property, plant and equipment

	Consolidated	
	2014 **$**	**2013** **$**
Plant and equipment:		
At cost	75,857	77,478
Accumulated depreciation	(68,727)	(61,846)
	7,130	15,632

The useful life of assets for years 2014 and 2013 was estimated as follows:

Plant & Equipment over 2 to 5 years.

Movements in carrying amounts

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

	Note	Consolidated	
		2014 **$**	**2013** **$**
Plant and equipment as at 1 July, net of accumulated depreciation and amortisation:		15,632	26,688
Additions		-	2,988
Depreciation	5	(8,360)	(15,173)
Net effect of movement in exchange rate		(142)	1,129
Plant and equipment as at 30 June, net of accumulated depreciation and amortisation		7,130	15,632

Note 15: Intangible assets

	Note	Consolidated		
		AGX - 1009 Contract	**Development costs associated with AGX – 1009**	**Total**
		$	**$**	**$**
Net carrying amount 1 July 2012		771,891	334,259	1,106,150
Intangible assets related to AGX - 1009 acquired from IMB at cost		1,062	938	2,000
Pre-clinical trial expenditure at cost		-	27,348	27,348
		(772,953)	(362,545)	(1,135,498)
Net carrying amount at 30 June 2013		-	-	-
Reversal of impairment		772,953	362,545	1,135,498
Disposal of intangible asset	7	(772,953)	(362,545)	(1,135,498)
Net carrying amount at 30 June 2014		-	-	-

In September 2010, the Group entered into an exclusive agreement with the Institute of Medicinal Biotechnology of the Chinese Academy of Medical Sciences (IMB) in Beijing to purchase, develop and commercialise IMB's patented product candidate known as AGX -1009 and all the test results from those studies to enable submission of the Phase I trials. The total purchase price to be paid is 17 Million RMB. The agreement provides for milestone payments to be made during the development phase upon meeting agreed targets. Payments of RMB 5 Million have been made to date pursuant to the contract.

In addition to the amount payable to IMB, Agenix has engaged various parties to undertake pre-clinical studies of AGX - 1009. The amounts incurred to date are recorded at cost. To date, Agenix is not aware of any information regarding the pre-clinical studies which have raised concerns with the efficacy of the product. The pre-clinical studies were completed in June 2013.

AASB 136 Impairment of Assets requires an entity to assess whether there is any indication that an asset may be impaired, and the entity shall consider, as a minimum, the indications set out in AASB 136.. The Directors considered it was prudent to impair the asset at 31 December 2012 given the uncertainty of availability of resources to complete the project. Subsequently in April 2014 Agenix entered into a contract to divest the AGX- 1009 project. As a consequence the previous impairment has been reversed in FY 2014 in accordance with the accounting standards. Detailed information regarding the disposal can be found at Note 7 Discontinued operations.

Note 16: Trade and other payables

	Note	Consolidated 2014 $	Consolidated 2013 $
Current			
Trade payables[1]	i.	75,419	378,402
Sundry payables and accrued expenses	ii.	118,416	123,828
Accrued annual leave	iii.	-	12,216
		193,835	514,446

Terms and conditions relating to trade and other payables

i. Trade payables are non-interest bearing and are settled on normal commercial terms.

ii. Sundry payables and accrued expense are non-interest bearing and have an average term of 6 months.

iii. Accrued annual leave in respect of employees who hold a present entitlement.

[1] A total of $12,288 in respect of trade payables is due to be settled by the issue of ordinary securities in accordance with the agreements.

Note 17: Financial liabilities

	Note	Consolidated 2014 $	Consolidated 2013 $
CURRENT			
Interest bearing loans received during the year - unsecured	(i)	275,000	140,000
Interest bearing loans converted to equity during the year	(ii)	-	(70,000)
Interest bearing loans repaid during the year	(iii)	(50,000)	(70,000)
		225,000	-

Terms and conditions relating financial liabilities

(i) Pending the receipt of proceeds in respect of the sale of AGX – 1009, the directors, namely Craig Chapman and Anthony Lee, have provided loan funds to ensure the entity could continue as a going concern rather than seeking additional capital from shareholders or the equity markets. These loans are repayable once the proceeds from the sale of AGX – 1009 are repatriated to Australia. The loans are unsecured and bear interest at 8% per annum payable monthly in arrears.

(ii) On 27 June 2013, Security holders granted approval for all loans received from the Directors to be converted to Ordinary Shares in accordance with the terms and conditions set out in the Notice of Extraordinary General Meeting and Explanatory Memorandum.

(iii) Loan from a director was repaid in full during the year.

Note 18: Capital and reserves

Share capital	**Consolidated**	
	2014	**2013**
	$	**$**
130,947,876 (2013: 112,472,139) ordinary shares	82,609,361	82,225,063
Less: 1,354,741 (2013: 1,354,741) escrowed shares to SHRG vendors	(5,418,963)	(5,418,963)
129,593,135 (2013: 111,117,398) fully paid ordinary shares	77,190,398	76,806,100

The Company adopted a new replacement constitution at an extraordinary meeting of security holders held on 17 April 2007. The constitution in line with current corporations law does not require the Company to have an authorised amount of capital. Also, shares have no par value.

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 security holders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each Security holder has one vote on a show of hands.

Note 18: Capital and reserves (continued)

The following Ordinary Shares have been allotted during the year:

		Consolidated			
	Note	2014 $	2013 $	2014 No.	2013 No.
Ordinary shares					
Pre- share consolidation					
At the beginning of reporting period		76,806,100	74,357,980	112,472,139	784,893,865
Issue of shares for services rendered		-	-	-	-
Share placements under the Fortrend fixed subscription agreement		-	385,000	-	124,363,136
Share placement in satisfaction of DiagnostIQ licence fee		-	17,000	-	5,483,871
Issue of shares to directors on exercise of rights		-	-	-	-
Issue of shares - exercise of options		-	-	-	-
Effect of Share consolidation		-	-	-	(878,151,257)
Post-share consolidation					
Share placements under the Fortrend fixed subscription agreement		-	100,000	-	2,538,071
Share placement in satisfaction of DiagnostIQ licence fee		338,000	145,000	16,371,177	5,047,699
Issue of shares in respect of rights issue and new share offer		-	1,234,737	-	41,157,906
Costs of capital raisings		-	(34,019)	-	-
Issue of shares for services rendered		46,298	284,350	2,104,560	12,094,334
Issue of shares in lieu of Directors Fees		-	46,000	-	2,000,000
Issue of shares on conversion of related party loans		-	70,000	-	3,043,478
Issue of shares on conversion of notes		-	200,000	-	10,000,000
Issue of shares - exercise of options		-	52	-	1,036
Balance as at 30 June		77,190,398	76,806,100	130,947,876	112,472,139

Note 18: Capital and reserves (continued)

Options

Listed Options

A total of 20,579,019 listed options were issued pursuant to the Entitlement Offer dated 21 January 2013. During the year no listed options were exercised. At 30 June 2014, 20,577,983 listed options are on issue. The options are exercisable on or before 30 June 2015 with an exercise price of $0.05 per share.

Unlisted Options

The following unlisted options were on issue as at 30 June 2014.

	Date issued	Expiry date	Vesting date	Number on issue	Exercise price $
Employee	4 January 2013	4 January 2015	4 January 2014	200,000	0.0225
Directors	27 June 2013	30 June 2015	27 June 2013	1,521,740	0.0500
C Note	27 June 2013	30 June 2015	27 June 2013	5,000,000	0.0500

Directors

On 27 June 2013, Security holders granted approval for the directors to convert unsecured loans advanced to the Group into ordinary shares at 2.3 cents per share together with one free attaching option for every two shares acquired exercisable at 5 cents per share and expiring on 30 June 2015. These shares were issued on the exact same terms as those offered to eligible security holders under the January 2013 entitlement offer except that the directors options are not listed on the ASX.

Employee

The Employee options have been issued pursuant to the Agenix Corporate Equity Plan and employment contract. The options were issued to Nick Weston and approved by security holders at the 2012 Annual General Meeting.

C Note

On 21 May 2013, the Group secured zero coupon rate convertible notes. These notes were converted following shareholder approval at the meeting held on 27 June 2013. The terms of the Notes were that they were converted at 2 cents per share together with 1 free unlisted attaching option for every two shares allotted. These options are exercisable at 5 cents per share and expire on 30 June 2015.

Note 18: Capital and reserves (continued)

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the security holders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to security holders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to try to ensure that the Group's gearing ratio remains between 0% and 60%. During the year the directors advanced unsecured loan funds to the company to ensure that it could remain a going concern. These loan funds resulted in exceeding the debt ratio, however it was consider prudent for the directors to fund the company pending the receipt of settlement funds from the disposal of AGX – 1009 rather than seek additional capital or external debt.

Loan to SHRG vendors

Loan to SHRG vendors is for the acquisition of 1,354,741 (2013: 1,354,741) ordinary shares which are escrowed as detailed above. Interest of 8% per annum is chargeable on the outstanding balance. The loan is repayable in full upon sale of the shares. The Company is required to pay the net proceeds after netting off the amount of the Security holder loan plus accrued interest to the date of sale outstanding in relation to those shares to the Security holder. This loan has not been recorded in the statement of financial position as the loan and issue of shares related to the original 2007 China acquisition. Based upon the closing share price as at 30 June 2014 the value of the shares, being the underlying security, amounted to $20,321. The Group is reserving its position on what action may be undertaken to extinguish the loan and cancel or buy back the shares without any significant cost to the Group.

	Consolidated	
	2014	**2013**
	$	**$**
Balance at beginning of year	5,418,963	5,418,963
Net advances/repayments	-	-
Balance at end of year	5,418,963	5,418,963

Note 18: Capital and reserves (continued)

Significant Transactions after Balance Date

The Company has not issued ordinary shares since balance date.

Reserves

Share based payment reserve

The share based payment reserve records items recognised as expenses on valuation of employee share options.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

Dividends

No dividend has been paid or proposed by the Company in relation to the year ended 30 June 2014 (2013: Nil).

Franking account balance

The consolidated tax group which consists of the parent entity and Australian subsidiaries has a franking account balance of $537,967 (2013: $537,967).

Note 19: Profit (Loss) per share

The following income and share data has been used in the basic and diluted earnings per share computations:

	Consolidated	
	2014	2013
	$	$
Loss after income tax from continuing operations	(804,579)	(3,258,469)
Profit after income tax from discontinued operations	1,590,739	-
Profit / (Loss) attributable to the owners of Agenix Limited	786,160	(3,258,469)

	Consolidated	
Weighted average number of shares	**2014 No of shares**	**2013 No of shares**
Weighted average number of ordinary shares used in calculations of basic earnings per share	121,228,803	48,495,797
Weighted average number of ordinary shares used in calculations of diluted earnings per share	148,769,632	48,495,797

Options granted are considered to be potential ordinary shares and have been assessed in the determination of diluted earnings per share. As the Group has incurred losses during the year, the options are not dilutive and have not been taken into account in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

The weighted average number of shares utilised in the calculation of basic and diluted earnings per share in respect of the 2013 comparisons has been adjusted to reflect the share consolidation to enable comparison on an appropriate basis.

There have been no issues of ordinary shares between the reporting date and the date of this report.

Note 20: Capital and leasing commitments

Capital Commitments

	Consolidated	
AGX - 1009	**2014 $**	**2013 $**
Amounts in respect of AGX - 1009 subject to achieving milestones and targets.		
IMB[1]		
Not longer than a year	-	175,466
Longer than 1 year but less than 5 years	-	1,930,129
Longer than 5 years	-	-
	-	2,105,595

1. The amount included as IMB represents the total amount payable pursuant to the contract outstanding at 30 June 2013 being RMB 12,000,000. The contract is subject to achieving milestones. As a result of the divestment and tri-partite agreements with IMB the liability for the outstanding contract amount was transferred to the purchaser of AGX -1009 with an effective date in April 2014.

	Consolidated	
	2014 $	**2013 $**
Operating lease commitments		
Non-cancellable operating leases with an average remaining lease term of 10 months contracted for but not capitalised in the financial statements in respect of lease of land and buildings.		
Payable — minimum lease payments		
— not later than 12 months	-	16,455
— between 12 months and 5 years	-	-
— greater than 5 years	-	-
	-	16,455

Note 21: Contingent liabilities

	Consolidated	
	2014	**2013**
	$	**$**
Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Subscription Deed Clauses		
Agenix Limited raised $5 Million from a placement of 41,666,667 pre share consolidation basis shares (1,666,667 shares post consolidation) under a subscription deed on 18 March 2008.		
By letter dated 16 June 2008, the Company was requested to confirm that it was not in breach of certain warranties within the deed, which the Company duly confirmed. In July 2008 OKS AGX reserved its rights.		
At the date of this report, the Company is of the view that period within which a claim may be made has, under the Limitations of Actions Act 1974 (QLD), now lapsed.	-	5,000,000

The Directors are of the opinion that a provision is not required in respect of the above matter as it is not probable that a future sacrifice of economic benefits will be required.

Note 22: Share-based payments

The following share-based payment arrangements existed at 30 June 2014:

At the 2010 Annual General Meeting held on 26 November 2010, security holders approved the establishment of a new directors and executives equity plan known as the Corporate Equity Plan. Under the plan all directors, executives, staff and consultants approved by the board of the Group are eligible to be issued with options over the ordinary securities of Agenix Limited. Options are issued at the discretion of the board at an exercise price determined by the Board having regard to the weighted average market price of the underlying securities and the individual particular circumstances of each grant. The options are issued for a maximum term of six years and have a maximum vesting period of two years from date of grant. Options granted for zero consideration are expressed as Rights. Employees forfeit their options and rights if they cease employment with the Group prior to vesting. The options and rights cannot be transferred and are not quoted on the Australian Securities Exchange. Option and Rights holders do not participate in any security issue of the Company or any other body corporate. They have no voting powers.

All options granted are exercisable into ordinary securities in Agenix Limited, which confer a right of one ordinary security for every option held.

	Consolidated			
	2014		2013	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	400,000	0.1613	-	-
Granted – AGX 039	-	-	-	-
Granted – AGX 040	-	-	200,000	0.3000
Granted – AGX 041	-	-	200,000	0.0225
Exercised	-	-	-	-
Lapsed	(200,000)	0.3000	-	-
Outstanding at year-end	200,000	0.0225	400,000	0.1613
Exercisable at year-end	200,000	0.0225	200,000	0.3000

Note 22: Share-based payments (continued)

The following table lists the inputs to the option pricing model used for the years ended 30 June 2014 and 2013.

	30 June 2014	
	AGX040	AGX041
Dividend yield %	Nil	Nil
Expected volatility %	155%	155%
Risk free interest rate %	3.23%	3.23%
Expected life of options (years)	2.00	2.00
Option exercise price $	0.3000	0.0225
Weighted average share price $	0.0500	0.0225

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trend, which may not eventuate.

The expected life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Options are normally granted to employees and consultants as part of their contract and are subject to the achievement of milestones and targets. The Company utilises the grant of options and rights to provide incentive to achieve milestone and targets whilst balance the need to minimise the cash burn of the Company. During the year no employee options lapsed.

Note 23: Events after the balance date

Other than the receipt of proceeds from the divestment of AGX – 1009 (refer to Notes 3, 7 and 15), no matters or circumstances has arisen since the end of the financial year which, in the opinion of the Board, have significantly affected or may significantly affect the operations of Agenix Limited or the state of affairs of the Group in future financial years.

Note 24: Related party transactions

	Consolidated	
	2014 $	2013 $
The ultimate parent entity is Agenix Limited		
Transactions with related parties:		
1. **Rent**		
Rental contribution paid or payable to Mr N Weston for provision of office and all associated facilities pursuant to his contract of employment for an amount not exceeding $1,250 per calendar month plus GST.	15,000	15,000
2. **Interest expense**		
Interest payable at 8% per annum in respect of unsecured loans advanced by Directors, senior management and their related parties during the year.	3,403	3,334
3. **Unsecured loans received**		
Unsecured loans advanced to the company by directors and their related parties during the year.	275,000	140,000
4. **Unsecured loans repaid**		
Unsecured loans advanced to the company by directors and repaid during the year.	50,000	70,000
5. **Issue of shares and attaching options**		
434,783 ordinary shares at an issue price of $0.023 cents issued to Rights Lab Pty Limited an entity related to Nick Weston in respect of conversion of unsecured loans approved by Security holders and issued 27 June 2013 together with 217,392 unlisted options exercisable at 5 cents per share expiring 30 June 2015.	-	10,000
869,565 ordinary shares at an issue price of $0.023 cents issued to Anthony Lee in respect of conversion of unsecured loans approved by Security holders and issued 27 June 2013 together with 434,783 unlisted options exercisable at 5 cents per share expiring 30 June 2015.	-	20,000
1,739,130 ordinary shares at an issue price of $0.023 cents issued to Annmac Investments Pty Limited an entity related to Chris McNamara in respect of conversion of unsecured loans approved by Security holders and issued 27 June 2013 together with 869,565 unlisted options exercisable at 5 cents per share expiring 30 June 2015.	-	40,000
2,000,000 Ordinary Shares at an issue price of $0.023 issued to Reefpeak Pty Limited an entity related to Craig Chapman in lieu of Directors Fees approved by Security holders and issued on 27 June 2013.	-	46,000
4,980,000 ordinary shares at an issue price of $0.020 cents issued to Nampac Discretionary Trust an entity related to Craig Chapman in respect of conversion of notes approved by Security holders and issued 27 June 2013 together with 2,490,000 unlisted options exercisable at 5 cents per share expiring 30 June 2015.	-	99,600
	-	215,600

Note 24: Related party transactions (continued)

	Consolidated	
	2014 **$**	**2013** **$**
6. **Underwriting fees**		
1,250,000 ordinary shares at an issue price of $0.023 cents issued to Nampac Discretionary Trust an entity related to Craig Chapman in respect of the underwriting fee approved by Security holders and issued 27 June 2013.	-	28,500

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

a. **Prepayments**		
Directors Fees owing to Reefpeak Pty Ltd an entity related to Craig Chapman which subject to shareholder approval, will be settled by issue of ordinary shares which subject to shareholder approval, will be settled by issue of ordinary shares	-	40,959
Rental paid to Mr Weston for provision of office and all associated facilities pursuant to his contract of employment for an amount not exceeding $1,250 + GST per calendar month paid in advance for the month of July.	-	1,250
b. **Current payables**		
Amounts due to Directors and or their related entities in respect of directors' fees, superannuation, interest and expenses.	96,723	18,032
c. **Financial liabilities**		
Unsecured loan from Reefpeak Pty Limited an entity associated with Craig Chapman bearing interest at 8% per annum and repayable at call.	125,000	-
Unsecured loan from Anthony Lee bearing interest at 8% per annum and repayable at call.	100,000	-

Note 25: Key management personnel

Transactions with key management personnel

Details of key management personnel compensation are disclosed in the remuneration report which forms part of the Directors' Report.

The aggregate compensation made to directors and other members of the key management personnel of the consolidated entity is set out below:

	Consolidated	
	2014	**2013**
	$	**$**
Short term employee benefits	455,792	508,690
Post-employment benefits	37,475	36,033
Share based payments	1,857	3,838
	495,124	548,561

Note 26: Financial instruments

Financial risk management policies

Agenix's activities expose it to a variety of financial risks; market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity did not use derivate financial instruments during the year either for hedging purposes or trading. Agenix uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, foreign exchange and other price risks to determine market risk.

The director's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Their functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Market risk

The main risks the Group is exposed to through its financial instruments are market risks including foreign currency risk, interest rate risk, liquidity risk and credit risk.

a. **Foreign currency risk**

Agenix undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. This risk is measured using sensitivity analysis and cash flow forecasting. The major international currency which Agenix is exposed to is the Chinese Renminbi which has been volatile in recent times mainly due to the actions of the Chinese government. As a result the Director's considered that the costs associated with future foreign exchange contracts outweighed the benefits, if any.

Note 26: Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2014	**2013**	**2014**	**2013**
Consolidated	**$**	**$**	**$**	**$**
US Dollar	-	198,490	-	-
Chinese RMB	2,043,198	19,838	286,385	76,229
British Pound GBP	-	-	-	10,784
	2,043,198	218,328	286,385	87,013

The consolidated entity had net assets denominated in foreign currencies of $1,756,813 (assets $2,043,198 less liabilities $286,385) (2013: $131,315) as at 30 June 2014. Based on this exposure, had the Australian Dollar weakened by 10% / strengthened by 5% against these foreign currencies with all other variable held constant, the consolidated entity's profit (loss) for the year before tax would have been $175,681 lower/ $87,841 higher (2013: Loss would be higher by 13,131 or lower by $6,566 on the same basis). The percentage change is the expected volatility of the significant currencies, which is based on management's assessment of the reasonable possible fluctuations taking into consideration movements over the last six months each year, the spot rate at reporting date and government policies announced regarding currency control. The actual realised exchange loss for the year ended 30 June 2014 was $1,394.

b. **Price risk**

The Group is not exposed to any significant price risk.

c. **Interest rate risk**

The Group's borrowings consist of unsecured loans from directors at a fixed interest rate of 8% per annum and are expected to be short term. The repayment of these borrowings is dependent upon the repatriation of funds from China following the sale of the AGX -1009 project. Borrowings at fixed rates expose the consolidated entity to fair value risk. As the directors continue to advance funds by way of unsecured loans the interest expense payable each month will increase and is dependent upon the timing and amount of future loans. As at 30 June 2014 interest expense amounted to $3,403 in respect of these loans. Interest is paid monthly in arrears.

The Group's policy is to ensure no more than 50% of borrowings should mature in any 12 month period.

d. **Credit risk**

The Group is not exposed to any significant credit risk. The financial assets consist mainly of receivables from the sale of AGX -1009. The contract was secured by way of an enforceable bank guarantee in the event of default. Since 30 June 2014, the amount owing under the contract has been received in full.

e. **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (cash and cash equivalents) and available borrowing facilities to be able to pay its debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowings and matching the maturity profiles of financial assets and liabilities. In addition to borrowings the Group has entered into an equity draw down agreement with Baycrest totalling $3 Million which can be called upon at the Group's sole discretion. No drawdowns have occurred under this facility.

Note 26: Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturities for its financial instrument liabilities. The tables have been drawn up based upon the undiscounted cash flows of financial liabilities based upon the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual liabilities and therefore these totals may differ from the their carrying amount in the statement of financial position.

Consolidated Group	Carrying Amount		Within 1 Year	
	2014	2013	2014	2013
	$	$	$	$
Financial liabilities due for payment[1]				
Trade and other payables	480,220	514,446	480,220	514,446
Financial liabilities	225,000	-	234,000	-
Total expected outflows	705,220	514,446	714,220	514,446

	Exceeding 1 Year		Total	
	2014	2013	2014	2013
	$	$	$	$
Financial liabilities due for payment				
Trade and other payables	-	-	480,220	514,446
Financial liabilities due for payment	-	-	234,000	-
Total expected outflows	-	-	714,220	514,446

[1] A total of $12,288 of trade payables may be settled by way of issue of securities at the option of the Company. The financial liabilities are unsecured loans from directors bearing interest at 8% per annum. These financial liabilities are expected to be repaid before 31 December 2014. The financial liabilities differ from the face of the statement of financial position due to the fact that interest accrues on the unsecured loans at 8% per annum.

Note 27: Fair value measurement

Fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets and loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

		Consolidated			
	Footnote	2014		2013	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	27,944	27,944	654,399	654,399
Trade and other receivables	(i)	2,049,283	2,049,283	10,400	10,400
Total financial assets		2,077,227	2,077,227	664,799	664,799
Financial liabilities					
Trade and other payables	(i)	393,305	393,305	514,446	514,446
Financial liabilities	(ii)	225,000	225,000	-	-
Total financial liabilities		618,305	618,305	514,446	514,446

Note 27: Fair value measurement (continued)

The fair values disclosed in the preceding table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements of the effective interest rate determined on initial recognition and current market rates.

(iii) The trade and other receivables includes the amounts receivable on the sale of AGX -1009 disclosed as Assets held for sale in the statement of financial position. Trade and other payables includes the liabilities directly associated with the sale of AGX-1009

Note 28: Company details

The registered office and principal place of business of the Company is:

Agenix Limited, Ground Floor, 156 Collins Street, Melbourne Australia.

Tel: +61 (0) 3 8616 0379 | Email: info@agenix.com

Fax: +61(0) 3 8616 0382 | Website: www.agenix.com

AGENIX LIMITED
DIRECTORS' DECLARATION

In the directors opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Standards Accounting Board as described in Note 1 of the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 13 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

Nicholas Weston

Director

29 August 2014

Melbourne

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Fax: +61 7 3221 9227
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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Agenix Limited

Report on the Financial Report

We have audited the accompanying financial report of Agenix Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

(a) the financial report of Agenix Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 3 in the financial report which indicates that the consolidated entity incurred a loss from continuing operations of $804,579 during the year ended 30 June 2014 (2013: loss from continuing operations of $1,860,265). As at 30 June 2014 the Group had cash at bank totalling $27,944 (2013: $654,399) and whilst the Group has a net current asset position of $1,379,949 this includes a receivable of $2,042,531 that has since been collected as cash, but is subject to restrictions and is not available to meet immediate cash needs. These conditions, along with other matters as set out in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 18 of the directors' report for the year ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of Agenix Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

C Jenkins
Director

Brisbane, 29 August 2014

Agenix Limited
ADDITIONAL INFORMATION

The following information is required by ASX Limited in respect of listed public companies only and is not shown elsewhere in this report. The information is current as at the close of business 27 August 2014.

Distribution of security holders holding ordinary shares

Size of holding	Number
1 – 1,000	2,227
1,001 – 5,000	652
5,001 – 10,000	126
10,001 – 100,000	295
100,000 and above	134
Total	3,434

Marketable parcels

The number of shareholdings held in less than marketable parcels is 3,214.

Substantial security holders

The names of the substantial security holders listed in the holding company's register as at 27 August 2014 are:

Security holder	Number of ordinary shares
Craig Graeme Chapman <Nampac Discretionary A/C>	19,739,051
Lindsay Murray Carthew <Family Account>	10,055,437
Scintilla Strategic Investments Limited	7,090,000
Annmac Investments Pty Limited <Anne McNamara Invest A/C>	6,878,759

Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares – each ordinary share is entitled to one vote when a pole is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Company secretary

The name of the company secretary is Mr Gary Taylor.

Registered office

The address of the principal and registered office in Australia is Ground Floor, 156 Collins Street, Melbourne VIC 3000. Telephone +61 (0)3 8616 0379.

Share register

The register of securities is held at:

Advanced Share Registry Limited
150 Stirling Highway, Nedlands WA 6009 Australia.

Securities exchange listing

The Company is listed on the Australian Securities Exchange (ASX). The home exchange is Melbourne Australia.

20 Largest security holders – fully paid ordinary shares

	Name	Number	%
1	Craig Graeme Chapman <Nampac Discretionary A/C>	19,739,051	15.074
2	Lindsay Murray Carthew <Family Account>	10,055,437	7.679
3	Scintilla Strategic Investments Limited	7,090,000	5.414
4	Annmac Investments Pty Limited <Anne McNamara Invest A/C>	6,878,759	5.253
5	Annmac Investments Pty Limited <Anne McNamara Invest A/C>	4,000,000	3.055
6	Kevin John Cairns <Cairns Family A/C>	2,389,698	2.340
7	Fortrend Small Cap Investors Limited	3,026,431	2.311
8	Lindsay Murray Carthew <Family Account>	2,988,000	2.282
9	Baycrest Capital LLC	2,166,818	1.655
10	Reefpeak Pty Ltd	2,000,000	1.527
11	Jason Ty Haskard	2,000,000	1.527
12	DSA Superannuation Nominees Pty Ltd <DSA Super Fund A/C>	1,700,000	1.298
13	OKS AGX Inc.	1,666,667	1.273
14	Mr Anthony Lee Vui Han	1,485,187	1.134
15	Pacific Superannuation Pty Ltd	1,425,081	1.088
16	W & Z Holdings Company Ltd	1,354,741	1.035
17	Citicorp Nominees Pty Ltd <DPSL A/C>	1,321,521	1.009
18	Marbury Pty Ltd <Johathan Buckley S/F A/C>	1,304,560	0.996
19	Principal Funds Management Co Pty Ltd <Principal Growth>	1,300,000	0.993
20	Sino Sky Holdings Ltd	1,256,745	0.960
	Total	75,822,851	57.903

Quoted Options

20,577,983 Listed Options exercisable at 5 cents per share expiring 30 June 2015.

Unquoted Options

Unlisted Options

The following unlisted options were on issue as at 27 August 2014.

	Date issued	Expiry date	Vesting date	Number on issue	Exercise price $
Employee	4 January 2013	4 January 2015	4 January 2014	200,000	0.0225
Directors	27 June 2013	30 June 2015	27 June 2013	1,521,740	0.0500
C Note	27 June 2013	30 June 2015	27 June 2013	5,000,000	0.0500