

Appendix 4E
Preliminary final report

1. Company details

Name of entity

ACTINOGEN LIMITED

ABN or equivalent company
reference

14 086 778 476

Financial year ended
(‘reporting period’)

30 June 2014

Financial year ended
(‘previous corresponding period’)

30 June 2013

2. Results for announcement to the market

Key information	12 months ended 30 June 2014 \$	12 months ended 30 June 2013 \$	Increase/ (decrease) %	Amount change \$
Revenues from ordinary activities	181,204	298,445	(39.28)	(117,241)
Loss from ordinary activities after tax attributable to members	440,222	164,663	167.35	309,194
Net loss for the period attributable to members	440,222	164,663	167.35	309,194
Net tangible asset/(deficiency) per share	0.006	0.002		

3. Statement of comprehensive income

Refer to attached financial statements.

4. Statement of financial position

Refer to attached financial statements.

5. Statement of cash flows

Refer to attached financial statements.

6. Statement of changes in equity

Refer to attached financial statements.

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plan

Not applicable.

9. Details of entities over which control has been gained or lost during the period

Not applicable.

10. Details of associates and joint venture entities

Not applicable.

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to attached financial statements.

12. Foreign entities

Not applicable.

13. Commentary on results and explanatory information

Actinogen Limited ('the Company') incurred a net loss for the financial year ended 30 June 2014 of \$440,222 (2013: \$164,663).

During the year the Company underwent recapitalisation process, with a placement completed in October 2013 raising \$65,000 (before costs) and a further placement completed in December 2013 raising \$1,500,000 (before costs). The recapitalisation resulted in the Company's outstanding debts being repaid and sufficient cash being injected to support the Company's near term business objectives. The costs associated with the recapitalisation contributed to the increase in the net loss for the financial year.

On 10 December 2013, the Company completed a one for two share consolidation. The share consolidation was approved by shareholders on 29 November 2013.

Refer to the Directors' Report in the attached financial statements for further information.

14. Audit

This report is based on accounts which have been audited.



Dr Brendan de Kauwe
Executive Chairman

Perth, Western Australia
Friday, 1 August 2014

ACTINOGEN LIMITED

ABN 14 086 778 476

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2014

ACTINOGEN LIMITED

CONTENTS PAGE

Contents	Page
Corporate Directory	2
Corporate Governance Statement	3
Directors' Report	13
Lead Auditor's Independence Declaration	31
Statement of Comprehensive Income	32
Statement of Financial Position	33
Statement of Cash Flows	34
Statement of Changes in Equity	35
Notes to the Financial Statements	36
Directors' Declaration	63
Independent Auditor's Report	64
Shareholder Information	66

ACTINOGEN LIMITED

CORPORATE DIRECTORY

Board of Directors

Executive Chairman – Brendan de Kauwe
Non-Executive Director – Daniel Parasiliti
Non-Executive Director – Anton Uvarov

Company Secretary

Company Secretary - Peter Webse

Principal Place of Business / Registered Office

Level 2, 1 Walker Avenue
West Perth WA 6005

Postal Address

PO Box 271
West Perth WA 6872

Contact Details

Telephone: 08 9481 3860
Facsimile: 08 9321 1204
www.actinogen.com.au
ABN 14 086 778 476

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Lawyers

Steinepreis & Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

GTP Legal

Level 1, 28 Ord Street
West Perth WA 6005

Share Register

Automatic Registry Services
Suite 1A, Level 1
7 Ventnor Avenue
West Perth WA 6005

Actinogen Limited shares are listed on
the Australian Stock Exchange (ASX)

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity and pursuing the true spirit of corporate governance commensurate with the Company's needs. The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Company. To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) ("Recommendations") as published by ASX Corporate Governance Council. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration. The Company's corporate governance policy documents have been posted on its website.

The Board of the Company has gone through major change during the financial year. As a result of those changes, which were completed in December 2013, the new Board conducted a thorough review of the Company's corporate governance policies and practices, resulting in the adoption by the Board of new corporate governance policies and practices in April 2014.

In accordance with ASX Listing Rule 4.10.3, the Company is required to disclose the extent to which it has followed the Recommendations during the financial year. The Company's compliance with and departure from the Recommendations are set out below.

Principles & Recommendations	Comment
Principle 1 - Lay solid foundations for management and oversight	
1.1 Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Board is responsible for the overall corporate governance of the Company. The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters are reserved for the Board and specific matters that are delegated to management. A summary of those matters is set out in this Corporate Governance Statement.
1.2 Disclose the process for evaluating the performance of senior executives.	The Board has established a policy on Performance Evaluation Practices for its senior executives, which is available on the Company's website. The Company currently has only one senior executive, the Executive Chairman. The Board reviews the performance of the Executive Chairman annually against specific performance measures set at the commencement of each financial year. No formal performance review of the Executive Chairman has taken place due to the late timing of his appointment to an executive capacity. However, the Board has regularly monitored the performance of the Executive Chairman, on an informal basis, during the tenure of his appointment.
1.3 Provide the information indicated in the Guide to reporting on Principle 1.	A copy of the Board Charter is available on the Company's website and is summarized in this Corporate Governance Statement.
Principle 2 - Structure the board to add value	
2.1 A majority of the board should be independent directors.	The Company did not have a majority of independent Directors until the appointment of Dr Anton Uvarov on 16 December 2013. The Board is currently comprised of Dr Brendan de Kauwe, Executive Chairman and Mr Daniel Parasiliti and Dr Anton Uvarov, both of whom considered

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
	independent as they are not members of management and are free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement. Dr Brendan de Kauwe is not considered independent by virtue of his position as Executive Chairman.
2.2 The chair should be an independent director.	The Chairman of the Board, Dr Brendan de Kauwe, is not an independent Director for the reasons set out in 2.1 above and 2.3 below.
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of chair and chief executive office are performed by the same individual, Dr Brendan de Kauwe, following his appointment as Executive Chairman on 23 April 2014. Although not appointed as Chief Executive Officer, as Executive Chairman, Dr de Kauwe performs the primary executive function for the Company. Prior to the Board changes in September 2013, the Executive Chairman was Dr Zhukov Pervan, who also performed the primary executive function for the Company.
2.4 The board should establish a nomination committee.	<p>The Board has not established a separate nomination committee. The full Board presently performs the function of a nomination committee. A separate nomination committee may be established when appropriate, as the Company's activities develop in size, nature and scope and where increased efficiency and effectiveness can be derived from having a separate committee.</p> <p>The Board has adopted a Nomination Committee Charter which it follows when considering matters that would usually be considered by a nomination committee. A copy of the Nomination Committee Charter is available on the Company's website.</p>
2.5 Disclose the process for evaluating the performance of the board, its committees and individual directors.	<p>The Board has established a policy on Performance Evaluation Practices for the Board, and Committees (when put in place) and individual Directors, which is available on the Company's website.</p> <p>An informal process has been established to review and evaluate the performance of the Board. Given the size of the Company, the Board is continuously reviewing the role of the Board and assessing its performance over the previous period.</p> <p>The Chairman has the primary responsibility for conducting performance appraisals of the Non-Executive Directors. Given the timing of the appointment of the Non-Executive Directors and the completion of the Company's recapitalisation in December 2013, there have been no formal appraisals of the Non-Executive Directors.</p>
2.6 Provide the information indicated in the Guide to reporting on Principle 2.	<p>The skills, experience and expertise of each Director are set out in the Directors' Report in this Annual Report.</p> <p>The Directors considered by the Board to be independent are Mr Daniel Parisiliti and Dr Anton Uvarov. A Director is considered to be independent where he substantially satisfies the test for independence set out in the ASX Corporate Governance Principles and Recommendations.</p>

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
	<p>Refer to 2.1 above.</p> <p>Member of the Board are able to take independent professional advice at the expense of the Company, subject to the prior approval of the Chairman.</p> <p>Dr Brendan de Kauwe was appointed as a Non-Executive Director on 23 September 2013, then as Executive Director on 19 November 2013, then as Executive Chairman on 23 April 2014. Mr Daniel Parasiliti was appointed as a Non-Executive Director on 23 September 2013. Dr Anton Uvarov was appointed as a Non-Executive Director on 16 December 2013.</p> <p>The Board has not established a Nomination Committee for the reasons set out in 2.4 above.</p> <p>The Board regularly reviews its mix of skills and experience in light of the Company's principal activities and direction, and is cognisant of its Diversity Policy, should the need arise for changes to the composition of the Board.</p>
Principle 3 - Promote ethical and responsible decision-making	
<p>3.1 Establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	<p>The Board has established a Code of Conduct which provides a framework for decisions and actions in relation to ethical conduct of the Company's Directors, officers and employees.</p> <p>A copy of the Code of Conduct is available on the Company's website.</p> <p>The Code of Conduct sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from management and employees. All employees are responsible for reporting circumstances that may involve a breach of the code of conduct.</p> <p>The Company has also adopted a Securities Trading Policy that establishes a procedure for dealings in the Company's securities by Directors, senior executives, employees and related parties, and also dealings in securities of other entities with whom the Company may have business dealings. The Securities Trading Policy is further described at the end of this Corporate Governance Statements under the section titled "Dealing in Company Securities". A copy of the Securities Trading Policy is available on the Company's website.</p>
<p>3.2 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p>	<p>The Company has established a Diversity Policy and is committed to workplace diversity. A copy of the Diversity Policy is available on the Company's website.</p>
<p>3.3 Disclose in each annual report the measureable objectives for achieving gender diversity set by the board in</p>	<p>The Company is at a stage of its development such that the application of measurable objectives in relation to gender diversity, at the various levels of the Company's business, is</p>

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
accordance with the diversity policy and progress in achieving them.	not considered to be appropriate nor practical.
3.4 Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company has included the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board at the end of this Corporate Governance Statement, under the section titled "Diversity".
3.5 Provide the information indicated in the Guide to reporting on Principle 3.	The Company has provided explanations of departures from Recommendations in relation to Principle 3 and has noted that copies of the Code of Conduct, Securities Trading Policy and the Diversity Policy are available on the Company's website.
Principle 4 - Safeguard integrity in financial reporting	
4.1 The Board should establish an audit committee.	<p>The Board believes that the Company is not currently of sufficient size, nor its financial affairs of such complexity to justify the formation of an audit committee. The full Board undertakes the functions normally associated with an audit committee. Each year the Board will review the necessity or ability to establish a separate audit committee and, if appropriate, delegate certain responsibilities to such committee.</p> <p>The Board has adopted an Audit Committee Charter which it follows when considering matters that would usually be considered by an audit committee.</p>
4.2 The audit committee should be structured so that it: <ul style="list-style-type: none"> ▪ consists only of Non-Executive Directors ▪ consists of a majority of Independent Directors ▪ is chaired by an independent chair, who is not chair of the board ▪ has at least three members. 	The Company has not established a separate audit committee for the reasons set out above.
4.3 The audit committee should have a formal charter.	The Board has adopted a separate Audit Committee Charter to assist it in performing the relevant functions of an audit committee. The Charter sets out the roles and responsibilities of the audit committee
4.4 Provide the information indicated in the Guide to reporting on Principle 4.	<p>The Company has not established a separate audit committee for the reasons outlined above. Therefore, it has not disclosed the names and qualifications of the committee, but has disclosed that the functions normally carried out by the audit committee are performed by the full Board.</p> <p>The Audit Committee Charter, which contains procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is available on the Company's website.</p>

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
Principle 5 - Make timely and balanced disclosure	
5.1 Establish written policies designed to ensure compliance with the ASX Listing Rule disclosure requirements, as well as ensuring accountability at a Senior Executive level for that compliance and disclose those policies or a summary of those policies.	The Company has established a Continuous Disclosure Policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001 (Cth). Under the terms of the Continuous Disclosure policy, the Managing Director (or Chairman where the Company does not have one) and the Company Secretary are primarily responsible for making decisions about what information should be disclosed publicly under the policy. Approval is sought from the Board on all significant matters. Employees must inform the Managing Director, Chairman or Company Secretary of any potentially material price or value sensitive information as soon as they become aware of it.
5.2 Provide the information indicated in Guide to Reporting on Principle 5.	A copy of the Continuous Disclosure Policy is available on the Company's website.
Principle 6 - Respect the rights of shareholders	
6.1 Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company has designed a Shareholder Communication Policy for promoting effective communication with shareholders and encouraging their participation at general meetings. The Company uses its website, quarterly, interim and annual reports, market announcements, notices of meetings, the annual general meeting and periodic newsletters to communicate with its shareholders. In addition, the Company's auditor attends annual general meetings of the Company to answer any questions raised by shareholders about the conduct of the audit and preparation and content of the auditor's report.
6.2 Provide the information indicated in the Guide to reporting on Principle 6.	The Company's Shareholder Communication Policy is available on its website.
Principle 7 - Recognise and manage risk	
7.1 Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company has established policies for the oversight and management of material business risks. The Board is responsible for the ongoing assessment of the effectiveness of risk management and internal compliance and control. The Risk Management and Internal Compliance and Control Policy is available on the Company's website and is summarised at the end of this Corporate Governance Statement under the section titled "Risk".
7.2 The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business	The Board has required management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. Management reports to the Board regularly as to the effectiveness of the Company's management of its material business risks.

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
risks.	
7.3 The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 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.	The Board has received a statement from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.
7.4 Provide the information indicated in the <i>Guide to reporting on Principle 7</i> .	<p>Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.</p> <p>The Company has received a statement of assurance from the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent).</p> <p>The Risk Management and Internal Compliance and Control Policy is available on the Company's web site and is summarised in this Corporate Governance Statement under the section titled 'Risk'.</p>
Principle 8 - Remunerate fairly and responsibly	
8.1 The Board should establish a remuneration committee.	<p>The Board has not established a separate remuneration committee. The full Board presently performs the function of a remuneration committee. A separate remuneration committee may be established when appropriate, as the Company's activities develop in size, nature and scope and where increased efficiency and effectiveness can be derived from having a separate committee.</p> <p>The Board has adopted a Remuneration Committee Charter which it follows when considering matters that would usually be considered by a remuneration committee. A copy of the Remuneration Committee Charter is available on the Company's website.</p>
8.2 The remuneration committee should be structured so that it: <ul style="list-style-type: none"> ▪ consists of a majority of independent directors ▪ is chaired by an independent director ▪ has at least three members 	Refer to 8.1 above.
8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Company has separate policies relating to the remuneration of Non-Executive Directors and that of Executive Directors and senior executives. This information is detailed in the Remuneration Report, which forms part of the Directors' Report in this Annual Report.

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Principles & Recommendations	Comment
8.4 Provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	<p>The Company has not established a remuneration committee for the reasons outlined above.</p> <p>The Company does not have any schemes for retirement benefits other than superannuation for Non-Executive Directors.</p> <p>Explanations for departures from Recommendations 8.1 and 8.2 are set out above.</p> <p>A copy of the Remuneration Committee Charter, which is followed by the Board, is available on the Company's website.</p> <p>The Securities Trading Policy, a copy of which is available on the Company's website, prohibits the hedging of risk of fluctuation of the value of the Company's securities.</p>

Unless stated otherwise, Actinogen Limited's corporate governance practices were in place for the full financial year ended 30 June 2014 and to the date of signing the Directors' Report in this Annual Report.

For further information on corporate governance policies adopted by Actinogen Limited, refer to our website, www.actinogen.com.au. A summary of the principal corporate governance practices is set out below.

The Role of the Board and Management

The Board is responsible for guiding and monitoring Actinogen Limited on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders.

The Board delegates responsibility for the day to day operations and administration of the Company to the Executive Chairman. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as Directors.

Composition of the Board

The Company's Constitution governs the regulation of meetings and proceedings of the Board.

The Board determines its size and composition, subject to the terms of the Constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the Company's Constitution.

While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operations and, therefore, an increasing contribution to the Board as a whole. Where practical, it is intended that the Board should comprise a majority of independent Non-Executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. Where practical, it is also intended that the Chair should be an independent Non-Executive Director. The Board regularly reviews the independence of each Director in light of the interests disclosed to the Board.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

of independence based on that set out in Principle 2 of the ASX Corporate Governance Revised Principles and Recommendations. The Board reviews the independence of each Director in light of interests disclosed to the Board, including their participation in Board activities associated with related entities, from time to time.

In accordance with the definition of independence above, Daniel Parisiliti and Anton Uvarov are considered to be independent. Dr Brendan de Kauwe is not considered to be independent as he is an executive of the Company.

Further details on each Director can be found in the Directors' Report in this Annual Report.

Committees of the Board

Given the Company's current size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the committees below are currently undertaken by the full Board:

- Audit Committee;
- Remuneration Committee; and
- Nomination Committee.

The above Committees may be established when appropriate, as the Company's activities develop in size, nature and scope, and where increased efficiency and effectiveness can be derived from having separate Committees.

Access to Advice

The Board, Committees, if any, or individual Directors may seek independent professional advice as considered necessary at the expense of the Company, subject to prior approval of the Executive Chairman, which shall not be unreasonably withheld. A copy of such advice received is made available to all members of the Board.

Dealings in Company Securities

The Company has adopted a Securities Trading Policy outlining when Directors, senior management and other employees may deal in the Company's securities and contains procedures to reduce the risk of insider trading.

The Securities Trading Policy has been issued to ASX and a copy is available on the Company's website

Risk

The Company has established a Risk Management and Internal Compliance and Control Policy, which puts frameworks in place to recognise and oversee the Company's risk and internal compliance and controls. The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back regularly on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

Performance

An informal process has been established to review and evaluate the performance of the Board. Given the size of Company, the Board is continuously reviewing the role of the Board, assessing its performance over the previous period, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The review may include consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board Charter;
- assessment of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review of the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the Directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Executive Chairman will have primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

Due to the replacement of the Board over the period from September 2013 to December 2013, a formal review of the performance of the Board was not conducted.

The Board will annually review the performance of the Executive Chairman and the Managing Director (if appointed). At the commencement of each financial year, the Board and Executive Chairman will agree, where applicable, a set of generally Company specific performance measures to be used in the review of the forthcoming year.

These will include:

- financial measures of the Company's performance;
- the extent to which key operational goals and strategic objectives are achieved;
- development of management and staff;
- compliance with legal and Company policy requirements; and
- achievement of key performance indicators.

The Executive Chairman was appointed to the role in April 2014 and the previous Executive Chairman resigned in September 2013. Accordingly, no performance review of the Executive Chairman was conducted.

ACTINOGEN LIMITED

CORPORATE GOVERNANCE STATEMENT

Non-Executive Director Remuneration

Non-Executive Directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for non-executive Directors' fees.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is \$150,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Non-Executive Directors are not provided with retirement benefits.

For a more comprehensive explanation of the Company's remuneration framework and the remuneration received by Directors and Executives in the current period, please refer to the Remuneration Report, which forms part of the Directors' Report in this Annual Report.

There is no scheme to provide retirement benefits to Non-Executive (or Executive) Directors.

The duties of the Remuneration Committee are currently undertaken by the full Board, which is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Executive Chairman.

Diversity

The Company is committed to actively managing diversity as a means of enhancing the Company's performance by recognizing and utilising the contribution of diverse skills and talent from its Directors, officers and employees.

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. The Company values the differences between its people and the contribution these differences make to the Company.

The Diversity Policy is available on the Company's website.

The Company is currently in an early stage of its development and given that the Company currently has few employees, the application of measurable objectives in relation to gender diversity, at various levels of the Company's business, is not considered to be appropriate nor practical.

The participation of women in the Company at 30 June 2014 was as follows:

- | | |
|--|-----|
| • Women employees in the Company | 33% |
| • Women in senior management positions | 0% |
| • Women on the board | 0% |

ACTINOGEN LIMITED

DIRECTORS' REPORT

Your Directors present their report pertaining to Actinogen Limited ("Company" or "Actinogen") for the year ended 30 June 2014.

➤ INFORMATION ON DIRECTORS

1. BOARD OF DIRECTORS

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

Dr Brendan de Kauwe (appointed 23 September 2013)
BDS (UWA), Grad Dip App Fin
Executive Chairman

Dr de Kauwe was initially appointed as Non-Executive Director on 23 September 2013, then made Executive Director on 19 November 2013, and then made Executive Chairman on 23 April 2014.

Dr de Kauwe studied a Bachelor of Science and a Bachelor of Dental Surgery at the University of Western Australia. He also holds a Post Graduate Diploma in Applied Finance, majoring in Corporate Finance, is currently completing his Masters in Applied Finance and is an ASIC compliant (RG146) Securities Adviser.

Dr de Kauwe's extensive science and bio-medical background with more than 10 years' experience in the health sector; coupled with his finance backing, gives him an integral understanding in the evaluation of projects over a diverse range of sectors.

During the past three years Dr de Kauwe has also served as a Director of the following listed companies:

- Non-Executive Director of Virax Holdings Limited (ASX Code: VHL) – appointed 30 August 2013 – Current.
- Non-Executive Director of Cossack Energy Limited (ASX Code: COD) – appointed 29 February 2012 – Resigned 15 July 2013.

Mr Daniel Parasiliti (appointed 23 September 2013)
BSc
Non-Executive Director

Mr Parasiliti has many years experience in Injury Management, Industrial Health, and as a Private Practice and Independent Physiotherapist Practitioner. Mr Parasiliti is a Partner in one of WA's largest Physiotherapy Practices in WA, Midland Physiotherapy, which employs 14 Physiotherapists, 2 Massage therapists, also other speciality professionals including Audiologists, Ear Nose and Throat Specialists and Cardiac technicians just to name a few. Since graduating as a Physiotherapist from Curtin University of Technology in 2005, Mr Parasiliti has gained extensive knowledge in private practise Physiotherapy, Allied Health Consultancy, Policy, business and patient management.

Mr Parasiliti is currently completing his Post Graduate Juris Doctorate of Law at Murdoch University, where he has a focus on property, contract, mediation, and corporation law.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Mr Parasiliti was a former Political Candidate for the State Seat of Midland which he narrowly lost by 24 votes, which is now one of the most marginal seats in Australia. Mr Parasiliti has gained an extensive network within both the State and Federal Government, subsequently leading to his campaign victory in 2013 in the Local Government elections for the City of Swan ward, Midland-Guildford.

Mr Parasiliti has held no other directorships during the past three years.

Dr Anton Uvarov (appointed 16 December 2013)
PhD BioChem.Med.Gen, MBA
Non-Executive Director

Dr Uvarov has significant experience as an equity analyst in healthcare sector, both domestically and internationally. Prior to moving to Australia he was with Citigroup Global Markets where he spent two years as a member of New York based biotechnology team.

Dr Uvarov holds a PhD degree in Biochemistry and Medical Genetics from the University of Manitoba, Canada and an MBA degree from the University of Calgary, Canada.

During the past three years Dr Uvarov has also served as a Director of the following listed companies:

- Executive Director of Sun Biomedical Limited (ASX Code: SBN) – appointed 20 November 2013 – Current; and
- Non-Executive Director of Acuvax Limited (ASX: Code: ACU) – appointed: 10 October 2013; resigned 14 March 2014.

The following Directors resigned during the year:

David Zohar (appointed 26 March 1999, resigned 16 December 2013)
BSc DipEd
Executive Director

Mr Zohar has undertaken undergraduate studies in Geology and post graduate studies in Accountancy and Commercial Law. He has been active in the exploration industry for over 20 years. He has been a director and/or CEO of a number of exploration companies and has also negotiated numerous agreements with various companies and other participants within the mining industry.

Her Zohar has been involved in the formation and/or listing on the ASX of several public mining companies. Directorships of other listed public companies over the past three years are Red River Resources Limited, Elysium Resources Ltd (previously United Orogen Ltd), Iron Mountain Mining Ltd, Eagle Nickel Ltd, and Aluminex Resources Ltd.

Zhukov Pervan (appointed 26 March 1999, resigned 23 September 2013)
Executive Chairman
MB,BS(WA), FRACGP, FAICD

Dr Pervan is a Doctor of Medicine with over 35 years' experience in various capacities in Western Australia. He has consulted to several university and government bodies in many areas. He has conducted original research in collaboration with the University of Western Australia Departments of Microbiology and Human Movement. This research has been published in international journals.

ACTINOGEN LIMITED

DIRECTORS' REPORT

In the past Dr Pervan has served as a Director of several public companies involved in exploration and in the general commercial world, including Agforce Limited, Gold Lake Mining Pty Ltd, Innovative Coatings Limited and Visionglow Global Limited. Directorships of listed public companies over the past three years are Elysium Resources Ltd (previously United Orogen Ltd), Eagle Nickel Ltd and Iron Mountain Mining Ltd.

Professor David Keast (appointed 1 November 2003, resigned 23 September 2013)
CDA (Seale Hayne Agric. College, UK), BSc, MSc, PhD, MASM
Scientific Director

Professor Keast was on the staff of the University of Western Australia for 34 years. He is currently an Honorary Research Fellow in microbiology at the University of Western Australia. He has over 220 publications, reviews and chapters in international scientific journals in the areas of microbiology, immunology and sports science.

He has wide experience in reviewing research applications for medical, cancer research and biological research for the major granting bodies in Australia. He has broad experience in administration, particularly at higher degree scholarship levels and reviewed and examined research at all levels. He has experience in contract research and patent development.

Professor Keast has held no other Directorships on any ASX-listed company during the past three years.

Professor Alan Morton – (appointed 18 July 2007, resigned 23 September 2013)
AM, Dip PE, MSc, EdD, DSc(HC), DEd(HC), FACSM, FASMF, FACHPER, FAAESS

Professor Morton was appointed a Member of the General Division of the Order of Australia (AM) in the Queen's Birthday Honour List (2001). He has been on the staff at the University of Western Australia for 30 years. He is an exercise physiologist with university teaching and research experience in Australia, Canada and the United States of America.

He has more than 260 scientific publications in the form of books, booklets, book chapters and research articles which appear in international journals of medicine, sports medicine and exercise science. He has reviewed research for a number of international scientific societies and is currently on the editorial board of an international sports medicine journal.

Professor Morton is, or has been on a number of medical and scientific advisory committees, the Board of Directors of the National Heart Foundation (WA Branch) and the Executive Committee of the Asthma Foundation (WA Branch).

Professor Morton has held no other Directorships on any ASX-listed company during the past three years.

Christopher Simon England (appointed 18 July 2007, resigned 23 September 2013)
BCom, LLB (Hons), GAICD
Non-Executive Director

Simon England is a lawyer with over 15 years' experience in private practice. He has considerable experience in all areas of commercial law including the formation and listing of public companies on the ASX and ASX compliance requirements for listed companies.

He has completed the Australian Institute of Group Directors Course for Group Directors. He is the chairman of ASX listed Iron Mountain Mining Limited and has held no other Directorships on any ASX-listed company during the past three years.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of the Company were as follows:

Name	Fully paid ordinary shares	Options
Brendan de Kauwe	2,000,000	-
Daniel Parasiliti	1,000,000	-
Anton Uvarov	2,029,350	-
Total	5,029,350	

2. DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's Directors held while each Director was in the office and the number of meetings attended by each Director.

Director	Number of meetings available to attend	Number of meetings attended
D Zohar	3	3
Z Pervan	3	3
D Keast	3	3
A Morton	3	3
S England	3	3
B de Kauwe	6	6
A Uvarov	6	6
D Parasiliti	6	6

Due to size and scale of the Company, there is no Remuneration, Nomination or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, reverted to the Board of Directors. For details of the function of the Board please refer to the Corporate Governance Statement which is included as part of this financial report.

3. CORPORATE GOVERNANCE

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and has disclosed its level of compliance with those guidelines within the Corporate Governance Statement which is included as part of this financial report.

ACTINOGEN LIMITED

DIRECTORS' REPORT

4. COMPANY SECRETARY

The following person/s held the position of Company Secretary during the financial year.

Peter Webse (appointed 10 October 2013)
B.Bus, FGIA, FCPA, MAICD

Mr Webse has over 24 years' company secretarial experience and is managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse holds a Bachelor of Business with a double major in Accounting and Finance, is a Fellow of the Governance Institute of Australia, a Fellow Certified Practising Accountant and a Member of the Australian Institute of Company Directors.

Simon Penney (appointed 24 September 2014, resigned 10 October 2014)

Shoshanna Zohar (appointed 4 July 2012, resigned 24 September 2014)

5. SHARES UNDER OPTION

As at the date of this report, there were 57,603,177 unissued ordinary shares under option of the Company are as follows:

- 9,103,177 listed options at \$0.40 per share exercisable on or before 30 September 2015; and
- 48,500,000 unlisted options at \$0.02 per share exercisable on or before 30 November 2018.

No option holder has any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

On 10 April 2014, 1,500,000 shares were issued from 1,500,000 unlisted options being exercised. For further details of the options outstanding please refer to the Remuneration Report which is included as part of this financial report.

➤ OPERATIONS AND FINANCIAL REVIEW

6. PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was pursuing biotech projects.

7. REVIEW OF OPERATIONS

Background

Actinogen's aim is to identify and isolate soil microorganisms, known as actinomycetes, which are capable of producing bioactive compounds (or exhibiting properties in their own right) of commercial value. Actinogen seeks to achieve this aim by sampling Western Australian soils and testing actinomycetes isolates identified in those soils. The Company has one of the largest libraries of isolates in Australia and specialises in finding unique properties of these actinomycetes. The microorganisms are metabolically diverse and produce bioactive molecules such as bacterial antibiotics, anti-viral agents, anti-tumour agents, antifungal agents and immunosuppressive agents that are used for humans, animals and in agriculture.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Projects

Cancer Stem Cell Stem Project

Since the successful raising of working capital and relocation of the laboratory, the Company has identified internal projects that have a better fit with our corporate strategy and will represent the best use of our internal resources. Among these projects is developing therapies targeted at cancer stem cells (CSCs).

One of Actinogen's lead therapeutic programs is focused on discovering and developing drugs to treat brain cancer and potentially other oncological diseases by the targeted killing of cancer stem cells (CSCs).

In February 2014 the Company announced it had entered into a research agreement with Curtin University to conduct further studies on the Company's CSC Project.

Cancer stem cells (CSCs) are defined as those cells within a tumour that can self-renew and drive tumorigenesis. Such cells are proposed to persist in tumours as a distinct population and cause relapse and metastasis by giving rise to new tumours. Recent research in brain tumors has identified a CD133+ cell population as a cancer stem cell population.

Cancer stem cells have been reported in many human tumours and are classified as a highly tumorigenic subpopulation that drives tumour formation, proliferation and metastasis. CSCs share a variety of biological properties with normal stem cells such as capacity for self-renewal and propagation of differentiated progeny. However, CSCs differ from normal stem cells in their inherent resistance mechanisms against radiation- and chemotherapy-induced cancer cell death, enabling them to survive and initiate tumour recurrence. Despite their potential clinical importance, the regulation of CSCs at the molecular level is not well-understood and no drugs specifically targeting CSCs been developed to date. However, recent research in brain tumours has identified a CD133+ cell population as a cancer stem cell population, giving the way to some targeted therapeutic approaches.

In its previous experiments Actinogen have tested a total of 11 actinomycetes' supernatants against U87MG and U125MG neurospheres (free floating clusters rich in stem cells). The results have demonstrated that two isolates killed the whole cell population (ACN 5059 and ACN 5086). Cells which had died due to supernatant treatment had a high percentage of CD133+ cells, and thus actinomycete isolates ACN 5059 and ACN 5086 can be assumed to target CD133+ cells.

Currently, Actinogen and Curtin University are investigating the effects of actinomycete isolates on cell viability in four different GBM (glioblastomamultiforme, a type of brain tumour) cell lines (U138, U87, A172 and LN18) using additional new techniques and assays. To confirm the activity is specific against cancer stem cells, the cells are grown in conditions that provide for the development of sphere formation. Identification of CSCs within these cultures is based upon the presence of the cell surface markers CD133 and CD44. The isolates are then tested on their ability to induce cell death in cultures enriched with CD133 and CD44 positive cells.

First study was conducted in the laboratory of Professor Arun Dharmarajan using methodologies established by his research group. The results demonstrated substantial reduction of proliferation in CSC populations in GBM cell lines (A172, U138, U87, U373). In addition, CSC sphere disruption, cell anchorage, and cell death were observed with different isolates for the CSCs across all four cell lines. This data is consistent with our previous internal results and supports the strong anti-cancer activity of some of the actinomycetes isolates.

Professor Dharmarajan is among world leading scientists in the area of cancer stem cell research and is a discoverer of secreted frizzled-related protein 4 (sFRP4) that was recently shown to inhibit cancer stem cells proliferation in several tumours including brain (Warrier et al (2014), Oncology Research, 21(2), 93-102).

ACTINOGEN LIMITED

DIRECTORS' REPORT

Antibiotic Research Project

The Company continues its focus on drug development via its Antibiotic Research Project; with its scientific team currently conducting trials at its new laboratory premises at Murdoch University's State Agricultural Biotechnology Centre (SABC), Western Australia.

Antibiotic-resistant bacteria are becoming an increasing global problem, with much research and investment directed to discovering new effective agents and treatment modalities. Infections caused by resistant microorganisms often fail to respond to the standard treatment, resulting in prolonged illness and greater risk of death. The death rate for patients with serious infections treated in hospitals is about twice that in patients with infections caused by non-resistant bacteria. A high percentage of hospital-acquired infections are caused by highly resistant bacteria such as methicillin-resistant *Staphylococcus aureus* (MRSA), vancomycin resistant enterococci (VRE) and *Clostridium difficile*.

The Company has identified the importance of continuing the research in this field due to the global demand for new potential agents and on the back of positive initial results conducted on numerous strains of bacteria, in particular MRSA and VRE.

Actinogen owns a private existing database of over 6000 actinomycetes. Previously, the library has been screened to identify actinomycetes able to produce compounds with antimicrobial activity against resistant strains. The actinomycetes are then tested for activity against the MRSA panel, VRE, *Candida* spp., *Pseudomonas aeruginosa* and the anaerobic pathogen *Clostridium difficile*.

These testing panels consist of clinical isolates of microorganisms that have developed serious antibiotic resistance patterns and can therefore be used to increase the likelihood of finding new antibiotics.

Actinogen employs a series of screening tests which become more stringent. Primary screening is a rapid test to detect the production on solid agar of an isolate producing an antibiotic directed to one or more of the test organisms outlined above. Secondary screening is then carried out on known antibiotic producing isolates, in liquid culture. Once actinomycetes with antimicrobial activity against the clinical test isolates have been identified, Actinogen then tries to identify the active compound from public literature and databases. If the compound cannot be matched to an existing substance, it is sent to an independent laboratory to obtain a molecular structure.

In the Actinogen library, 69 isolates have shown activity against the entire MSRA panel, 11 isolates have shown activity against the entire *Candida* spp. panel and 58 isolates have shown activity against VRE. Each compound with activity against the MRSA panel and *Clostridium difficile* has the potential to become a new antibiotic; however extensive further testing is required in order for this to be established.

The research team has currently inoculated the previously identified isolates and will retest these for activity against MRSA, *Candida* spp. and *C. difficile*. Of particular interest are the antimicrobial actinomycete isolates that produce unidentifiable active compounds. Future work will include isolating and testing the active compound using HPLC and fraction collection. If the isolation of the active compound is successful, it may be sent to an independent laboratory for further characterisation.

ACTINOGEN LIMITED

DIRECTORS' REPORT

The Bioethanol Project - Collaborative and Royalty Agreement with Leaf Energy Ltd (ASX: LER)

On 23 December 2013, the Company announced that it had signed a Collaborative and Royalty Agreement with ASX-listed Company Leaf Energy Ltd ("LER"), where LER will fund the further studies in the Company's Bioethanol Project; in which the Company previously identified strains of actinomycetes capable of producing cellulase(s). Cellulase(s) are enzymes used to breakdown cellulose from plant material, papers and industrial waste glycerols (Biomass), and are an important step in the production of second generation bioethanols.

The traditional method of producing cellulases is very costly and requires significant capital for infrastructure, requiring an anaerobic and high temperature and pressure environment. Actinogen can produce cellulases in an aerobic environment at low temperature and pressure and at significantly lower costs

Actinogen's enzyme production method is complimentary to LER's Glycerol Pre-treatment Process which uses cheap, recyclable glycerol at low temperature and pressure, in a simple and highly effective process.

The trials are currently being conducted at Actinogen's new laboratory facility at Murdoch University's SABC, by the Company's scientific team, and in collaboration with LER's scientific advisors.

On completion of LER's fully funded initial trial, LER will have the option to contribute further funding towards additional trials to explore the potential synergy of other actinomycetes in the Company's library. The Company will grant LER the rights to exclusive uses of any of the methods of production solely developed as part of the collaborative process in return for a net profit royalty on LER's future licensing arrangements.

The potential market opportunity is very large, with LER's Glycerol Pre-treatment process requiring a fraction of the costs and infrastructure to current worldwide methods and processing facilities. Having a highly scalable business model with licensing into multiple territories, and providing an option for excellent environmental credentials with large carbon savings should appeal to future investors and partners of that technology.

Shikimic Acid Project

In July 2012, Actinogen discovered that it could produce Shikimic acid from certain actinomycetes. This Shikimic acid has been produced on a molecular level only and not yet on a scale sufficient to commercialise the project. Shikimic acid is the main (and one of the most expensive) components used to produce the influenza medication, Tamiflu. Actinogen's method for the production of Shikimic acid is different from and potentially cheaper than, the current processes of producing Shikimic acid currently be utilised by the primary manufacturers such as Roche. The Company is currently exploring new collaborative opportunities in this area.

Salt Tolerance Project

Actinogen has been approached by third parties expressing interest in the Company's salt tolerant actinomycetes project. Actinogen has been screening actinomycetes from its existing database and testing them to see if they have any ability to survive in salty environments. The aim of this research is to develop a product that will help farmers and other plant producers grow plants and crops in salt affected environments, which is a growing problem worldwide and in particular within Australia.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Recent screening shows encouraging results identifying four isolates that can tolerate 10% saline, have the potential to survive in high salt environments and continue to lead to the production of humus to aid in the re-establishment of salt tolerant plants and the rehabilitation of salt affected soils.

The Company has more recently entered into a non-disclosure agreement with a party of interest to further explore the synergies with their existing projects with the potential for commercial collaborations.

8. FINANCIAL POSITION

The financial position of the Company for the year ended 30 June 2014 is as follows:

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Cash and cash equivalents	1,127,676	112,516
Net assets / Total equity	1,211,812	194,353
Contributed equity	7,245,614	5,788,433
Accumulated losses	(10,822,925)	(10,382,703)

Cash and cash equivalents and total equity increased which was largely the result of contributed equity issued during the year. Refer to section 11 below for further details.

9. FINANCIAL PERFORMANCE

The financial performance of the Company during the year ended 30 June 2014 is as follows:

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Revenue (\$)	181,204	298,445
Net loss after tax (\$)	(440,222)	(164,663)
Loss per share (cents)(a)	(0.29)	(0.18)
Dividend (\$)	-	-

(a) Adjusted for the consolidation of share capital that occurred during the year.

During the year the Company underwent a recapitalisation process in order to repay the Company's outstanding debts and enable cash to be injected into the Company to support its near-term objectives. The recapitalisation process was subject to, and approved by, the shareholders of the Company at the Annual General Meeting held 29 November 2013. The outlay of consulting fees, additional ASX listing fees and other associated corporate fees incurred to facilitate this process saw an increase in expenses incurred during the year. Notwithstanding a decrease in the R&D rebate claimed by the Company during the year, this resulted in an overall increase in the net loss position of the Company.

ACTINOGEN LIMITED

DIRECTORS' REPORT

10. DIVIDENDS

No amounts have been paid or declared by way of dividend since the date of incorporation. The Directors recommend that no final dividend be paid.

11. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Total equity increased to \$1,211,812 from \$194,353, an increase of \$1,017,459. The movement was largely the result of contributed equity issued, namely to progress the Company's research and development. Issue of equity is summarised below:

- \$65,000 contributed following the issue of 13,000,000 fully paid ordinary shares issued at \$0.005 per share. The securities were issued on a pre-consolidation basis.
- \$1,500,500 (before costs) contributed following the 150,000,000 fully paid ordinary shares issued at \$0.01 per share and 50,000,000 unlisted options issued at \$0.00001 per option, exercisable at \$0.02 with an expiry date of 30 November 2018. The securities were issued on a post-consolidation basis.
- \$30,000 contributed following the exercise of 1,500,000 options exercisable at \$0.02 per option. The securities were issued on a post-consolidation basis.

During the year the Company's securities were consolidated on a one for two basis. Refer to Note 13 for further information on movements in equity.

Other than what is noted above, there were no significant changes in the state of affairs of the Company during the year other than what is noted above.

12. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial years.

13. OUTLOOK & BUSINESS STRATEGY

Since relocating its laboratory facilities on 19 December 2013 to its new premises located at Murdoch University's State Agricultural Biotechnology Centre (SABC) Western Australia; the Company has re-established its team of scientists and rapidly recommenced its operations.

The recent recapitalisation, has placed the Company in a debt free position with sufficient funds to support the Company's near-term business strategies and rapidly expand the research on its cornerstone projects, in particular those focused on Drug development and Therapeutics.

The Company's Cancer Stem Cell project run in collaboration with Curtin University is nearing the completion of its first phase. Preliminary results from that study were announced in the Company's ASX Announcement released 13 June 2014.

The Company's Antibiotic Project is also underway and is being conducted by the Company's scientific team. The team is currently confirming previous findings and establishing the protocols required to move the project into the next phase.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Trials are mid-point on the Company's Bioethanol Project, which has been fully funded by Leaf Energy Ltd (ASX: LER), and run in collaboration with LER's scientific team. It is anticipated that initial results will be available in the Q3 2014.

Going forward the Company's strategy will focus on seeking collaborations with national and international partners that are active in the development of synergistic technologies. Furthermore, the Company will look to source licensing partners that could utilise the Company's current Actinomycetes library and exclusive intellectual property.

14. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Should any likely developments of the Company eventuate, this information will be made available to the market in accordance with its continuous disclosure obligations under the ASX Listing Rules.

➤ REMUNERATION REPORT (AUDITED)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The Remuneration Report is set out under the following main headings:

- | | |
|---|--|
| A | Remuneration Introduction and Philosophy |
| B | Remuneration Governance |
| C | Remuneration and Performance |
| D | Executive Director Remuneration Structure & Arrangements |
| E | Non-Executive Director Remuneration Structure & Arrangements |
| F | Details of Remuneration |
| G | Share-based Compensation |
| H | Adoption of Remuneration Report by Shareholders |

A Remuneration Introduction and Philosophy

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Key management personnel of Actinogen comprise the Board of Directors only.

The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

ACTINOGEN LIMITED

DIRECTORS' REPORT

The remuneration arrangements detailed in this report are for the Executive Chairman and Non-Executive Directors who held office during the financial year and are as follows:

Name	Position	Appointed	Resigned
Brendan de Kauwe*	Executive Chairman	23/09/2013	Current
Daniel Parasiliti	Non-Executive Director	23/09/2013	Current
Anton Uvarov	Non-Executive Director	16/12/2013	Current
David Alan Zohar	Executive Director	26/03/1999	16/12/2013
Zhukov Pervan	Executive Chairman	26/03/1999	23/09/2013
David Keast	Scientific Director	1/12/2003	23/09/2013
Alan Morton	Non-Executive Director	18/07/2007	23/09/2013
Christopher England	Non-Executive Director	18/07/2007	23/09/2013

* Brendan de Kauwe was initially appointed as a Non-Executive Director on 23 September 2013, then made an Executive Director on 19 November 2013, and then made Executive Chairman on 23 April 2014.

There were no other changes to KMP after the reporting date and before the date the financial report was authorised for issue.

The table below sets out the performance of the Company and the consequences of performance on shareholders' wealth over the past five years:

	2014	2013	2012	2011	2010
Quoted price of ordinary shares at period end (cents)	1.10	1.00	3.00	3.10	2.00
Quoted price of options at period end (cents)	-	-	-	0.10	-
Loss per share (cents)(a)	0.29	0.18	2.12	1.66	1.85
Dividends paid	-	-	-	-	-

(a) Adjusted for the consolidation of share capital that occurred during the year.

B Remuneration Governance

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

All matters of remuneration will be done in accordance with Corporations Act requirements, especially in respect of related party transactions.

Refer to the Corporate Governance Statement for further information.

ACTINOGEN LIMITED

DIRECTORS' REPORT

C Remuneration and Performance

Director remuneration is currently not linked to either long term or short term performance conditions. The Board feels that the shares currently on issue to the Directors are a sufficient, long term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the Directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

D Executive Director Remuneration Structure & Arrangements

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice.

Executive remuneration must be:

- aligned with the Company's vision, values and overall business objectives;
- must be designed to motivate management to pursue the Company's long term growth and success; and

The nature and amount of remuneration of Executives are assessed on a periodic basis by the Board (in the absence of a Remuneration Committee) for their approval, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- coherent remuneration policies and practices to attract and retain executives;
- Executives who will create value for shareholders;
- competitive remuneration offered benchmarked against the external market; and
- fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

During the financial year, the Company's Executive Chairman, Brendan de Kauwe, received fees totaling \$39,400 (plus GST). This is detailed in **Table 1** of *Section F: Details of Remuneration* and his contractual arrangement is outlined below.

- Dr Brendan de Kauwe – Executive Chairman
 - Contract date commencement as Non-Executive Director occurred on 23 September 2013, and was superseded by the contract executed on 19 November 2013 where he became an Executive Director of the Company. No remuneration was received prior to 19 November 2013. On 23 April 2014, Dr de Kauwe became the Executive Chairman however; there was no change to his contract arrangement.
 - Director's Fee: \$5,000 per month (plus GST).
 - Term: Dr de Kauwe's contract is valid for a period of six months, however, automatically extends on a monthly basis from the date of the expiry of the Term (including any extension of the Term) if the Company has not given a notice of termination.
 - Termination: The Company or the individual may terminate the contract by giving two week's written notice. In the event of breach or criminal activity termination is effective immediately without payment other than the fee accrued to the date of termination.

ACTINOGEN LIMITED

DIRECTORS' REPORT

E Non-Executive Director Remuneration Structure & Arrangements

Non-Executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors, at a general meeting held on 6 August 2007, is \$150,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

As noted above, fees for Non-Executive Directors are not directly linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

During the financial year, Non-Executive Directors, Anton Uvarov and Daniel Parasiliti received combined fees totalling \$44,371 (plus GST). This is detailed in **Table 1** of *Section F: Details of Remuneration*, and their contractual arrangements are outlined below:

- Dr Anton Uvarov – Non-Executive Director
 - Contract date commencement as Non-Executive Director occurred on 16 December 2013,
 - Director's Fee: \$3,000 per month (plus GST) subject to annual review.
 - Term: Dr Uvarov's appointment is valid until the date of the 2014 annual general meeting of the Company, whereby he will stand for election and if elected will be subject to retirement by rotation under the Company's Constitution.
 - Termination: The Company or the individual may terminate the contract immediately.
- Mr Daniel Parasiliti – Non-Executive Director
 - Contract date commencement as Non-Executive Director occurred on 23 September 2013,
 - Director's Fee: \$3,000 per month (plus GST) subject to annual review.
 - Term: Mr Parasiliti was re-elected as a Director at the 2013 annual general meeting of the Company, he is now subject to retirement by rotation under the Company's Constitution.
 - Termination: The Company or the individual may terminate the contract immediately.

F Details of Remuneration

During the financial years ended 30 June 2014 and 30 June 2013, other than what is stated in **Table 1** and **Table 2** below, the Directors did not receive any of the following benefits:

- Short-term benefits: cash bonus, non-monetary or other;
- Post-employment benefits: retirement benefits;
- Long-term benefits: cash incentives or long service leave;
- Share-based payments: share options or shares; and
- Termination/resignation payments.

The only remuneration received by the Directors within these periods were short-term benefits in the form of salaries and fees. Refer to **Table 1** and **Table 2** below. All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

ACTINOGEN LIMITED

DIRECTORS' REPORT

Table 1 - Remuneration of Key Management Personnel of the Company for the year ended 30 June 2014:

	Short Term Benefits		Post-employment	Share-based Payments		Total	Value of Share-based payments as a % of total remuneration %
	Cash salary and fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
Directors							
Brendan de Kauwe	39,400	-	-	-	-	39,400	-
Daniel Parasiliti	23,274	-	-	-	-	23,274	-
Anton Uvarov	21,097	-	-	-	-	21,097	-
David Alan Zohar	-	-	-	-	-	-	-
Zhukov Pervan	-	-	-	-	-	-	-
David Keast	-	-	-	-	-	-	-
Alan Morton	-	-	-	-	-	-	-
Christopher England	-	-	-	-	-	-	-
Total	83,771	-	-	-	-	83,771	-

Table 2 - Remuneration of Key Management Personnel of the Company for the year ended 30 June 2013:

	Short Term Benefits		Post-employment	Share Based Payments		Total	Value of Share Based payments as a % of total remuneration %
	Cash salary and fees	Cash bonus	Super-annuation	Options	Shares		
	\$	\$	\$	\$	\$	\$	%
Directors							
David Alan Zohar	-	-	-	-	-	-	-
Zhukov Pervan	-	-	-	-	-	-	-
David Keast	40,000	-	-	-	-	40,000	-
Alan Morton	-	-	-	-	-	-	-
Christopher England	-	-	-	-	-	-	-
Total	40,000	-	-	-	-	40,000	-

ACTINOGEN LIMITED

DIRECTORS' REPORT

G Share-based Compensation

Options

There were no options granted to Key Management Personnel during the financial year, nor were shares issued upon exercise of options. As at the date of this report no options were granted, exercised or were lapsed.

- (i) At balance date the relevant interest of each Key Management Personnel in options of the Company were:

	Share Options			
	Balance at beginning of the year 1.7.2013	Options Issued as Compens ation	Net change other	Balance at the of the year 30.6.2014
Directors:				
Brendan de Kauwe	-	-	-	-
Daniel Parasiliti	-	-	-	-
Anton Uvarov	-	-	-	-
David Alan Zohar	-	-	-	-
Zhukov Pervan	-	-	-	-
David Keast	-	-	-	-
Alan Morton	-	-	-	-
Christopher Simon England	-	-	-	-
Total	-	-	-	-

	Share Options			
	Balance at beginning of the year 1.7.2012	Options Issued as Compens ation	Net change other (1)	Balance at the of the year 30.6.2013
Directors:				
David Alan Zohar	11,750,000	-	(11,750,000)	-
Zhukov Pervan	11,750,000	-	(11,750,000)	-
David Keast	5,000,000	-	(5,000,000)	-
Alan Morton	1,000,000	-	(1,000,000)	-
Christopher Simon England	-	-	-	-
Total	29,500,000	-	(29,500,000)	-

1. All KMP options expired on 1 August 2012.

At the date of this report, the unissued ordinary shares of Actinogen under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Shares

There were no shares issued as compensation to Key Management Personnel during the financial year nor as at the date of signing this report.

ACTINOGEN LIMITED

DIRECTORS' REPORT

- (i) At balance date the relevant interest of each Key Management Personnel in ordinary fully paid shares of the Company were:

Fully Paid Ordinary Shares			
	Balance at beginning of the year 1.7.2013	Net change other (a)	Balance at the end of the year 30.6.2014
Directors			
Brendan de Kauwe	-	2,000,000	2,000,000
Daniel Parasiliti	-	1,000,000	1,000,000
Anton Uvarov	-	2,029,350	2,029,350
David Alan Zohar	17,941,831	(17,941,831)	-
Zhukov Pervan	17,133,334	(17,133,334)	-
David Keast	13,733,333	(13,733,333)	-
Alan Morton	666,666	(666,666)	-
Christopher Simon England	500,000	(500,000)	-
Total	49,975,164	(44,945,814)	5,029,350

- (a) Movement relates to the initial directors interest for Directors appointed during the year and the final directors interest of those Directors who have resigned during the year.

Fully Paid Ordinary Shares			
	Balance at beginning of the year 1.7.2012	Net change other	Balance at the end of the year 30.6.2013
Directors			
David Alan Zohar	17,657,983	283,848	17,941,831
Zhukov Pervan	17,133,334	-	17,133,334
David Keast	13,733,333	-	13,733,333
Alan Morton	666,666	-	666,666
Christopher Simon England	500,000	-	500,000
Total	49,691,316	283,848	49,975,164

H Adoption of Remuneration Report by Shareholders

Actinogen Limited received 91.63% of votes in favour of its Remuneration Report for the 2013 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

End of Audited Remuneration Report

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Actinogen Limited paid a premium of \$12,500 to insure the directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity in the Company, and any other payments arising from liabilities incurred by the officers in connection

ACTINOGEN LIMITED

DIRECTORS' REPORT

with such proceedings.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage from themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

16. INDEMNIFICATION OF AUDITORS

To the extent permitted by Law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court, under section 237 of the *Corporations Act 2001*, to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings. The Company was not a party to any such proceedings during the year.

18. ENVIRONMENTAL REGULATIONS

The Company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

For the year ended 30 June 2014 the Company was below the reported threshold for both legislative reporting requirements therefore is not required to register or report. The Company will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

19. NON-AUDIT SERVICES

No fees were paid for non-audit services to the external auditors and their associated entities during the year ended 30 June 2014 and 30 June 2013.

20. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2014 forms a part of the Directors' Report and can be found on page 31.

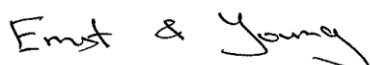
Signed in accordance with a resolution of the Board of Directors.



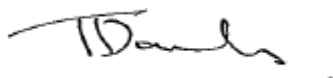
Dr Brendan de Kauwe
Executive Chairman
Perth, Western Australia
Friday, 1 August 2014

Auditor's Independence Declaration to the Directors of Actinogen Limited

In relation to our audit of the financial report of Actinogen Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



T Dachs
Partner
1 August 2014

ACTINOGEN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2014

		Full-year ended 30.6.2014	Full-year ended 30.6.2013 (Restated)
	Note	\$	\$
Revenue from continuing operations	6	34,199	2,638
Other income	6	147,005	295,807
<i>Total revenue & other income</i>		181,204	298,445
Business development		(171,621)	-
Corporate administration expenses		(194,285)	(168,234)
Research & development expenses		(232,276)	(289,159)
Finance costs		(722)	(715)
Impairment expenses		(22,522)	(5,000)
<i>Total expenses</i>		(621,426)	(463,108)
Loss Before Income Tax		(440,222)	(164,663)
Income tax benefit/(expense)	7	-	-
Loss for the year		(440,222)	(164,663)
Other comprehensive income for the year net of tax		-	-
Total comprehensive loss for the half-year		(440,222)	(164,663)
Earnings per share for (loss) attributable to the ordinary equity holders of the company			
Basic loss per share (cents)	16	(0.29)	(0.18)
Dilutive loss per share (cents)	16	(0.29)	(0.18)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

ACTINOGEN LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,127,676	112,516
Trade and other receivables	9	25,926	25,176
TOTAL CURRENT ASSETS		1,153,602	137,692
NON-CURRENT ASSETS			
Available for sale financial assets	10	1,500	1,500
Property, plant and equipment	11	106,637	120,451
Intangible assets	12	-	16,029
TOTAL NON-CURRENT ASSETS		108,137	137,980
TOTAL ASSETS		1,261,739	275,672
CURRENT LIABILITIES			
Trade and other payables	13	49,927	81,319
TOTAL LIABILITIES		49,927	81,319
NET ASSETS		1,211,812	194,353
EQUITY			
Contributed equity	14(a)	7,245,614	5,788,433
Reserves	15	4,789,123	4,788,623
Accumulated losses		(10,822,925)	(10,382,703)
TOTAL EQUITY		1,211,812	194,353

The above statement of financial position should be read in conjunction with the accompanying notes

ACTINOGEN LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

		Full-year ended 30.6.2014	Full-year ended 30.6.2013
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,000	-
Interest received		14,120	2,638
Payments to suppliers and employees		(618,911)	(418,475)
Research and development tax offset		146,954	290,272
Net cash inflow/(outflow) from operating activities	8	(437,837)	(125,565)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,684)	-
Net proceeds from sale of available for sale financial assets		-	22,320
Net cash inflow from investing activities		(4,684)	22,320
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,595,500	19,000
Transaction costs associated with issue of shares		(137,819)	(6,974)
Net cash inflow from financing activities		1,457,681	12,026
Net increase/(decrease) in cash and cash equivalents		1,015,160	(91,219)
Cash and cash equivalents at beginning of the year		112,516	203,735
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8	1,127,676	112,516

The above statement of cash flows should be read in conjunction with the accompanying notes.

ACTINOGEN LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

Full-year ended 30.6.2014	Contributed Equity	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Balance as at 1.07.2013	5,788,433	(10,382,703)	4,788,623	194,353
Loss for the year	-	(440,222)	-	(440,222)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(440,222)	-	(440,222)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the year	1,565,000	-	-	1,565,000
Capital raising costs	(137,819)	-	-	(137,819)
Options issued during the year	-	-	500	500
Shares issued upon exercise of options	30,000	-	-	30,000
Balance as at 30.06.2014	7,245,614	(10,822,925)	4,789,123	1,211,812

Full-year ended 30.6.2013	Contributed Equity	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Balance as at 1.07.2012	5,776,407	(10,217,936)	4,788,623	347,094
Loss for the year	-	(164,767)	-	(164,767)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(164,767)	-	(164,767)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the year	19,000	-	-	19,000
Capital raising costs	(6,974)	-	-	(6,974)
Balance as at 30.06.2013	5,788,433	(10,382,703)	4,788,623	194,353

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

1. CORPORATE INFORMATION

The financial statements of Actinogen Limited (the Company) for the year ended 30 June 2014 were authorised in accordance with a resolution of Directors on 1 August 2014. Actinogen Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of operations and principal activities of the Company are described in the Directors' Report. Information on other related party relationships is provided in note 19.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements of the Company are for the financial year ended 30 June 2014.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*. The financial statements have been prepared on a going concern basis.

(b) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(c) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial investments which have been measured at fair value.

(d) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 4.

(e) Correction of prior period error

The research and development payment received during the prior period under the R&D Tax Incentive scheme was incorrectly classified as an income tax benefit. The payment received under the R&D Tax Incentive scheme for costs already incurred is considered to be a Government Grant that is recognised as income in the period in which it becomes receivable (see note 2(v)). As a result, the Company has classified the R&D Tax Incentive as Other Income for the year ended 30 June 2014 and comparatives figures have been adjusted accordingly. The correction had no impact on the loss for the year ended 30 June 2014 and 2013 or earnings per share.

(f) Reclassification of expenses

During the year the Company performed a review of its financial statements and now presents an analysis of expenses recognised in profit and loss using a classification based on their function within the Company rather than their nature. A classification of expenses by function is considered to be more relevant to users. Comparatives balances have been reclassified to ensure consistency with the current year presentation. The impact of the reclassification by line item is shown in the tables below.

ACTINOGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2014

Classification of expenses by nature (as previously reported)	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Laboratory expenses	(138,028)	(255,364)
Finance costs	(722)	(715)
Administration	(347,852)	(177,597)
Trademarks & patents	-	(2,042)
Depreciation	(13,595)	(16,925)
Employee expenses	(98,707)	(5,465)
Impairment of available for sale financial assets	-	(5,000)
Impairment expenses	(22,522)	-
Total expenses	(621,426)	(463,108)

Classification of expenses by function (as restated)	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Business development	(171,621)	-
Corporate administration expenses	(194,285)	(168,234)
Research & development expenses	(232,276)	(289,159)
Finance costs	(722)	(715)
Impairment expenses	(22,522)	(5,000)
Depreciation expenses	-	-
Total expenses	(621,426)	(463,108)

(g) Plant & equipment

Each asset of plant and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Assets are depreciated from the date the asset is ready for use.

Items of plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the Company. The depreciation rates used for each class of asset for the current period are as follows:

- Plant and Equipment 7.5% to 37.5%
- Office and Equipment 40%
- Computer Equipment 25% to 66.67%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal. The expected cash flows have been discounted to their present value in determining the recoverable amount.

An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance date.

(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(i) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time of the transaction affects either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company's entitlement to the Research and Development tax rebate is recognised as a tax benefit upon receipt from the Australian Taxation Office.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high 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 changes in value and bank overdrafts.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument, or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(n) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within impairment losses – financial assets. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses – financial assets in the statement of comprehensive income.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Contributed equity

Ordinary issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(q) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(r) Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

obligations may be small.

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

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Investments and other financial assets

Classification

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Recognition

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets initially recognised at fair value with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Subsequent measurement

Available for sale financial assets are subsequently measured at fair value. Changes in the fair value of available for sale financial assets are recognised in the consolidated statement of comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest rate method.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

Details of how the fair value of financial instruments is determined and disclosed in note 3.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or Company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(v) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amount over the expected useful life of the related asset.

(w) New accounting standards and interpretations adopted

The Company has adopted all new and amended accounting standards and interpretations effective 1 July 2013, including:

(i) AASB 10 Consolidated Financial Statements

AASB 10 established a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.

AASB 10 had no impact on the Company.

(ii) AASB 11 Joint Arrangements

There is no impact upon adopting this standard as the Company does not currently have any Joint Arrangements.

(iii) AASB 12 Disclosure of Interests in Other Entities

AASB 12 includes additional disclosures relating to an entities' interest in subsidiaries, joint arrangements, associates and structured entities.

AASB 12 had no impact on the Company.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(iv) AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under AASB for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under AASB when fair value is required or permitted. The application of AASB 13 has not materially impacted the fair value measurements carried out by the Company. AASB 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures. Additional disclosures have been included (see note 2: Financial Risk Management)

(v) AASB 119 Employee Benefits (Revised 2011) (IAS 19R)

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

Management has classified leave provisions based on the expected timing of settlements. There has been no material impact upon adopting this standard.

(x) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the Company. These new standards and interpretations are set out below.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - <i>Offsetting Financial Assets and Financial Liabilities</i>	AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <ol style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or 	1 January 2018 [^]	1 July 2018 [^]

ACTINOGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</p> <p>The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:</p> <ol style="list-style-type: none"> 1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures 2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time 3. In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018 		
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	AASB 2013-3 amends the disclosure requirements in AASB 136 <i>Impairment of Assets</i> . The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
Annual Improvements 2010–2012 Cycle *****	Annual Improvements to IFRSs 2010–2012 Cycle	<p>This standard sets out amendments to International Financial Reporting Standards (IFRS) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB.</p> <p>The following items are addressed by this standard:</p> <ul style="list-style-type: none"> ▶ IFRS 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▶ IFRS 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to IAS 37. ▶ IFRS 8 - Requires entities to disclose factors used to 	1 July 2014	1 July 2014

ACTINOGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
		<p>identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.</p> <ul style="list-style-type: none"> ▶ IAS 16 & IAS 38 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ▶ IAS 24 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of IAS 24 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed. 		
Annual Improvements 2011–2013 Cycle *****	Annual Improvements to IFRSs 2011–2013 Cycle	<p>This standard sets out amendments to International Financial Reporting.</p> <p>Standards (IFRS) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB.</p> <p>The following items are addressed by this standard:</p> <ul style="list-style-type: none"> ▶ IFRS 13 - Clarifies that the portfolio exception in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32. ▶ IAS 40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of IFRS 3 that includes an investment property. That judgment is based on guidance in IFRS 3. 	1 July 2014	1 July 2014
AASB 1031	<i>Materiality</i>	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality.</p> <p>AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.</p>	1 January 2014	1 July 2014
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	<p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part A is effective for the year ended 30 June 2014 and has not impacted on Actinogen Limited.</p> <p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p>	^^	^^

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
		Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> .		
Amendments to IAS 16 and IAS 38****	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
IFRS 15****	Revenue from Contracts with Customers	IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 supersedes: (a) IAS 11 Construction Contracts (b) IAS 18 Revenue (c) IFRIC 13 Customer Loyalty Programmes (d) IFRIC 15 Agreements for the Construction of Real Estate (e) IFRIC 18 Transfers of Assets from Customers (f) SIC-31 Revenue—Barter Transactions Involving Advertising Services The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 July 2017

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

****These IFRS amendments have not yet been adopted by the AASB.

^ In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be for annual periods beginning on or after 1 January 2018, however it is available for application now.

^^ The application dates of AASB 2013-9 are as follows: Part A –periods ending on or after 20 Dec 2013. Application date for the Group: period ending 30 June 2014. Part B - periods beginning on or after 1 January 2014. Application date for the Group: period beginning 1 July 2014. Part C - reporting periods beginning on or after 1 January 2015. Application date for the Group: period beginning 1 July 2015

The company has not yet determined the impact of the above new and amended accounting standards

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk in these areas is not significant enough to warrant a formalised specific risk management program.

Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business.

Set out below is an overview of the financial instruments held by the Company as at 30 June 2014:

	Cash and cash equivalents	Loan and receivables	Available- for-sale	Fair value profit or loss	Fair value other comprehensive income
As at 30.6.2014	\$	\$	\$	\$	\$
Financial assets:					
Equity instruments	-	-	1,500	-	-
Total non-current	-	-	1,500	-	-
 Cash & cash equivalents	1,127,676	-	-	-	-
Trade and other receivables	-	25,926	-	-	-
Total current	1,127,676	25,926	-	-	-
 Total assets	1,127,676	25,926	1,500	-	-
 Financial liabilities:					
Trade and other payables	13	49,927	-	-	-
Total current	13	49,927	-	-	-
 Total liabilities	13	49,927	-	-	-
 Net exposure	1,127,663	(24,001)	1,500	-	-

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

As at 30.6.2013	Cash and equivalents \$	Loan and receivables \$	Available- for-sale \$	Fair value profit or loss \$	Fair value other comprehensive income \$
Financial assets:					
Equity instruments	-	-	1,500	-	-
Total non-current	-	-	1,500	-	-
Cash & cash equivalents	112,516	-	-	-	-
Trade and other receivables	-	25,176	-	-	-
Total current	112,516	25,176	-	-	-
Total assets	112,516	25,176	1,500	-	-
Financial liabilities:					
Trade and other payables	-	81,319	-	-	-
Total current	-	81,319	-	-	-
Total liabilities	-	81,319	-	-	-
Net exposure	112,516	(56,143)	1,500	-	-

(a) Market Risk

(i) Foreign Exchange Risk

The Company's operations are limited to domestic activities within Australia. During the year ended 30 June 2014 and 2013, the Company's cash and cash equivalents were denominated in Australian Dollars only. The Company's profit would not be impacted by changes in exchange rates.

(ii) Price risk

Equity price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with the Board established mandate limits and investment strategies.

During the year the Company's main equity price risk exposure related to the Company's available for sale financial asset.

The Company manages equity securities price risk by only investing in companies where the Board has a detailed understanding of its financial and operating position.

Currently the Company holds equity investments in the following ASX-listed Company whose shares are publicly traded and listed on the Australian Securities Exchange:

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

ASX-Listed Company:	Eagle Nickle Limited (ASX code: ENL)
Number of shares held:	500,000 shares
Close price as at 30/6/2014	\$0.003
Value of shares as at 30/6/2014:	\$1,500

Given the nature of the financial asset, the Directors do not consider this to be material to the Company and therefore has not undertaken any further analysis of exposure.

(iii) Interest rate risk

The Company's main interest rate risk exposure relates primarily to the Company's cash at bank and funds held on deposit that are both held with variable interest rates. The Company does not rely on the generation of interest on cash and cash equivalents to provide for working capital and as result does not consider this to be material to the Company and therefore has not undertaken any further analysis of exposure other than the analysis in the table below:

	As at 30.6.2014		As at 30.6.2013	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Cash and cash equivalents	2.36%	1,127,676	1.65	112,516

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's main credit risk exposure relates to the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Statement of Financial Position represents the Company's maximum exposure to credit risk in relation to those assets. The Company does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Company has no significant concentrations of credit risk within the Company except for cash held with National Australia Bank and various receivables with mostly recognised third parties.

(i) Cash

The Directors believe that there is negligible credit risk with the Company's cash and cash equivalents, as funds are held at call with National Australia Bank, a reputable Australian Banking institution with a Standard and Poors' long term credit rating of AA-.

(ii) Trade and other receivables

While the Company has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only invested at call or in bank bills that are highly liquid and with maturities of less than six months.

Financing arrangements

The Company does not have any financing arrangements.

Maturities of financial liabilities

The Company's only debt relates to trade payables, where payments are generally due within 30 days.

(d) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Company's assets measured and recognised at fair value at 30 June 2014 and 30 June 2013.

At 30 June 2014	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	1,500	-	-	1,500
Total assets	1,500	-	-	1,500
At 30 June 2013	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	-	-
Equity securities	1,500	-	-	1,500
Total assets	1,500	-	-	1,500

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid prices at the end of the financial year. These instruments are included in Level 1.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(e) Fair Values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2014. The carrying value of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature.

	Carrying amount \$	Fair value \$
Financial assets:		
Equity instruments	1,500	1,500
Total non-current	1,500	1,500
 Trade and other receivables	 25,926	 25,926
Total current	25,926	25,926
 Total	 27,426	 27,426
 Financial liabilities:		
Trade and other payables	49,927	49,927
Total current	49,927	49,927
 Total	 49,927	 49,927

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key estimates: Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of non-financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The Company follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

5. SEGMENT INFORMATION

The Company's sole operations are within the biotech industry within Australia. Given the nature of the Company, its size and current operations, the Company's management does not treat any part of the Company as a separate operating segment. Internal financial information used by the Company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments. Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. All non-current assets are held in

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

Australia and all revenue is derived in Australia.

6. REVENUE, OTHER INCOME AND EXPENSES

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Revenue		
Revenue from continuing activities	20,000	-
Interest Income	14,250	2,638
	34,250	2,638
<i>Other income</i>		
Profit on sale of assets	-	2,433
Government Grants	146,954	290,272
Other	-	3,102
<i>Total other income</i>	146,954	295,807
Total revenue	181,204	298,445
Expenses		
Employee expenses	98,707	5,465
Depreciation	13,595	14,323

7. INCOME TAX

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Numerical reconciliation of income tax income to prima facie tax payable		
Operating loss before income tax	(440,222)	(454,935)
Tax benefit at the Australian tax rate of 30% (2013: 30%)	(132,067)	(136,480)
Tax effect of amounts that are not deductible / taxable in calculating taxable income:		
Provisions and accruals	(14,455)	5,936
Capital raising costs	(23,890)	(15,621)
Impairment expenses	6,757	1,500
Fines and penalties	1,722	-
Research and development	(44,086)	(87,082)
Future income tax benefit not brought to account	206,019	231,747
Income tax income / (expense)	-	-

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

	30.6.2014	30.6.2013
	\$	\$
Tax income (expense) relating to items of other comprehensive income		
Available for sale financial assets	-	-
	-	-
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised.		
Potential tax benefit @ 30%	1,214,574	1,008,555
	1,214,574	1,008,555
Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised.		
- Provisions and accruals	22,987	71,169
- Capital raising costs	181,095	122,910
	204,082	194,079
Unrecognised deferred tax asset relating to the above temporary differences	61,225	58,224

The tax benefit of tax losses and other temporary differences will only arise in the future where the Company derives sufficient net taxable income and is able to satisfy the carried forward tax loss recoupment rules. The Directors believe that the likelihood of the Company achieving sufficient taxable income in the future is not probable and the tax benefit of these tax losses and other temporary differences have not been recognised.

8. CASH AND CASH EQUIVALENTS

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Cash at bank and on hand	1,112,676	112,516
Short term deposits	15,000	-
Total cash and cash equivalents	1,127,676	112,516

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

Reconciliation of net cash flows from operating activities

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Loss for the year	(440,222)	(164,663)
Non cash items:		
Depreciation	13,595	16,925
Impairment expenses	16,029	5,000
Writeoff property, plant and equipment	4,903	(3,102)
Profit on sale of available for sale financial assets	-	(2,160)
Change in assets and liabilities		
(Increase)/decrease in receivables	(750)	56,823
Increase/(decrease) in trade creditors and other payables	(31,392)	(34,388)
	(437,837)	(125,565)

Non cash financing & investing activities

No non-cash financing and investing activities occurred during the year ended 30 June 2014.

Financing facilities available

As at 30 June 2014, the Company had no financing facilities available.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 3.

Credit risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

9. TRADE AND OTHER RECEIVABLES

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Trade and other debtors	-	-
Prepayments	15,043	20,736
Goods and services tax receivable	10,753	4,440
Accrued revenue	130	-
Total trade and other receivables	25,926	25,176

(a) Trade receivables

There are no trade receivables.

(b) Prepayments

This amount relates to prepaid insurances.

(c) Goods and services tax receivable

This amount relates to good and services tax (GST) paid during the quarter ended 30 June 2014 that is refundable to the Company.

(d) Other receivables

There are no other receivables.

(e) Risk exposure

Information about the Group's exposure to credit risk is provided in note 3.

None of the current receivables are impaired or past due but not impaired.

10. AVAILABLE FOR SALE FINANCIAL ASSETS

Fair value of investments in listed corporations is assessed as the last bid price on the Australian Securities Exchange prior to close of business on balance date.

Listed investments are held in Eagle Nickel Limited (ASX code: ENL)

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Listed investments at fair value	1,500	1,500
Fair value	1,500	1,500

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

At beginning of period/year	1,500	6,500
Fair value adjustments	-	
Impairment of available for sale financial assets	-	(5,000)
At end of period/year	1,500	1,500

11. PROPERTY, PLANT AND EQUIPMENT

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
At cost	205,175	213,500
Accumulated depreciation	(98,537)	(93,049)
Total property, plant and equipment	106,637	120,451

Movements during the year	Plant and Equipment	Office Equipment	Computer Equipment	Total
Balance at 1 July 2013	119,692	359	400	120,451
Acquisitions	-	-	4,685	4,685
Disposals	(4,903)	-	-	(4,903)
Depreciation	(12,030)	(144)	(1,421)	(13,595)
Balance at 30 June 2014	102,759	215	3,664	106,637

	Plant and Equipment	Office Equipment	Computer Equipment	Total
Balance at 1 July 2012	135,868	598	910	137,376
Acquisitions	-	-	-	-
Depreciation	(16,176)	(239)	(510)	(16,925)
Balance at 30 June 2013	119,692	359	400	120,451

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

12. INTANGIBLE ASSETS

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
At cost	16,029	16,029
Accumulated amortisation and impairment	(16,029)	-
Total intangible assets	-	16,029

Movements during the year	Software	Total
Balance at 1 July 2013	16,029	16,029
Acquisitions	-	-
Amortisation and impairment expense	(16,029)	(16,029)
Balance at 30 June 2014	-	-

Balance at 1 July 2012	16,029	16,029
Acquisitions	-	-
Amortisation and impairment expense	-	-
Balance at 30 June 2013	16,029	16,029

The intangible asset was written off during the year as it was decided it had no continuing value in use.

13. TRADE AND OTHER PAYABLES

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Trade payables	8,930	10,149
Accruals and other payables	38,072	71,170
Other	2,925	-
Total trade and other payables	49,927	81,319

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the Group's exposure to foreign currency risk is provided in note 3.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

14. CONTRIBUTED EQUITY

(a) Share Capital

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
202,632,338 (2013: 89,264,709) fully paid ordinary shares*	8,672,391	7,077,391
Capital raising costs	(1,426,777)	(1,288,958)
Total contributed equity	7,245,614	5,788,433

*202,632,338 shares are post-consolidation and 89,264,709 shares are pre-consolidation.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the Company in proportion to the number and amount paid on the share held.

Effective 1 July 1998 the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

(b) Movement of fully paid ordinary shares during the period were as follows:

	Date	Quantity	Unit Price \$	Total \$
Balance at 1 July 2012		88,662,711		7,058,391
Exercise of options	20-Jul-12	2,000	0.5	1,000
Share issue	17-Aug-12	599,998	0.03	18,000
Capital raising costs				(1,288,958)
Balance at 30 June 2013		89,264,709	-	5,788,433
Issue of shares - private placement	7/10/2013	13,000,000	0.005	65,000
<i>Pre-consolidated balance</i>		102,264,709		5,853,433
Consolidation of shares (1:2 basis)*	10/12/2013	(51,132,371)	-	-
<i>Post-consolidated balance</i>		51,132,338		5,853,433
Issue of shares - private placement	12/12/2013	150,000,000	0.01	1,500,000
Capital raising costs				(137,819)
Exercise of options:	10/04/2014	1,500,000	0.02	30,000
Balance at 30 June 2014		202,632,338		7,245,614

* As disclosed in the Notice of Annual General Meeting (released 28 October 2013) and approved by shareholders at this meeting (held 29 November 2013), where the consolidation of the Company's capital on a one for two basis results in a fraction of a Share the Company is authorised to round that fraction down to the nearest whole share.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

(c) Share Options

The Company has on issue the following options:

- 9,103,177 listed options on issue post-consolidation. These options are exercisable at 40 cents each (20 cents pre-consolidation) with an expiry date of 30 September 2015; and
- 48,500,000 unlisted options with an exercise price of \$0.02 and an expiry date of 30 November 2018.

(d) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Ordinary shares have no par value.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns to shareholders and benefits to other stakeholders. The Company considers capital to consist of cash reserves on hand and available for sale financial assets.

Consistent with the Company's objective, it manages working capital by issuing new shares, selling assets or modifying its planned research and development program as required

During the year, and as announced on 11 September 2013, Actinogen accepted an offer by Otsana Capital to recapitalise the Company. The purpose of the recapitalisation resulted in the Company's outstanding debts being repaid and cash being injected into the Company to support its near-term objectives. The recapitalisation process was subject to, and approved by, the shareholders of the Company at the Annual General Meeting held 29 November 2013. As part of the recapitalisation process capital was consolidated on a one for two basis, the purpose of which was to implement a more appropriate capital structure for the Company going forward. Furthermore, a post-Consolidation capital raising was undertaken issuing 150 million ordinary shares and 50 million option raising \$1,500,500.

Given the stage of the Company's development there are no formal targets set for return on capital. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

15. RESERVES

Reserves are made up of the options reserve and the movement in the fair value of available for sale investments reserve.

The option reserve records items recognised as expenses on valuation of employee and Director share options. The available for sale investments revaluation reserve records the movement in the fair value of available for sale investments. Detail of the movement in reserves is shown below.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Option reserve	4,789,123	4,788,623
	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Option Reserve		
Balance at the beginning of the year	4,788,623	4,788,623
Issue of options during the year	500	-
Balance at end of year	4,789,123	4,788,623

16. EARNINGS PER SHARE

	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Basic EPS from continuing operations attributable to the ordinary share holders of the Company (a)	(0.29)	(0.18)
Weighted number of ordinary shares used as the denominator	152,632,548	89,185,696
Net loss used in calculating EPS	(440,222)	(164,663)
Diluted EPS from continuing operations attributable to the ordinary shareholders of the Company (a)	(0.29)	(0.18)
Weighted number of ordinary shares used as the denominator	152,632,548	89,185,696
Net loss used in calculating diluted EPS	(440,222)	(164,663)

(a) Earnings per share has been adjusted for the consolidation of share capital during the year.

(b) There are 57,603,177 potential ordinary shares not considered dilutive.

17. COMMITMENTS

Service Agreements and remuneration commitments

The Company does not have any commitments for future expenditure other than normal operating expenses. The Directors are not aware of any contingent liabilities existing for the Company.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel of Actinogen Limited comprise only the Board of Directors who held, or currently hold, office during the financial year ended 30 June 2014. They are listed below:

Name	Position	Appointed	Resigned
Brendan de Kauwe*	Executive Chairman	23/09/2013	Current
Daniel Parasiliti	Non-Executive Director	23/09/2013	Current
Anton Uvarov	Non-Executive Director	16/12/2013	Current
David Alan Zohar	Executive Director	26/03/1999	16/12/2013
Zhukov Pervan	Executive Chairman	26/03/1999	23/09/2013
David Keast	Scientific Director	1/12/2003	23/09/2013
Alan Morton	Non-Executive Director	18/07/2007	23/09/2013
Christopher England	Non-Executive Director	18/07/2007	23/09/2013

(a) Key Management Personnel Compensation:

	Full-year ended 30.6.2014 \$	Full-year ended 30.6.2013 \$
Short-term employee benefits	83,771	40,000
Post employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	83,771	40,000

The detailed remuneration disclosures and relevant interested of each Key Management Personnel in fully paid ordinary shares and options of the Company are provided in the audited remuneration report on pages 23 to 29.

19. RELATED PARTY TRANSACTIONS

(a) Transactions with Key Management Personnel

Details of transactions with Key Management Personnel are set out in note 18.

(e) Other related party transactions

There were no related party transactions that occurred during the year, however, the Company continued to hold its investment in the following related party entity:

- 500,000 shares in Eagle Nickel Ltd, a director related entity of David Zohar and Dr Pervan. These Directors resigned during the year and these shares remained on hand at year end. The fair value of this investment at year end was \$1,500 (2013: \$1,500).

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2014

20. SHARE – BASED PAYMENTS

No share based payments existed at 30 June 2014.

	30.6.2014		30.6.2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-	29,500,000	50 cents
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(29,500,000)	-
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	-	-

21. CONTINGENCIES

The Directors are not aware of any contingent liabilities or assets as at 30 June 2014 (2013: Nil).

22. REMUNERATION OF AUDITOR

	Full-year ended 30.6.2014	Full-year ended 30.6.2013
	\$	\$
Amounts paid or payable to Ernst & Young for:		
- An audit or review of the financial statements of the entity	21,695	30,500
	21,695	30,500

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of the entity in subsequent financial years.

ACTINOGEN LIMITED

DIRECTORS' DECLARATION

30 JUNE 2014

In the Directors opinion:

1. The financial statements and notes set out on pages 32 to 62, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosure included in the audited Remuneration Report in the Director's Report complies with Section 300A of the *Corporations Act 2001*.
4. The directors have been given the declaration by the Executive Chairman as required by section 295A of the *Corporations Act 2001*.
5. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors.



Dr Brendan de Kauwe
Executive Chairman

Perth, Western Australia
Friday, 1 August 2014

Independent auditor's report to the members of Actinogen Limited

Report on the financial report

We have audited the accompanying financial report of Actinogen Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and 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.

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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), 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 judgment, 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 controls relevant to the entity'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 entity's internal controls. 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

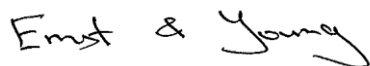
- a. the financial report of Actinogen Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the remuneration report

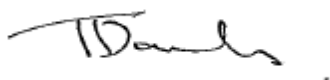
We have audited the Remuneration Report included in pages 23 to 29 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our 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 Actinogen Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T Dachs
Partner
Perth
1 August 2014

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

Substantial shareholders

The substantial shareholders as at 16 July 2014 were:

Holders	Shares	Percentage of Issued Capital
DENLIN NOMINEES PTY LTD	20,000,000	9.87
JK NOMINEES PTY LTD	20,000,000	9.87
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	20,000,000	9.87

Distribution of ordinary shareholders as at 16 July 2014

Range of Holding	Holders	Shares
1-1,000	21	9,183
1,001-5,000	377	1,211,291
5,001-10,000	186	1,511,195
10,001 - 100,000	280	10,654,855
100,001 – over	83	189,245,814
	947	202,632,338
Share holders with less than a marketable parcel.	670	

Distribution of \$0.40 Option Holders as at 16 July 2014

Range of Holding	Holders	Options
1-1,000	19	17,350
1,001-5,000	196	610,555
5,001-10,000	70	563,544
10,001 - 100,000	162	5,945,978
100,001 - over	10	1,955,750
	457	9,103,177

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

Twenty Largest holders of quoted ordinary shares as at 16 July 2014

	Number of Shares	Percentage of Issued Capital
DENLIN NOMINEES PTY LTD	20,000,000	9.87
JK NOMINEES PTY LTD <THE JK FUND A/C>	20,000,000	9.87
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	18,900,000	9.33
ZP PTY LTD <Z PERVAN SUPER FUND A/C>	8,600,000	4.24
AH SUPER PTY LTD <THE AH SUPER FUND A/C>	8,425,810	4.16
PHEAKES PTY LTD <SENATE A/C>	8,000,000	3.95
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	7,500,000	3.70
MRS SARAH CAMERON	7,000,000	3.45
CABLETIME PTY LTD <INGODWE A/C>	6,376,809	3.15
ROMFAL SIFAT PTY LTD <FIZMAIL FAMILY A/C>	5,500,000	2.71
MR JASON PETERSON + MRS LIASA PETERSON <J&L PETERSON S/F A/C>	5,000,000	2.47
MR DAVID ZOHAR <ZOHAR FAMILY A/C>	5,000,000	2.47
MR DAVID KEAST	5,000,000	2.47
SWANCOVE ENTERPRISES PTY LTD	3,671,166	1.81
TERAGOAL PTY LTD <GRAY FAMILY A/C>	3,000,000	1.48

ACTINOGEN LIMITED

SHAREHOLDER INFORMATION

BUZZ CAPITAL PTY LTD <THE BEELEAF A/C>	2,250,000	1.11
ROWAN HALL PTY LTD <ROWAN HALL TRADING A/C>	2,138,498	1.06
MRS WISHNY SRITHARAN KRISHNAJAH	2,092,811	1.03
MR NICHOLAS YOUNG + MR ANDREW YOUNG <YOUNG A/C>	2,036,667	1.01
MR ANTON UVAROV	2,029,350	1.00
TOTAL	142,521,111	70.34

Twenty Largest Listed Option Holders (ASX: ACWOA) as at 16 July 2014

	Number of Options	Percentage
MR MARK ANTHONY GUSMAN	375,000	4.12
MR ARTHUR CRAFTER	243,500	2.67
EDENCORP PTY LIMITED	210,000	2.31
MR VICTOR LAWRENCE JOYCE + MRS SUSAN JOAN ABRA <VICTOR L JOYCE S/F A/C>	200,750	2.21
TROMSO PTY LIMITED	200,000	2.20
MS LYNETTE GAIL IRVINE <IRVINE IMAGES>	165,000	1.81
CHUCKY PTY LTD <M J TURNER SUPER FUND A/C>	150,000	1.65
MR MATTHEW BURFORD	150,000	1.65
DR PAUL MARK HALLEY	136,500	1.50
MR DEREK YEE HAW TAN + MS PHEPY SI PEI LING	125,000	1.37
MR MATTHEW JAMES KILGOUR	100,000	1.10
MR EMMANUELE CHESSARI + MRS SHARON CHESSARI	100,000	1.10
MR JOHN BARRY JOHNSTON	100,000	1.10
A G W PTY LTD <A G W SUPER FUND A/C>	100,000	1.10
MR WILLIAM RUSSELL	87,033	0.96
MR EWEN KLOAS	85,000	0.93
MR NEWMAN XAVIER PINTO	83,333	0.92
SVETOZAR KOKIC	83,333	0.92
ROSALBA CESIRA STOCCO & RENATO SANTO STOCCO	83,333	0.92
ARSENY (ARNY) FEFELOV	83,333	0.92
TOTAL	2,861,115	31.46

Unquoted Securities as at 16 July 2014

There were 48,500,000 unquoted options exercisable at \$0.02 each and expiring on 30 November 2018 held by four holders, on issue.

Details of the holders of unquoted options holding more than 20%:

	Number of Options	Percentage
AH SUPER PTY LTD <THE AH SUPER FUND A/C>	18,500,000	38.14
DENLIN NOMINEES PTY LTD	10,000,000	20.62
JK NOMINEES PTY LTD <THE JK FUND A/C>	10,000,000	20.62
TISIA NOMINEES PTY LTD <HENDERSON FAMILY A/C>	10,000,000	20.62
TOTAL	48,500,000	100.00

Restricted Securities

The Company has no restricted securities on issue.

On-Market Buy-Back

There is no current on-market buy back in place.