PHW Consolidated Limited

ABN: 99 000 094 995

Annual Report 2014

CORPORATE DIRECTORY

DIRECTORS:	Roger Steinepreis (Chairman) Paul Garner Avikashan Naidu Eric King Wai Chan
COMPANY SECRETARY:	Jack Hugh Toby FCA MACS
ABN:	99 000 094 995
REGISTERED OFFICE:	31 Ord St West Perth, Western Australia 6005 Tel: +61 (8) 9322 1003 Fax: +61 (8) 9322 6722
AUDITORS:	Somes Cooke Level 2, 35 Outram St, West Perth WA 6005 PO Box 709, West Perth WA 6872 Tel: +61 (8) 9426 4500 Fax: +61 (8) 9481 5645
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace Perth, Western Australia 6000 GPO Box D182 Perth, Western Australia 6840 Tel: +61 1300 557 010 Fax: +61 (8) 9323 2033

This annual report covers both PHW Consolidated Limited as an individual entity and the consolidated entity comprising PHW Consolidated Limited and its subsidiaries. The Group's presentation currency is Australian Dollars ($). The functional currency of PHW Consolidated Limited and all of its subsidiaries is Australian Dollars ($). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report. The directors' report is not part of the financial report.

DIRECTORS' REPORT

The directors of PHW Consolidated Limited A.C.N. 000 094 995 ("Parent Entity" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30th June 2014. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the financial year and up to the date of this financial report are as follows. Directors were in office for the entire period unless otherwise stated.

Roger Christian Steinepreis
Paul Charles Garner
Avikashan Naidu (appointed 3 July 2014)
Eric King Wai Chan (appointed 3 July 2014)
Darren Stephen Levy (resigned 3 July 2014)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were wine marketing and sales.

There were no significant changes in the nature of the principal activities during the financial year.

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax amounted to $445,815 (2013: $614,794).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year by the Company.

The directors have recommended that no dividend be paid by the Company in respect of the year ended 30th June 2014.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND REVIEW OF OPERATIONS

The following significant changes in the state of affairs of the Consolidated Entity occurred during the financial year:

On 6 December 2013, the Company issued 120,307,692 Ordinary Shares 45,115,387 Options expiring on 31 December 2015 and 86,538,467 Options expiring on 30 September 2018. These comprise 30,076,923 Ordinary Shares issued for $0.01 each, 90,230,769 Ordinary Shares issued for $0.001 each with 45,115,387 free attaching options expiring on 31 December 2015 and 45,115,387 free attaching options expiring on 30 September 2018 and 41,423,080 free options expiring on 30 September 2018 attaching to shares issued on 29 May 2013. The issue of these securities was approved at the Company's 2013 Annual General Meeting held on 29 November 2013.

On 19 June 2014, the Company issued 8,123,076 Ordinary Shares for $0.00325 each and 2,707,692 free options expiring on 30 September 2018 to directors of the Company in lieu of payment of outstanding director's fees owed by the Company to directors. The issue of these securities was approved at the General Meeting of shareholders held on 6 June 2014.

On 26 June 2014, the Company issued 494,261,528 Ordinary Shares for $0.00325 each and 164,753,917 free options expiring on 30 September 2018 pursuant to a prospectus issued on 7 May 2014 (amended by supplementary prospectuses issued on 22 May 2014 and on 19 June 2014). The issue of 450,000,000 of these Ordinary Shares and 150,000,000 of these options was approved at the General Meeting of shareholders held on 6 June 2014.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

On 4 July 2014, the Company issued 15,000,000 Class A Incentive Options, 15,000,000 Class B Incentive Options and 15,000,000 Class C Incentive Options. Class A Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest on the introduction of a new transaction or asset acquisition that is unanimously agreed by the board. Class B Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest where Company raises an additional $1.0 million at a price greater than 10% above the issue price under the Offer pursuant to the prospectus dated 7 May 2014. Class C Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest in the event the Company achieves two consecutive quarters of positive operating cashflow of at least $250,000 per quarter. The issue of these Incentive Options was approved at the Company's General Meeting held on 6 June 2014.

On 9 July 2014, the securities of the Company were reinstated to official quotation on the Australian Securities Exchange.

No other 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 affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

The Company intends to continue to develop its wine marketing and sales business.

The directors continue to explore further opportunities to enhance shareholder value.

ENVIRONMENTAL ISSUES

The Company's operations have not been subject to any environmental regulation.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

ROGER CHRISTIAN STEINEPREIS
CHAIRMAN

Qualifications and Experience:

Mr Steinepreis graduated from the University of Western Australia where he completed his law degree. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer for more than 21 years.

He is the legal adviser to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Mr Steinepeis has been within the last 3 years a director of Adavale Resources Limited, Firestrike Resources Limited, Apollo Consolidated Limited, ABQ Consolidated Ltd (Subject to Deed of Company Arrangement), DGI Holdings Ltd, Integrated Resources Group Limited and AVZ Minerals Limited.

Special Responsibilities:

Chairman.

Interest in shares and options of the Company as at the date of signing this report:

44,746,154 Ordinary Shares, 7,817,713 Options expiring 31 December 2015 exercisable at $0.01 each and 16,647,757 Options expiring 30 September 2018 exercisable at $0.01 each.

Directors meetings attended during the financial year: 6.

PAUL CHARLES GARNER
DIRECTOR (EXECUTIVE)

Qualifications and Experience:

Mr Garner has extensive experience in international business and over 38 years experience in the property and equities market. He has extensive experience with public company capital raising and restructuring. He has served on the Boards of various listed oil and gas companies at various stages of their development.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Titan Energy Ltd since 19 July 2011.

Special Responsibilities:

Chief Executive Officer.

Interest in shares and options of the Company as at the date of signing this report:

30,806,771 Ordinary Shares and 1,005,128 Options expiring 30 September 2018 exercisable at $0.01 each.

Directors meetings attended during the financial year: 8.

AVIKASHAN NAIDU
DIRECTOR
APPOINTED: 3 JULY 2014

Qualifications and Experience:

Mr Naidu is a Co-Founder and Director of Aura Funds Management and a principal of Aura Capital Group. Prior to establishing Aura Funds Management, Mr Naidu was an investment banker with a high-profile independent corporate advisory firm and before that a solicitor in the Mergers & Acquisitions team at Mallesons Stephen Jaques (now King & Wood Mallesons).

Mr Naidu has advised on M&A, equity capital markets, private equity, funds management transactions and provided general corporate advisory, working in a diverse number of sectors, including industrials, telecommunications, media & technology, resources, financial services and agriculture, acting for both public and private companies.

Mr Naidu holds a Bachelor of Commerce (Finance and Economics) from the University of Sydney, a Bachelor of Laws from the University of New South Wales and is admitted as a solicitor of the Supreme Court of NSW and the High Court of Australia.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

None.

Interest in shares and options of the Company as at the date of signing this report:

27,692,307 fully paid ordinary shares, 9,230,769 options expiring 30-Sep-18, 5,000,000 Class A Incentive Options, 5,000,000 Class B Incentive Options, 5,000,000 Class C Incentive Options and 10,700,000 options expiring 31-Dec-15.

Directors meetings attended during the financial year:

Appointed subsequent to the end of the financial year.

ERIC KING WAI CHAN
DIRECTOR
APPOINTED: 3 JULY 2014

Qualifications and Experience:

Mr Chan is a Co-Founder and Director of Aura Capital Group. Prior to establishing Aura Capital Group, Mr Chan worked at top-tier law firm, Clayton Utz, advising on M&A, private equity and debt financing transactions.

Mr Chan is a non-executive director of Bligh Resources Limited (ASX: BGH) and also currently sits on the board of various private companies providing strategic and corporate advice.

Mr Chan holds a Bachelor of Laws and Bachelor of Science in Information Technology from the University of Technology, Sydney and is admitted as a solicitor of the Supreme Court of New South Wales and the High Court of Australia.

Directorships of other listed companies in the 3 years prior to the end of the Financial Year:

Director of Bligh Resources Limited since 2 September 2013.

Interest in shares and options of the Company as at the date of signing this report:

31,076,924 fully paid ordinary shares, 10,358,973 options expiring 30-Sep-18, 10,000,000 Class A Incentive Options, 10,000,000 Class B Incentive Options, 10,000,000 Class C Incentive Options and 25,569,234 Options Expiring 31 December 2015.

Directors meetings attended during the financial year:

Appointed subsequent to the end of the financial year.

JACK TOBY
COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Qualifications

Mr Toby is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate member of the Australian Computer Society.

Experience

Mr Toby has extensive experience as Company Secretary and Chief Financial Officer of several listed public companies and major corporations over the last 30 years.

DIRECTORS MEETINGS

During the year ended 30th June 2014, 8 meetings of directors were held.

Mr Darren Levy, who resigned as a director subsequent to the end of the financial year attended 8 meetings of directors.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by Section 308(3c) of the Corporations Act 2001.

Remuneration is based on fees approved by the Board of directors.

There is no relationship between the performance or the impact on shareholder wealth of the Company for the current financial year or the previous four financial years and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives. There are no service contracts with directors or executives.

The names and positions of key management personnel of the Company who have held office during the financial year are:

DIRECTORS

Roger Christian Steinepreis	Chairman
Paul Charles Garner	Executive Director
Darren Stephen Levy	Non-Executive Director (resigned 3 July 2014)

EXECUTIVES

Jack Toby	Company Secretary and Chief Financial Officer

	Primary Remuneration 2014			
	Salary and Fees $	Other $	Super-annuation $	Total $
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Roger Christian Steinepreis	26,000	—	—	26,000
Darren Stephen Levy	26,000	—	—	26,000
Paul Charles Garner	26,000	—	—	26,000
TOTAL PRIMARY REMUNERATION FOR DIRECTORS	78,000	—	—	78,000
REMUNERATION OF EXECUTIVES BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Jack Toby	55,000	—	—	55,000
TOTAL PRIMARY REMUNERATION FOR EXECUTIVES	55,000	—	—	55,000

	Total Remuneration 2014			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF DIRECTORS BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Roger Christian Steinepreis	26,000	—	26,000	—
Darren Stephen Levy	26,000	—	26,000	—
Paul Charles Garner	26,000	—	26,000	—
TOTAL REMUNERATION FOR DIRECTORS	78,000	—	78,000	—

	Total Remuneration 2014			
	Primary Remuneration $	**Equity Remuneration $**	**Total $**	**Equity Remuneration % of Total**
REMUNERATION OF EXECUTIVES BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Jack Toby	55,000	—	55,000	—
TOTAL REMUNERATION FOR EXECUTIVES	55,000	—	55,000	—

On 19 June 2014, the Company issued 8,123,076 Ordinary Shares for $0.00325 each and 2,707,692 free options expiring on 30 September 2018 to directors of the Company in lieu of payment of outstanding director's fees owed by the Company to directors. The issue of these securities was approved at the General Meeting of shareholders held on 6 June 2014.

	Primary Remuneration 2013			
	Salary and Fees $	**Other $**	**Super-annuation $**	**Total $**
REMUNERATION OF DIRECTORS BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Roger Christian Steinepreis	—	—	—	—
Darren Stephen Levy	—	—	—	—
Paul Charles Garner	—	—	—	—
Andrew Parkinson	—	—	—	—
Paul Henry Miller	—	—	—	—
Rex Leigh Watson	—	—	—	—
TOTAL PRIMARY REMUNERATION FOR DIRECTORS	—	—	—	—
REMUNERATION OF EXECUTIVES BASED ON FEES APPROVED BY THE BOARD OF DIRECTORS.				
Jack Toby	—	—	—	—
Conrad Guera	—	—	—	—
TOTAL PRIMARY REMUNERATION FOR EXECUTIVES	—	—	—	—

	Total Remuneration 2013			
	Primary Remuneration $	**Equity Remuneration $**	**Total $**	**Equity Remuneration % of Total**
REMUNERATION OF DIRECTORS BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Roger Christian Steinepreis	—	—	—	—
Darren Stephen Levy	—	—	—	—
Paul Charles Garner	—	—	—	—
Andrew Parkinson	—	—	—	—
Paul Henry Miller	—	—	—	—
Rex Leigh Watson	—	—	—	—
TOTAL REMUNERATION FOR DIRECTORS	—	—	—	—

DIRECTORS' REPORT

	Total Remuneration 2013			
	Primary Remuneration $	Equity Remuneration $	Total $	Equity Remuneration % of Total
REMUNERATION OF EXECUTIVES BASED ON APPROVAL BY THE BOARD OF DIRECTORS.				
Jack Toby	—	—	—	—
Conrad Guera	—	—	—	—
TOTAL REMUNERATION FOR EXECUTIVES	—	—	—	—

SHARES HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2014

	Number of Ordinary Shares			
	1 July 2013 or Appointment	Issued as Remuneration	Net Change Other	30 June 2014 or Resignation
Roger Steinepreis	15,384,616	—	29,361,538	44,746,154
Darren Stephen Levy	15,384,616	—	16,472,308	31,856,924
Paul Charles Garner	15,384,616	—	12,630,769	28,015,385
Jack Toby	15,384,616	—	5,408,000	20,792,616
	61,538,464	—	63,872,615	125,411,079

Year Ended 30 June 2013

	Number of Ordinary Shares			
	1 July 2012 or Appointment	Net Change Other	Shares held on resignation	Shares held 30 June 2013
Roger Steinepreis (appointed 17-Dec-12)	—	15,384,616	—	15,384,616
Darren Stephen Levy (appointed 29-Jan-13)	—	15,384,616	—	15,384,616
Paul Charles Garner (appointed 29-Jan-13)	—	15,384,616	—	15,384,616
Jack Toby (appointed 29-Jan-13)	—	15,384,616	—	15,384,616
Andrew Parkinson (resigned 29-Jan-13)	56,500,685	—	56,500,685	—
Paul Henry Miller (resigned 29-Jan-13)	56,500,685	—	56,500,685	—
Rex Leigh Watson (resigned 29-Jan-13)	233,264,898	—	233,264,898	—
	346,266,268	61,538,464	346,266,268	61,538,464

OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

Year Ended 30 June 2014

	Number of Options			
	1 July 2013 or Appointment	Issued as Remuneration	Net Change Other	30 June 2014 or Resignation
Roger Steinepreis	5,769,231	—	26,469,873	32,239,104
Darren Stephen Levy	5,769,231	—	18,270,257	24,039,488
Paul Charles Garner	5,769,231	—	505,128	6,274,359
Jack Toby	5,769,231	—	7,571,899	13,341,130
	23,076,924	—	52,817,157	75,894,081

Year Ended 30 June 2013	Number of Options			
	1 July 2012 or Appointment	**Granted as Remuneration**	**Net Change Other**	**30 June 2013 or Resignation**
Roger Steinepreis (appointed 17-Dec-12)	—	—	5,769,231	5,769,231
Darren Stephen Levy (appointed 29-Jan-13)	—	—	5,769,231	5,769,231
Paul Charles Garner (appointed 29-Jan-13)	—	—	5,769,231	5,769,231
Jack Toby (appointed 29-Jan-13)	—	—	5,769,231	5,769,231
Andrew Parkinson (resigned 29-Jan-13)	—	—	—	—
Paul Henry Miller (resigned 29-Jan-13)	—	—	—	—
Rex Leigh Watson (resigned 29-Jan-13)	—	—	—	—
	—	—	23,076,924	23,076,924

All options are vested and exercisable.

End of Audited Section

SHARE OPTIONS ISSUED

On 6 December 2013, the Company issued 120,307,692 Ordinary Shares 45,115,387 Options expiring on 31 December 2015 and 86,538,467 Options expiring on 30 September 2018. These comprise 30,076,923 Ordinary Shares issued for $0.01 each, 90,230,769 Ordinary Shares issued for $0.001 each with 45,115,387 free attaching options expiring on 31 December 2015 and 45,115,387 free attaching options expiring on 30 September 2018 and 41,423,080 free options expiring on 30 September 2018 attaching to shares issued on 29 May 2013. The issue of these securities was approved at the Company's 2013 Annual General Meeting held on 29 November 2013.

On 19 June 2014, the Company issued 8,123,076 Ordinary Shares for $0.00325 each and 2,707,692 free options expiring on 30 September 2018 to directors of the Company in lieu of payment of outstanding director's fees owed by the Company to directors. The issue of these securities was approved at the General Meeting of shareholders held on 6 June 2014.

On 26 June 2014, the Company issued 494,261,528 Ordinary Shares for $0.00325 each and 164,753,917 free options expiring on 30 September 2018 pursuant to a prospectus issued on 7 May 2014 (amended by supplementary prospectuses issued on 22 May 2014 and on 19 June 2014). The issue of 450,000,000 of these Ordinary Shares and 150,000,000 of these options was approved at the General Meeting of shareholders held on 6 June 2014.

On 4 July 2014, the Company issued 15,000,000 Class A Incentive Options, 15,000,000 Class B Incentive Options and 15,000,000 Class C Incentive Options. Class A Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest on the introduction of a new transaction or asset acquisition that is unanimously agreed by the board. Class B Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest where Company raises an additional $1.0 million at a price greater than 10% above the issue price under the Offer pursuant to the prospectus dated 7 May 2014. Class C Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest in the event the Company achieves two consecutive quarters of positive operating cashflow of at least $250,000 per quarter. The issue of these Incentive Options was approved at the Company's General Meeting held on 6 June 2014.

SHARE OPTIONS EXPIRED

During the year ended 30th June 2014, no options to subscribe for unissued fully paid ordinary shares in the Company expired unexercised.

SHARE OPTIONS EXERCISED

During and subsequent to the year ended 30th June 2014, no ordinary shares were issued by virtue of the exercise of options.

SHARE OPTIONS OUTSTANDING

There are 86,538,467 options to subscribe for unissued fully paid ordinary shares in the Company for one cent per share expiring 31 December 2015 outstanding at the date of this report.

There are 254,000,076 options to subscribe for unissued fully paid ordinary shares in the Company for one cent per share expiring 30 September 2018 outstanding at the date of this report.

There are 15,000,000 Class A incentive options to subscribe for unissued fully paid ordinary shares in the Company for one cent per share expiring 1 October 2018 outstanding at the date of this report.

There are 15,000,000 Class B incentive options to subscribe for unissued fully paid ordinary shares in the Company for one cent per share expiring 1 October 2018 outstanding at the date of this report.

There are 15,000,000 Class C incentive options to subscribe for unissued fully paid ordinary shares in the Company for one cent per share expiring 1 October 2018 outstanding at the date of this report.

No person entitled to exercise any of these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITORS

During the financial year, the Company paid premiums for Directors and Officers liability insurance of $4,085. Except as disclosed above, the Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2014 has been provided to the Company. This declaration has been included in this document.

Other fees charged by the auditors to the Company or related entities were tax return preparation costs of $3,940. The directors are satisfied that the services disclosed did not compromise the auditor's independence.

Signed in accordance with a resolution of the directors.

Paul Garner
Director

3 September 2014
Perth, Western Australia

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of PHW Consolidated Limited A.C.N. 000 094 995 ("Company"), I state that:

In the opinion of the directors:

1) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

    a) complying with International Financial Reporting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) giving a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Consolidated Entity; and

    c) the remuneration report disclosures set out on pages 4 to 8 of the directors' report (as part of the Remuneration Report), for the year ended 30 June 2014, comply with section 300A of the Corporations Act 2001.

2) As required by section 295A of the Corporations Act 2001, the Chief Executive Officer, Mr Paul Garner, and Chief Finance Officer, Mr Jack Toby, have each declared in writing that:

    a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b) the financial statements and notes for the financial year comply with the International Financial Reporting Standards; and

    c) the financial statements and notes for the financial year give a true and fair view.

3) in the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors.

Paul Garner
Director

3 September 2014
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2014

	Note	Consolidated Entity 2014 $	Consolidated Entity 2013 $
Revenue from non-operating activities	2	2,505	—
Corporate and other expenses	2	(448,320)	(614,794)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		(445,815)	(614,794)
Income tax expense	3	—	—
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(445,815)	(614,794)
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		—	—
TOTAL PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(445,815)	(614,794)
BASIC AND DILUTED LOSS PER SHARE (CENTS) FROM CONTINUING OPERATIONS	4	(0.21)	(0.26)
BASIC AND DILUTED LOSS PER SHARE (CENTS) FROM CONTINUING AND DISCONTINUED OPERATIONS	4	(0.21)	(0.26)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2014

	Note	Consolidated Entity 2014 $	Consolidated Entity 2013 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,404,851	51,094
Trade and other receivables	5	15,808	6,007
TOTAL CURRENT ASSETS		1,420,659	57,101
TOTAL ASSETS		1,420,659	57,101
CURRENT LIABILITIES			
Trade and other payables	6	260,373	379,721
TOTAL CURRENT LIABILITIES		260,373	379,721
TOTAL LIABILITIES		260,373	379,721
NET ASSETS		1,160,286	(322,620)
EQUITY			
Issued capital	7	39,495,572	37,566,851
Accumulated losses		(38,335,286)	(37,889,471)
TOTAL EQUITY		1,160,286	(322,620)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2014

	Note	Consolidated Entity 2014 $	Consolidated Entity 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(270,571)	(654,925)
Interest received		2,505	—
Interest and finance costs paid		(521)	—
NET CASH OUTFLOW USED IN OPERATING ACTIVITIES	8	(268,587)	(654,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity issues		1,997,350	359,000
Capital raising expenses		(28,028)	—
Borrowings		—	346,978
Repayment of borrowings		(346,978)	—
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,622,344	705,978
NET INCREASE/(DECREASE) IN CASH HELD		1,353,757	51,053
Cash and cash equivalents at beginning of year		51,094	41
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	1,404,851	51,094

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2014

ATTRIBUTABLE TO MEMBERS OF THE COMPANY	Issued Capital $	Accumulated Losses $	Total Equity $
AT 1 JULY 2012	37,207,851	(37,274,677)	(66,826)
Loss for year	—	(614,794)	(614,794)
TOTAL LOSS FOR THE YEAR	—	(614,794)	(614,794)
Securities issued	359,000	—	359,000
AT 30 JUNE 2013	37,566,851	(37,889,471)	(322,620)
Loss for year	—	(445,815)	(445,815)
TOTAL LOSS FOR THE YEAR	—	(445,815)	(445,815)
Securities issued	2,023,750	—	2,023,750
Equity raising costs	(95,029)	—	(95,029)
AT 30 JUNE 2014	39,495,572	(38,335,286)	1,160,286

The accompanying notes form part of these financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by PHW Consolidated Limited A.C.N. 000 094 995 (“Parent Entity” or "Company") and by the Parent Entity and its controlled entities (“Consolidated Entity” or “Group”) in the preparation of these financial statements. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The financial report of the Company also complies with the International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for any available-for-sale financial assets that have been measured at fair value. The presentation currency used in this financial report is Australian Dollars.

This financial report is issued in accordance with a resolution of the directors of the Company on the same date as the Directors’ Declaration above.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group’s accounting policies.

At the date of authorisation of the financial report, Standards and Interpretations that have been issued but are not yet effective do not have a material impact on these financial statements.

Summary of Significant Accounting Policies

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the period ended 30 June each year (the Group). Interests in associates are equity accounted and are not part of the consolidated Group. Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary; derecognises the carrying amount of any non-controlling interest; derecognises the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received; recognises the fair value of any investment retained; recognises any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued in the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. The Company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable assets. It is calculated as the excess of the sum of:

fair value of consideration transferred;

the recognised amount of any non-controlling interest in the acquiree; and

acquisition-date fair value of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amounts (for example on a gain on a bargain purchase) is recognised in profit or loss immediately.

c) Taxes

Income Tax

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

except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

d) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Employee benefits, expenses and revenues arising in respect of wages and salaries; non monetary benefits; annual leave; long service leave and other leave and other employee entitlements are charged against profits on a net basis.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred. The Company has no legal obligation to cover any shortfall in any superannuation fund's obligation to provide benefits to employees on retirement.

e) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts and investments in money market instruments with less than 14 days to maturity.

f) Revenue recognition

Revenue from services rendered is recognised upon the delivery of goods or services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except: where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

h) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

j) Issued capital

Issued and paid up 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 of the share proceeds received.

k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 1 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

l) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivable) 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 and 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 assets carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. Cashflows 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 income statements within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

m) Trade and other payables

Trade payables and other payables are carried at amortised cost which represents future liabilities for goods and services received, whether or not billed to the Company.

n) Investments

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Impairment of financial assets

Impairment of available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

o) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of mineral stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

p) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key Estimates - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes or a binomial model, using the assumptions detailed. The Company measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

q) Share-based payment transactions

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 using the Black-Scholes or a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). 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 the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. 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, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

r) Earnings/(loss) per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	Consolidated Entity 2014 $	Consolidated Entity 2013 $

NOTE 2. REVENUE AND EXPENSES

The profit/(loss) before income tax has been determined after:

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
Revenue from Non-Operating activities		
Interest received from other persons	2,505	—
TOTAL REVENUE FROM NON-OPERATING ACTIVITIES	2,505	—
CHARGING AS EXPENSES		
Administrative expenses	359,280	90,374
Consulting agreement	100,000	—
Interest expense waived	(11,481)	—
Interest expense	521	22,153
Settlement of creditors trust	—	477,267
Impairment of intangibles	—	25,000
	448,320	614,794

NOTE 3. INCOME TAX

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
INCOME TAX BENEFIT	—	—
Numerical reconciliation between tax expense and pre-tax net loss:		
LOSS BEFORE INCOME TAX BENEFIT	445,815	614,794
Income tax using the Company's domestic tax rate of 30%	(133,745)	(184,438)
Other non-deductible expenses/(deductible tax adjustments)	—	7,500
Current year losses for which no deferred tax asset was recognised	133,745	176,938
INCOME TAX BENEFIT (EXPENSE) ATTRIBUTABLE TO ENTITY	—	—

Estimated unused tax losses of $1,035,608 (2013: $589,793) have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates. The benefit of deferred tax assets not brought to account will only be brought to account if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised and the conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

	Consolidated Entity 2014 $	Consolidated Entity 2013 $

NOTE 4. EARNINGS PER SHARE

Loss used in the calculation of basic and diluted EPS from continuing operations	(445,815)	(614,794)
Loss used in the calculation of basic and diluted EPS from continuing and discontinued operations	(445,815)	(614,794)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	215,170,967	234,633,995

During the year ended 30 June 2014, 299,115,463 options to subscribe for ordinary shares were issued, no options were exercised and no options expired unexercised, leaving 340,538,543 options outstanding at 30 June 2013 (note 7). These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

During the year ended 30 June 2013, 41,423,080 options to subscribe for ordinary shares were issued, no options were exercised and no options expired unexercised, leaving 41,423,080 options outstanding at 30 June 2013 (note 7). These options are not considered dilutive for the purposes of the calculation of diluted earnings per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share nor increase the net loss from continuing ordinary operations per share. Consequently, diluted earnings per share is the same as basic earnings per share.

NOTE 5. TRADE AND OTHER RECEIVABLES (CURRENT)

Other debtors and prepayments	15,808	6,007
	15,808	6,007

Other debtors are non-interest bearing and generally on 30 day terms.

NOTE 6. TRADE AND OTHER PAYABLES (CURRENT)

Sundry creditors and accrued expenses	260,373	32,743
Borrowings	—	346,978
	260,373	379,721

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
NOTE 7. ISSUED CAPITAL		
762,596,203 (2013: 139,903,907) fully paid ordinary shares	39,495,572	37,566,851
	39,495,572	37,566,851

MOVEMENTS IN ORDINARY SHARES

At the beginning of the financial year	37,566,851	37,207,851
120,307,692 shares issued on 6 December 2013	391,000	—
8,123,076 shares issued on 19 June 2014	26,400	—
494,261,528 shares issued on 26 June 2014	1,606,350	—
27,615,386 shares issued on 29 May 2013	—	276,154
82,846,158 shares issued on 29 May 2013	—	82,846
Share issue expenses	(95,029)	—
AT THE END OF THE FINANCIAL YEAR	39,495,572	37,566,851

On 6 December 2013, the Company issued 120,307,692 Ordinary Shares 45,115,387 Options expiring on 31 December 2015 and 86,538,467 Options expiring on 30 September 2018. These comprise 30,076,923 Ordinary Shares issued for $0.01 each, 90,230,769 Ordinary Shares issued for $0.001 each with 45,115,387 free attaching options expiring on 31 December 2015 and 45,115,387 free attaching options expiring on 30 September 2018 and 41,423,080 free options expiring on 30 September 2018 attaching to shares issued on 29 May 2013. The issue of these securities was approved at the Company's 2013 Annual General Meeting held on 29 November 2013.

On 19 June 2014, the Company issued 8,123,076 Ordinary Shares for $0.00325 each and 2,707,692 free options expiring on 30 September 2018 to directors of the Company in lieu of payment of outstanding director's fees owed by the Company to directors. The issue of these securities was approved at the General Meeting of shareholders held on 6 June 2014.

On 26 June 2014, the Company issued 494,261,528 Ordinary Shares for $0.00325 each and 164,753,917 free options expiring on 30 September 2018 pursuant to a prospectus issued on 7 May 2014 (amended by supplementary prospectuses issued on 22 May 2014 and on 19 June 2014). The issue of 450,000,000 of these Ordinary Shares and 150,000,000 of these options was approved at the General Meeting of shareholders held on 6 June 2014.

At 30 June 2014 there were 340,538,543 unissued ordinary shares for which options were outstanding. These comprise 86,538,467 options which entitle the holder to subscribe for one ordinary share in the Company for one cent per share and expire on 31 December 2015 and 254,000,076 options which entitle the holder to subscribe for one ordinary share in the Company for one cent per share and expire on 30 September 2018.

At 30 June 2013 there were 41,423,080 unissued ordinary shares for which options were outstanding. These comprise 41,423,080 options which entitle the holder to subscribe for one ordinary share in the Company for one cent per share and expire on 31 December 2015.

CAPITAL MANAGEMENT

Management controls the capital of the Company comprising the liquid assets held by the Company in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of, and amounts paid up, of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at any meeting of the Company.

NOTE 8. CASH FLOW INFORMATION

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX		
Profit/(loss) after tax	(445,815)	(614,794)
Non-cash flows in profit/(loss)		
Share based payments	26,400	—
Changes in assets and liabilities		
Decrease/(increase) in debtors and receivables	(9,801)	(6,007)
Increase/(decrease) in creditors and accruals	160,629	(34,124)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(268,587)	(654,925)
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial year is shown in the accounts as:		
Cash	1,404,851	51,094
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,404,851	51,094

NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year, the Company issued securities valued at $26,400 as share based payments. There were no other non-cash financing and investing activities during the year.

FINANCING FACILITIES

There are no financing facilities in place for the Company.

NOTE 9. AUDITOR'S REMUNERATION

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
Remuneration of the auditor for:		
Auditing or reviewing the financial report	9,000	19,000
Tax compliance services	3,940	26,000
	12,940	45,000

	Consolidated Entity 2014 $	Consolidated Entity 2013 $

NOTE 10. EXPENDITURE COMMITMENTS

Non-Cancellable operating leases contracted for but not capitalised in the accounts:

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
Payable		
not later than one year	—	9,450
later than 1 year but not later than 5 years	—	—
AGGREGATE EXPENDITURE CONTRACTED FOR AT REPORTING DATE	—	9,450

NOTE 11. KEY MANAGEMENT PERSONNEL

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity 2014 $	Consolidated Entity 2013 $
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Short term employee benefits	133,000	—
Post employment benefits	—	—
Share based payment benefits	—	—
	133,000	—

NOTE 12. SHARE BASED PAYMENTS

On 19 June 2014, the Company issued 8,123,076 Ordinary Shares for $0.00325 each and 2,707,692 free options expiring on 30 September 2018 to directors of the Company in lieu of payment of outstanding director's fees owed by the Company to directors. The issue of these securities was approved at the General Meeting of shareholders held on 6 June 2014.

No other share based payments were issued by the Company or by the Consolidated Entity during the year ended 30 June 2014 or during the year ended 30 June 2013.

NOTE 13. SEGMENT INFORMATION

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group's principal activity is internet wine sales.

NOTE 14. CONTROLLED ENTITIES

During the year, the Company registered Seller Door Sales Pty Ltd in Western Australia as a 100% owned subsidiary of the Company. Seller Door Sales Pty Ltd has had no financial transactions since the date of its registration of 18 November 2013.

NOTE 15. SUPERANNUATION COMMITMENTS

The Company makes contributions to complying superannuation funds based on the requirements of the Australian Superannuation Guarantee Charge or such higher amount as has been agreed with individual employees. There is a legally enforceable obligation on the Company to contribute to the superannuation plan for those contributions that have been agreed with individual employees as part of their conditions of employment.

NOTE 16. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

NOTE 17. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries, which arise directly from its operations. The Company's policy is that no trading in financial instruments shall be undertaken. The main purpose of non-derivative financial instruments is to finance Company operations. Derivatives are not used by the Company and the Company does not speculate in the trading of derivative instruments.

TREASURY RISK MANAGEMENT

The Board considers the Company's financial risk exposure and treasury management strategies in the context of the Company's operations. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk. The Board reviews each of these risks on an on-going basis.

INTEREST RATE RISK

The Company has a policy of minimising its exposure to interest payable on debt. The Company has no debt that requires the payment of interest.

FINANCIAL INSTRUMENTS	TERMS AND CONDITIONS AND INTEREST RATE RISK
Bank Deposits	Bank deposits are either held at call, subject to notice of withdrawal or subject to maturity after a specified period of time. All cash held is subject to floating interest rate risk.
Receivables	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.
Accounts Payable	There are no specific terms and conditions that may affect the amount, timing and certainty of future cash flows as they are all managed on a case by case basis. These are non interest bearing and there is no exposure to interest rate risk.

LIQUIDITY RISK

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are available through on-going business activity, the sale of assets, joint venture arrangements and capital raising.

CREDIT RISK

At 30 June 2014, no cash deposits were committed as security (2013: $Nil)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There are no other material amounts of collateral held as security at 30 June 2014 or at 30 June 2013. Credit risk is managed on a Company basis and reviewed by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The Board monitors credit risk by actively assessing the quality and liquidity of counter parties, consequently only banks are utilised for deposits and all potential customers are assessed for credit worthiness taking into account their size, market position and financial standing. The counterparties included in trade and other receivables at 30 June 2014 and at 30 June 2013 are not rated, however given the amount and nature of these financial instruments, the Board is satisfied that they represent a low credit risk for the Company. There are no significant concentrations of credit risk within the Company.

FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Consolidated Entity	
	2014	**2013**
	$	**$**
TRADE AND SUNDRY PAYABLES ARE EXPECTED TO BE PAID AS FOLLOWS:		
Less than 6 months	260,373	379,721
6 months to 1 year	—	—
later than 1 year but not later than 5 years	—	—
over 5 years	—	—
	260,373	379,721

FAIR VALUES

The aggregate net fair values of the Consolidated Entity’s financial assets and financial liabilities, both recognised and unrecognised are as follows:

	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2014 $	AGGREGATE NET FAIR VALUE 2014 $	CARRYING AMOUNT IN THE FINANCIAL STATEMENTS 2013 $	AGGREGATE NET FAIR VALUE 2013 $
Financial Assets				
Cash assets	1,404,851	1,404,851	51,094	51,094
Receivables	15,808	15,808	6,007	6,007
Other financial assets	—	—	—	—
Financial Liabilities				
Payables	260,373	260,373	379,721	379,721

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Cash assets and financial assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value. The Company does not carry financial instruments at fair value at 30 June 2014.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

SENSITIVITY ANALYSIS

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

INTEREST RATE SENSITIVITY ANALYSIS

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2014	**2013**
	$	**$**
CHANGE IN PROFIT DUE TO::		
Increase in interest rate by 2%	1,620	511
Decrease in interest rate by 2%	(1,620)	—
CHANGE IN EQUITY DUE TO::		
Increase in interest rate by 2%	1,620	511
Decrease in interest rate by 2%	(1,620)	—

NOTE 18. RELATED PARTY TRANSACTIONS

The Company is not controlled by any other entity.

At 30 June 2014, directors and their related entities held directly, indirectly or beneficially 104,618,463 ordinary shares in the Company and 62,552,951 options over ordinary shares in the Company.

At 30 June 2013, directors and their related entities held directly, indirectly or beneficially 46,153,848 ordinary shares in the Company and 17,307,693 options over ordinary shares in the Company.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

CONTRACTUAL ARRANGEMENTS WITH DIRECTOR RELATED ENTITIES

Mr Roger Steinepreis, a director of the Company, is a partner in legal firm Steinepreis Paganin which provides legal services to the Company. Fees charged to the Company by Steinepreis Paganin for the year ended 30 June 2014 were $107,291 (2013: $nil).

Mr Paul Garner and Mr Darren Levy who are both directors of the Company, are also directors and shareholders of Titan Energy Ltd, a public company listed on the ASX. The Company owed Titan Energy Ltd $100,000 at the commencement of the financial year and repaid the loan in full during the financial year. The Company also paid interest at the rate of 10% per year on the loan which amounted to $520.55.

NOTE 19. DIVIDENDS

No dividends have been paid or proposed during the year.

NOTE 20. EVENTS SUBSEQUENT TO BALANCE DATE

On 4 July 2014, the Company issued 15,000,000 Class A Incentive Options, 15,000,000 Class B Incentive Options and 15,000,000 Class C Incentive Options. Class A Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest on the introduction of a new transaction or asset acquisition that is unanimously agreed by the board. Class B Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest where Company raises an additional $1.0 million at a price greater than 10% above the issue price under the Offer pursuant to the prospectus dated 7 May 2014. Class C Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest in the event the Company achieves two consecutive quarters of positive operating cashflow of at least $250,000 per quarter. The issue of these Incentive Options was approved at the Company's General Meeting held on 6 June 2014.

On 9 July 2014, the securities of the Company were reinstated to official quotation on the Australian Securities Exchange.

There have been no other conversions to, calls of or subscriptions for ordinary shares or issues of potential ordinary shares.

No other 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 affairs of the Company in future financial years.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PHW CONSOLIDATED LIMITED

REPORT ON THE FINANCIAL REPORT

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

OPINION

In our opinion:

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

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

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

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

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 4 to 8 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 in accordance with Australian Auditing Standards.

OPINION

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

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens

3 September 2014
Perth

SOMES COOKE
Profit from our Resources

35 Outram St
West Perth
WA 6005

PO Box 709
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Auditor's Independence Declaration

To those charged with governance of PHW Consolidated Limited

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

a) no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens

3 September 2014
Perth

ADDITIONAL INFORMATION AS AT 31 AUGUST 2014

ANALYSIS OF HOLDINGS OF SHARES AND OPTIONS IN THE COMPANY

	Listed Ordinary Shares	Listed Options expiring 30 Sep 2018 1 cent	Unlisted Options expiring 31 Dec 2015 1 cent
1 — 1,000	556	0	0
1,001 — 5,000	42	0	0
5,001 — 10,000	24	0	0
10,001 — 100,000	53	92	0
100,001 — and over	325	210	17
Total number of holders	1,000	302	17
Holdings of less than a marketable parcel	677		

	Unlisted Class A Incentive Options expiring 1 Oct 2018 1 cent	Unlisted Class B Incentive Options expiring 1 Oct 2018 1 cent	Unlisted Class C Incentive Options expiring 1 Oct 2018 1 cent
1 — 1,000	0	0	0
1,001 — 5,000	0	0	0
5,001 — 10,000	0	0	0
10,001 — 100,000	0	0	0
100,001 — and over	2	2	2
Total number of holders	2	2	2

Class A Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest on the introduction of a new transaction or asset acquisition that is unanimously agreed by the board.

Class B Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest where Company raises an additional $1.0 million at a price greater than 10% above the issue price under the Offer pursuant to the prospectus dated 7 May 2014.

Class C Incentive Options are exercisable at $0.01 each, expire on 1 October 2018 and vest in the event the Company achieves two consecutive quarters of positive operating cashflow of at least $250,000 per quarter.

REGISTERED OFFICE OF THE COMPANY

31 Ord St
West Perth
Western Australia 6005

Tel: +61 (8) 9322 1003
Fax: +61 (8) 9322 6722

STOCK EXCHANGE LISTING

Quotation has been granted for all ordinary shares on the Australian Securities Exchange. The State Office of Australian Securities Exchange in Perth, Western Australia has been designated the Home Branch of PHW Consolidated Limited.

There are no current on-market buy-back arrangements for the Company.

ADDITIONAL INFORMATION AS AT 31 AUGUST 2014

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:-

Computershare Registry Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000

Tel: +61 (8) 9323 2000
Fax: +61 (8) 9323 2033

COMPANY SECRETARY

The name of the Company Secretary is Jack Hugh Toby.

TAXATION STATUS

PHW Consolidated Limited is taxed as a public company.

VOTING RIGHTS

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

	Number of Shares	Percentage of Total
Ranchland Holdings Pty Ltd <RC Steinepreis Family A/C>	41,576,924	5.45%
Two Tops Pty Ltd	32,307,692	4.24%
Mr David Arthur Paganin <DA Paganin Family No 2 A/C>	26,192,308	3.43%
Blue Capital Holdings No 1 Pty Ltd <Blue Super Fund A/C>	26,153,846	3.43%
Marven Pty Ltd	23,476,924	3.08%
Northgold Pty Ltd <Northgold Super Fund A/C>	20,484,616	2.69%
Worldwide Energy Co Ltd	20,000,000	2.62%
Mr William Henry Hernstadt	16,153,846	2.12%
Jakor Pty Ltd	15,384,616	2.02%
Ohio Holdings Pty Ltd	15,384,616	2.02%
Mr Kar Wing Ng + Ms Yow Ting Lee <NG Family S/F A/C>	15,384,615	2.02%
Mrs Andrea Murray <Murray Family Fund No 2 A/C>	12,923,076	1.69%
Zambezi Enterprises Pty Ltd	12,923,076	1.69%
Watson Wine Group Pty Ltd	12,376,170	1.62%
Disruptive Capital Pty Ltd	11,538,462	1.51%
Pheakes Pty Ltd <Senate A/C>	10,230,768	1.34%
Mr Edward Frank Davison	10,000,000	1.31%
Ohio Enterprises Pty Ltd <Ohio Super Fund A/C>	9,615,385	1.26%
Aura Capital Management Pty Ltd <Aura S/F A/C>	9,230,769	1.21%
MXJ Pty Ltd <Jinxin Family A/C>	9,230,769	1.21%
	350,568,478	45.96%

ADDITIONAL INFORMATION AS AT 31 AUGUST 2014

TWENTY LARGEST HOLDERS OF ONE CENT OPTIONS EXPIRING 30 SEPTEMBER 2018

	Number of Shares	Percentage of Total
Ranchland Holdings Pty Ltd <RC Steinepreis Family A/C>	15,591,347	6.14%
Worldwide Energy Co Ltd	13,617,925	5.36%
Marven Pty Ltd	12,441,026	4.90%
Two Tops Pty Ltd	10,769,231	4.24%
Blue Capital Holdings No 1 Pty Ltd <Blue Super Fund A/C>	8,717,949	3.43%
Northgold Pty Ltd <Northgold Super Fund A/C>	7,469,231	2.94%
Mrs Jirachaya Charnchayasuk	5,769,231	2.27%
Jakor Pty Ltd	5,769,231	2.27%
Mr David Arthur Paganin <DA Paganin Family No 2 A/C>	5,653,847	2.23%
Mr William Henry Hernstadt	5,384,616	2.12%
Mr Kar Wing Ng + Ms Yow Ting Lee <NG Family S/F A/C>	5,128,205	2.02%
Mrs Andrea Murray <Murray Family Fund No 2 A/C>	4,846,154	1.91%
Zambezi Enterprises Pty Ltd	4,846,154	1.91%
Mr David Arthur Paganin <DA Paganin Family No 2 A/C>	4,168,269	1.64%
Disruptive Capital Pty Ltd	3,846,154	1.51%
Pheakes Pty Ltd <Senate A/C>	3,836,538	1.51%
Aura Capital Management Pty Ltd <Aura S/F A/C>	3,076,923	1.21%
MXJ Pty Ltd <Jinxin Family A/C>	3,076,923	1.21%
Wapshott Financial Pty Ltd <Wapshott Super Fund A/C>	3,076,923	1.21%
The Trust Company (Superannuation) Limited <Korn Personal Super Fund A/C>	3,010,310	1.19%
	130,096,187	51.22%

TWENTY LARGEST HOLDERS OF ONE CENT OPTIONS EXPIRING 31 DECEMBER 2015

	Number of Options	Percentage of Total
Aura Capital Nominees Pty Ltd <Aura Group Unit Trust>	25,569,234	29.55%
Blue Capital Holdings Pty Ltd <Blue Trust>	10,700,000	12.36%
Ranchland Holdings Pty Ltd <ATF RC Steinepreis Family Trust>	7,817,713	9.03%
Worldwide Energy Co Ltd	6,560,223	7.58%
Marven Pty Ltd	6,269,231	7.24%
Northgold Pty Ltd <Northgold Super Fund A/C>	5,769,231	6.67%
Ren H Wong Pty Ltd <Ren H Wong Family Trust>	5,000,000	5.78%
David Arthur Paganin <ATF D. A. Paganin Family Trust No 2>	4,924,942	5.69%
Jakor Pty Ltd	3,000,000	3.47%
Mrs Andrea Murray <Murray Family Fund No 2 A/C>	2,429,927	2.81%
Zambezi Enterprises Pty Ltd	2,429,927	2.81%
Pheakes Pty Ltd <Senate A/C>	1,923,692	2.22%
Kuang Ping Wang	1,500,000	1.73%
Goldmine Pty Ltd <Goldmine Super Fund A/C>	1,153,847	1.33%
West Oil & Gas Pty Ltd	500,000	0.58%
Atelier Asset Management <Vigilante Trust>	500,000	0.58%
George Ventouras	490,500	0.57%
	86,538,467	100.00%

ADDITIONAL INFORMATION AS AT 31 AUGUST 2014

TWENTY LARGEST HOLDERS OF ONE CENT CLASS A INCENTIVE OPTIONS EXPIRING 1 OCTOBER 2018

	Number of Options	Percentage of Total
Aura Capital Nominees Pty Ltd <ATF Aura Group Unit Trust>	10,000,000	66.67%
Blue Capital Holdings Pty Ltd <ATF Blue Trust>	5,000,000	33.33%
	15,000,000	100.00%

TWENTY LARGEST HOLDERS OF ONE CENT CLASS B INCENTIVE OPTIONS EXPIRING 1 OCTOBER 2018

	Number of Options	Percentage of Total
Aura Capital Nominees Pty Ltd <ATF Aura Group Unit Trust>	10,000,000	66.67%
Blue Capital Holdings Pty Ltd <ATF Blue Trust>	5,000,000	33.33%
	15,000,000	100.00%

TWENTY LARGEST HOLDERS OF ONE CENT CLASS C INCENTIVE OPTIONS EXPIRING 1 OCTOBER 2018

	Number of Options	Percentage of Total
Aura Capital Nominees Pty Ltd <ATF Aura Group Unit Trust>	10,000,000	66.67%
Blue Capital Holdings Pty Ltd <ATF Blue Trust>	5,000,000	33.33%
	15,000,000	100.00%

SUBSTANTIAL SHAREHOLDERS

Date Announced	Name	Number of Shares
26/06/2014	Ranchland Holdings Pty Ltd <ATF RC Steinepreis Family Trust> & Roger Steinepreis and Jacqueline Steinepreis and Workpower Pty Ltd	44,746,154

PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

INTRODUCTION

The directors are focussed on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 2nd Edition" established by the ASX Corporate Governance Council.

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which it considers will enable it to meet the principles of good corporate governance.

The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it. At the end of this statement a table is included detailing the recommendations with which the Company does not strictly comply.

The following section addresses the Company's practices in complying with the principles.

BOARD CHARTER

The Board has adopted the following Board Charter:

The business of the Company is managed under the direction of the Board of Directors. The Board is accountable to shareholders of the Company for the performance of the Company.

The Board has primary responsibility to shareholders for the sustainability and relevance of the Company by guiding and monitoring its business and affairs.

Each Director of the Company will act in good faith in the best interests of the Company and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that Company's long term sustainability is assured.

Directors will not misuse their position on the Board to advance personal interests nor to represent particular constituencies. Directors will not use information available to them as Board members to advance personal interests or agendas.

Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters.

The Company's Constitution and Australian corporations law specifies the minimum and maximum number of directors of the Company.

The Directors must elect one of their number as Chairman.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The Company has established the functions reserved to the Board. The Board is responsible for:

- overseeing the Company, including its control and accountability systems;
- appointing and removing the chief executive officer, managing director, or equivalent;
- ratifying the appointment and the removal of senior executives;
- providing input into and final approval of management's development of corporate strategy;
- reviewing, ratifying and monitoring risk management, internal control, codes of conduct and legal compliance;
- monitoring senior executives performance and implementation of strategy;
- ensuring appropriate resources are available to senior executives;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- approving and monitoring financial and other reporting.

Role and Responsibilities of Senior Executives

The Company has established the functions reserved to senior executives. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be senior executives. The functions delegated to senior executives are:

- Managing and administer the day-to-day operations of the Company;

- Making recommendations to the Board on corporate strategy, risk management, internal control, codes of conduct and legal compliance.

- Supervising other staff and represent them to the Board

- Exercising such specific and express powers as are delegated to them by the Board from time to time;

Evaluation of the performance of Senior Executives

A formal evaluation of the performance of senior executives was not carried out in the financial year ended 30 June 2013 as the Board monitors the performance of senior executives on an on-going basis and conducts an evaluation of the performance of senior executives as and when the Board considers appropriate.

Availability to public

The matters reserved for the Board, the matters delegated to senior executives and the Board Charter is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The names of the directors of the Company and their qualifications are: set out in the section headed Directors' Report in the Annual Report for the year ended 30 June 2013.

The mix of skills and diversity for which the Board of directors is looking to achieve in membership of the Board is that required so as to provide the Company with a broad base of industry, business, technical, administrative, financial and corporate skills and experience considered necessary to represent shareholders and fulfil the business objectives of the Company.

The recommendations are that a majority of the directors and in particular the chairperson should be independent. An independent director is one who:

- is not a substantial shareholder of the Company or an officer or otherwise associated directly or indirectly with a substantial shareholder of the Company;

- has not within the last 3 years been employed in an executive capacity by the Company or another Group member or been a director after ceasing to hold such employment;

- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with such a service provided;

- is not a material supplier or customer of the Company or another Group member, or an officer of, or otherwise associated directly or indirectly with a material supplier or customer;

- has no material contractual relationship with the Company or any other Group member other than as a director of the Company; and

- is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.

Mr Avikashan Naidu and Mr Eric King Wai Chan meet these criteria. Consequently, the Board does not have a majority of independent directors. Mr Roger Steinepreis is the chairman of the Board. The Chairman is not an independent director.

Mr Avikashan Naidu and Mr Eric King Wai Chan were both appointed directors on 3 July 2014.

The Chief Executive Officer of the Company is Mr Paul Garner.

A formal evaluation of the performance of the Board, or of individual directors, was not carried out in the financial year ended 30 June 2013 as the performance of the Board, its committees (if any) and the individual directors is assessed on an on-going basis by the Chairman of the Board. The performance of the Chairman of the Board is assessed on an on-going basis by the Board as a whole.

The Board has agreed on the following guidelines for assessing the materiality of matters:

Balance sheet items are material if they have a value of more than 7% of pro-forma net asset. Profit and loss items are material if they will have an impact on the current year operating result of 7% or more. Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Gender Diversity

The Company does not discriminate on the basis of gender and has no measurable objectives for achieving gender diversity.

There are no women on the Board. There are no women in senior executive positions in the Company. The proportion of women employees in the whole organisation is Nil.

Nomination of Other Board Members

Membership of the Board of directors is reviewed on an on-going basis by the Chairman of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not believe that at this point in the Company's development it is necessary to appoint additional directors. Consequently, the Board has not established a nomination committee. The Board has not adopted a Nomination Committee Charter.

Independent Advice

Each of the directors is entitled to seek independent advice at the Company's expense to assist them to carry out their responsibilities however prior approval of the Chairman is required which is not unreasonably withheld.

Availability to public

The Board's policy for nomination and appointment of directors is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

The Company has established a code of conduct as to the:

- Practices necessary to maintain confidence in the Company's integrity;
- Practices necessary to take into account their legal obligations and the expectations of their stakeholders;
- Responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The terms of the code of conduct are:

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision making process or discussions where that conflict does arise.

Each director and senior executive is required to advise the Chairman of the Board of any reports of unethical practises by any director, executive or employee of the Company. The Chairman of the Board will investigate the matter and report back to the Board as a whole.

Availability to public

The code of conduct is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

Directors are required to make disclosure of any trading in securities of the Company.

The Company has a policy for trading in the securities of the Company. The policy is:

POLICY FOR TRADING IN THE SECURITIES OF THE COMPANY

DEFINITIONS

Insider Trading:

'Insider trading' includes the trading of securities or some wider set of financial products (including derivatives and financial products able to be traded on a financial market) while in possession of information that is not generally available and would be likely to have a material effect on their price or value if it were generally available. The prohibition against insider trading extends to applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or dispose of relevant financial products, or procuring another person to so trade, or communicating that information where trading in the relevant financial products is likely to take place.

The insider trading provisions are found in Part 7.10, Division 3 of the Corporations Act 2001 ("Corporations Act"). Section 677 of the Corporations Act defines material effect on price or value. A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the first mentioned securities.

Company Securities:

Company Securities means shares, options or performance rights over those shares and other securities convertible into shares, and any financial products of the Company traded on ASX.

Closed Periods:

Closed Periods means the following periods of time:

a) From 7 January of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

b) From 7 July of each year until the next announcement to the ASX of financial results either in the form of a cashflow report or in the form of profit results; and

Key Management Personnel:

Key Management Personnel are defined in the ASX Listing Rules.

Declaration:

A declaration may be validly issued in either written or electronic form. Electronic declarations may take the form of an email, fax or any other electronic recordable communication.

Excluded Trading:

Excluded trading means trading consistent with any of the following categories:

Transfers of Company's Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;

An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;

Where a restricted person is a trustee, trading in the Company's Securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a closed period is taken by the other trustees or by the investment managers independently of the restricted person;

Undertakings to accept, or the acceptance of, a takeover offer;

Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

A disposal of the Company's Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, provided that the restricted person obtained the consent of the Chairman or Chief Executive Officer of the Company to enter into agreements that provide lenders with rights over their interests in the entity's securities;

Acquisition of the Company's Securities through an issue of securities by the Company;

The exercise (but not the sale of securities following exercise) of an option or a right, or the conversion of a convertible security;

Trading in accordance with a declaration by the Chairman or Chief Executive Officer which may be given in circumstances that they consider appropriate. The declaration may specify the circumstances and duration of excluded trading; or

Trading under a non-discretionary trading plan for which prior clearance by the Chairman or Chief Executive Officer of the Company has been provided and where:

a) the restricted person did not enter into the plan or amend the plan during a closed period;

b) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and

c) there was no cancellation of the trading plan during a closed period other than in exceptional circumstances.

TRADING RESTRICTIONS

All Key Management Personnel and all employees of the Company are required to comply with the prohibition against Insider Trading at all times with respect to the Company's Securities. Contravention of the insider trading prohibition may result in significant penalties.

With the introduction of the continuous disclosure regime, public listed companies and other disclosing entities are now required to disclose Price Sensitive Information on an on-going basis (subject to limited exceptions) so that at all times in the year the market can be fully informed and trading can be lawful. As a result the Company has decided not to specify safe periods but rather to designate periods when Trading by Key Management Personnel should not occur.

All Key Management Personnel are required to refrain from trading in the Company's Securities on the ASX during a Closed Period except for Excluded Trading.

All directors of the Company are required to comply with the Corporations Act and the ASX Listing Rules with regard to disclosure of their interests in the Company's Securities on their appointment as a director, on any change in their interests in the Company's Securities and on resignation as a director.

Availability to public

The policy for trading in the securities of the Company is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

No audit committee has been established. The Board has not adopted an Audit Committee Charter. The two executive directors play an active role in monitoring the daily affairs of the Company. As a result of the scale of operations it has not been considered necessary to form sub-committees.

Each Board member has access to the external auditors and the auditor has access to each Board member.

In the event of the resignation of external auditors, the Board will appoint a new external auditor which is subsequently ratified by shareholders in General Meeting. In all other cases an external auditor is nominated by a shareholder of the Company and is appointed by shareholders in General Meeting. An external auditor can be removed by shareholders in General Meeting. The Board does not have a policy for the rotation of external audit engagement partners.

Availability to public

The above policies and procedures are included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has established a policy to ensure compliance with ASX Listing Rule disclosure and accountability at senior executive level for that compliance. The terms of the policy are:

All directors, executives and staff are required to abide by all legal requirements, the Listing Rules of the Australian Stock Exchange and the highest standards of ethical conduct. This includes compliance with the continuous disclosure requirements of the listing rules.

The Company Secretary is the person responsible for overseeing and co-ordinating disclosure of information to ASX as well as communicating with the ASX.

Availability to public

The above policy is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at its Annual General Meetings. The terms of the communications policy are:

The Board seeks to inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports and announcing these reports to the ASX;
- preparing quarterly cash flow reports and reports as to activities and announcing these reports to the ASX;
- making announcement in accordance with the listing rules and the continuous disclosure obligations;
- maintaining the Company's website and hosting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to receive the reports and participate in the meeting by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed annually for the voting on the appointment of directors and so as to enable them to have discussion at the Annual General Meeting with the directors and/or the auditor of the Company who is invited to the Annual General Meeting. The Annual General Meeting is held each year at a convenient time and place.

Availability to public

The above policy is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGING RISK

The Board is conscious of the need to continually maintain systems of risk management and controls to manage all of the assets and affairs of the Company. The Company has established a policy for the oversight of material business risks and the management of material business risks. Risk management is a process of continuous improvement that is integrated into existing practices or business processes. The terms of these risk management policies are:

- Liaise with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.
- Define the basic parameters within which risks must be managed and set the scope for the rest of the risk management process.
- Identify the risks to be managed.
- Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur.
- Compare estimated levels of risk against pre-established criteria (see risk matrix in Risk Management Guide) and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
- Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs. Allocate responsibilities to those best placed to address the risk and agree on target date for action.
- The Chairman and Chief Executive Officer are responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, senior managers review the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives.
- The Board is responsible for oversight and for providing corporate assurance on the adequacy of risk management procedures.
- Managers at all levels are to create an environment where managing risk forms the basis of all activities.

The risk management includes asset risk, operational risk, personnel health and safety risk, currency fluctuation risk, amongst others. The Company identifies and manages those risks on a case by case and overall corporate basis.

The Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks and has required management to report to it on whether those risks are being managed effectively. The Chief Executive has reported to the board as to effectiveness of the Company's management of its material business risks.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration under section 295A of the Corporations Act is founded on an appropriate system of risk management and internal control suitable for a small company, which is operating effectively in all material respects in relation to financial reporting risks.

Availability to public

The above policies are included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

There is no formal remuneration committee. The Board has not adopted a Remuneration Committee Charter. The functions that would have been carried out by a remuneration committee are performed as follows:

- The remuneration of executive directors and senior executives is determined by the Board as a whole.
- A maximum amount of remuneration for non-executive directors is fixed by shareholders in general meeting and can be varied in that same manner. The Board as a whole determines the remuneration of each non-executive director. In determining the allocation of remuneration to each non-executive director, the Board takes account of the time demands made on the directors together with such factors as fees paid to other corporate directors and to the responsibilities undertaken by them.
- When the Board as a whole considers the remuneration of a particular director, that director will take no part in the decision making process or discussions.
- Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company. One third of the directors retires annually in accordance with the Constitution and is free to seek re-election by shareholders.

There are no schemes for retirement benefits other than superannuation for non-executive directors. There is no policy on prohibiting transactions in associated products which limit the economic risk to directors and executives of participating in unvested entitlements under an equity based remuneration scheme. The Company does not currently have an unvested equity based remuneration scheme.

Availability to public

The above policy is included in the Company's annual report which is announced to the ASX and is also available from the Company's website.

TABLE OF DEPARTURES AND EXPLANATIONS (FROM THE RECOMMENDATIONS OF THE ASX CORPORATE GOVERNANCE COUNCIL)

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
2.1 and 2.2	The Board does not have a majority of independent directors. The Chairman is not an independent director.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that there is an adequate and broad mix of skills required and that given their experience each of the directors are aware of and capable of acting in an independent manner and in the best interests of the shareholders.
2.4	A separate Nomination Committee has not been formed.	The Board comprises three members each of who have valuable contributions to make in fulfilling the role of a nomination committee member. A director will excuse himself where there is a personal interest or conflict.
3.2 and 3.3	No formal diversity policy has been established.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that a diversity policy is not in the best interests of the Company at this time.

ADDITIONAL INFORMATION AS AT 31 AUGUST 2014

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
4.1, 4.2 and 4.3	No formal audit committee has been established or formal charter drawn	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary that a formal audit committee be established or a charter be drawn.
8.1 and 8.2	No formal remuneration committee has been established.	Given the size and nature of the Company, its business interests and the ongoing level of involvement of all directors it is not considered necessary to establish a remuneration committee.