

APPENDIX 4E
PRELIMINARY FINAL REPORT

1. Results for Announcement to the Market

Current reporting period: Year ended 30 June 2017
 Previous corresponding period: Year ended 30 June 2016

	Amount \$	% Change up(+)/down(-)
Revenue from ordinary activities	2,466,336	n/a
Loss from ordinary activities after tax attributable to members (from continuing operations)	(4,839,623)	-72%
Loss from disposal group (discontinued operations)	0	n/a
Net loss for the period attributable to members	(4,839,623)	-72%

2. Dividend Information

The directors do not recommend the payment of a dividend in relation to the financial year ended 30 June 2017 (2016: Nil).

3. Net tangible assets per security

	2017 \$	2016 \$
Net tangible asset backing per ordinary share	0.006	0.003

As at 30 June 2017 the number of shares on issue was 697,489,746 (30 June 2016: 553,822,613).

4. Details of joint venture entities

The Company does not have any interests in joint ventures.

5. Details of entities over which the company has control

Name of Entity	% Interest	Country of Registration	Date of gain of control
Nuheara IP Pty Ltd	100%	Australia	25 February 2016
Terrace Gold Pty Ltd	80%	Australia	25 February 2016
Wild Acre Metals (Peru) SAC	100%	Peru	25 February 2016
Nuheara, Inc	100%	USA	21 June 2016

6. Assets held for sale

The Company undertook an assessment of its mineral assets in 2016 and concluded that these assets will be divested. It is anticipated that these assets will be sold within the next 12 months. Accordingly, the mining tenements held have been treated as a disposal group in the Statement of profit or loss and other comprehensive income and Statement of financial position.

7. Commentary on the results

It is recommended that the Appendix 4E be read in conjunction with the Company's ASX releases during the year in accordance with the continuous disclosure obligations under the ASX listing rules.

The Company achieved a net loss after tax of \$4,839,623. This compared with a net loss after tax of \$6,716,807 for the year ended 30 June 2016, an improvement of 72%. The net loss after tax result represented a loss of 0.78 cents per share, compared to a loss of 2.22 cents per share last year.

Net cash inflows of \$1,410,424 were attributable to \$8,973,571 received through capital raisings and \$411,175 from an R&D Tax Incentive Rebate, offset by \$4,481,442 in net operating outflows, \$851,882 for the payment of plant and equipment and \$2,640,998 for the purchase of intangible assets (development costs and trademarks).

2017 has been an impressive year of growth for Nuheara, after successfully bringing its first proprietary technology product to market and achieving global retail expansion.

The company launched its first product, IQbuds™, at the Consumer Electronics Show in Las Vegas, USA in January 2017. This followed a successful crowdfunding campaign that raised \$1.5 million in pre-orders in June 2016, from 5,500 plus customers in over 80 countries.

By 30 June 2017 the company had achieved the production of over 17,000 IQbuds™, fulfilling all pre-orders and increasing stock levels in warehouses located in Sydney, Los Angeles, London, and Hong Kong to meet ongoing demand.

The company expanded its global web store presence from USD and AUD transactions to now include CAD, NZD, and GBP transactions, and further extended its online presence with the launch of a US Amazon store in June 2017. Prior to year-end Nuheara announced the first of many planned geographical retail expansions, with the introduction of leading UK distributor Maxiim and the UK retailer Dixons, and orders from major retailers in the US, including Best Buy, Brookstone, Fry's, and Target. Channel expansion into Hearing Care Practitioners also commenced, with IQbuds™ now available at Bloom Hearing Clinics in Australia

Revenue from ordinary activities for the year was \$2,466,336. This compared with sales revenue of \$12,431 for the year ended 30 June 2016, an improvement of 19,740%. Significantly, the year-end results do not include any sales related to the Best Buy retail store expansion announced before year-end, or the geographical expansion into the UK. These orders were received in the first quarter of the 2018 financial year.

Two capital raisings were completed during the year, raising \$4.98 million in November 2016 and \$4.65 million in April 2017. Funds raised will be used to further expand global retail sales, and invest in new research and product development. At year-end, the company held \$3.49 million in cash reserves.

Peru mining tenements

Whilst the Company recognises the value in its resources project in Peru, the directors are also cognisant of the fact that these mining interests lie outside the company's core business activities. Accordingly, the directors remain committed to divest these assets within the next 12 months. To maximise the return for shareholders, the directors have commissioned an independent expert's report on the valuation of these assets. Once reviewed the directors will be in an informed position to appraise current and future offers.

Post balance date

In July 2017, the company successfully completed a significant placement to a small group of institutional investors, including Wilson Asset Management, raising \$9 million. The placement will fund aggressive global sales growth in the US, UK, Europe, Asia, and Australia, as well as new research and product development.

8. Audit report

The preliminary final report is based on accounts which are in the process of being audited.

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTES	2017 \$	2016 \$
Revenue		2,466,336	-
Cost of sales		(3,118,036)	(4,691)
Gross loss		(651,700)	(4,691)
Other income		450,316	12,431
Salaries and employee benefits		(1,270,997)	(454,812)
Marketing and promotional		(1,010,753)	(310,650)
Research and development		(205,343)	(987,808)
General and administrative		(1,671,000)	(766,213)
Share based payments		(461,508)	(31,919)
Mining activities		(18,638)	679,164
Listing fees		-	(4,969,933)
Loss before tax from continuing operations		(4,839,623)	(6,834,431)
Income tax benefit		-	-
Net loss after tax from continuing operations		(4,839,623)	(6,834,431)
Loss from discontinued operations			
Change in carrying value of disposal group		-	(2,443)
Loss on disposal group		-	120,067
Total loss from discontinued operations		-	117,624
Total comprehensive loss for the year		(4,839,623)	(6,716,807)
Total comprehensive loss attributable to:			
Equity holders		(4,839,623)	(6,716,807)
Total comprehensive loss		(4,839,623)	(6,716,807)
Earnings per share			
Basic loss per share (cents per share)	5	(0.78)	(2.22)
Diluted loss per share (cents per share)	5	(0.69)	(2.09)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	NOTES	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents		3,404,552	1,994,128
Trade and other receivables		871,208	1,058,575
Inventory		1,125,144	15,147
Disposal group – mining tenements held for sale		206,233	206,233
TOTAL CURRENT ASSETS		5,607,137	3,274,083
NON-CURRENT ASSETS			
Plant and equipment		871,245	160,399
Security deposits		27,581	27,707
Intangible assets		2,194,198	-
Investments held in subsidiaries	1	1	-
TOTAL NON-CURRENT ASSETS		3,093,025	188,106
TOTAL ASSETS		8,700,162	3,462,189
CURRENT LIABILITIES			
Trade and other payables		1,796,118	1,510,854
Income tax payable		124	-
Provisions		386,281	24,302
TOTAL CURRENT LIABILITIES		2,182,523	1,535,156
NON-CURRENT LIABILITIES			
Trade and other payables		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		2,182,523	1,535,156
NET ASSETS		6,517,639	1,927,033
EQUITY			
Issued capital	3	17,402,898	8,229,327
Share option reserve	4	677,427	415,919
Foreign currency translation reserve		(4,850)	-
Accumulated losses		(11,557,836)	(6,718,213)
TOTAL EQUITY		6,517,639	1,927,033

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Ordinary Shares	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2015	100	(1,406)	-	-	(1,306)
Comprehensive Income					
Loss for the year	-	(6,716,807)	-	-	(6,716,807)
Total comprehensive loss for the year	-	(6,716,807)	-	-	(6,716,807)
Transactions with owners in their capacity as owners					
Shares issued during the year	8,825,315	-	-	-	8,825,315
Share issue costs	(596,088)	-	-	-	(596,088)
Options issued during the year	-	-	415,919	-	415,919
Balance at 30 June 2016	8,229,327	(6,718,213)	415,919	-	1,927,033
Balance at 1 July 2016	8,229,327	(6,718,213)	415,919	-	1,927,033
Comprehensive Income					
Loss for the year	-	(4,839,623)	-	-	(4,839,623)
Total comprehensive loss for the year	-	(4,839,623)	-	-	(4,839,623)
Transactions with owners in their capacity as owners					
Shares issued during the year	9,831,903	-	-	-	9,831,903
Share issue costs	(658,332)	-	-	-	(658,332)
Options issued during the year	-	-	99,814	-	99,814
Movement in valuation of options issued in prior periods	-	-	161,694	-	161,694
Foreign currency translation movements	-	-	-	(4,850)	(4,850)
Balance at 30 June 2017	17,402,898	(11,557,836)	677,427	(4,850)	6,517,639

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,898,869	(5,587)
Interest received	33,380	12,431
Grants and rebates received	411,175	-
Sundry income	2	-
Payments to suppliers and employees	(6,412,608)	(1,294,147)
Interest and other costs of finance paid	(1,085)	(44)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(4,070,267)	(1,287,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(851,882)	(175,737)
Payment for acquisition of businesses (net of cash acquired)	-	37,837
Proceeds from disposal of investments in associates	-	131,364
Payment for the acquisition of intangibles	(2,640,998)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,492,880)	(6,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share and option issues	9,631,903	3,500,000
Share raising costs	(658,332)	(212,089)
Proceeds from shareholders' loans	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	8,973,571	3,287,911
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD	1,410,424	1,994,028
Cash and cash equivalent at beginning of the financial year	1,994,128	100
Cash and cash equivalent at the end of the financial year	3,404,552	1,994,128

The accompanying notes form part of these financial statements.



NUHEARA LIMITED
ABN 29 125 167 133

It is important to read the following definitions in order to assist with understanding this report.

For the purposes of this report:

Nuheara IP Pty Ltd refers to the company purchased by Nuheara Limited on 25 February 2016. As required by Australian Accounting Standard *AASB3: Business Combinations*, Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd as at 25 February 2016 under the reverse acquisition rules.

Nuheara Limited or **Listed Entity** or **Company** means only the legal entity of Nuheara Limited, which is listed on the Australian Securities Exchange (ASX: NUH). Nuheara Limited is the legal parent of Nuheara IP Pty Ltd although it has been treated as the acquirer for accounting purposes in the financial statements.

Wild Acre Metals Limited (ASX: WAC) means Nuheara Limited and all its controlled entities prior to the purchase of Nuheara IP Pty Ltd. On 25 February 2016, the company's name was changed from Wild Acre Metals Limited to Nuheara Limited and the ASX code was subsequently changed from WAC to NUH.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, International Financial Reporting Standards as issued by the International Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Nuheara Limited, during the reporting period, in accordance with the continuous disclosure requirements of the ASX listing rules.

This preliminary final report including any commentary on the Company results was authorised for issue in accordance with a resolution by the board of directors.

2. SEGMENT INFORMATION

Operating segments

Nuheara Limited, Nuheara IP Pty Ltd and Nuheara Inc are operating within the consumer electronics sector and have been aggregated to one reportable segment given the similarity of the products manufactured for sale, method in which products are delivered, types of customers and regulatory environment.

At 30 June 2017, Wild Acre Metals (Peru) SAC held mining tenements in Peru and has been treated as a disposal group.



NUHEARA LIMITED
ABN 29 125 167 133

3. ISSUED CAPITAL

(i) Issued and Paid Up Capital:

697,489,746 (2016: 553,822,613) Ordinary shares, fully paid

2017 \$	2016 \$
17,402,898	8,229,327

(ii) Movements during the period

Opening Balance at 1 July 2015

Issue of 5 shares on 23 November 2015
 Shares transferred to Nuheara Limited on acquisition
 Opening balance of Nuheara Limited shares
 16 October 2015 issue 12,500,000 shares @ \$0.008 each to raise funds for working capital
 29 October 2015 issue 9,375,000 shares @ \$0.016 each to raise funds for working capital
 9 December 2015 issue 2,500,000 shares to Teck Resources Limited in consideration for 100% interest in Salvador Project
 25 February 2016 issue 140,000,000 shares pursuant to Prospectus @ \$0.025 each
 25 February 2016 issue 201,250,000 shares issued to Nuheara shareholders
 25 February 2016 issue 24,802,321 shares to facilitator at \$0.025 each
 Less: Share issue costs
Balance shares at 30 June 2016

2016 No.	2016 \$
100	100
5	11,000
(105)	-
163,395,292	-
12,500,000	-
9,375,000	-
2,500,000	-
140,000,000	3,500,000
201,250,000	5,314,315
24,802,321	-
-	(596,088)
553,822,613	8,229,327

Opening Balance at 1 July 2016

27 October 2016 issue 83,073,383 shares under share placement at \$0.06 each
 3 April 2017 issue 36,250,000 shares under share placement at \$0.08 each
 4 April 2017 issue 18,750,000 shares under share placement at \$0.08 each
 5 May 2017 issue 3,093,750 shares under share purchase plan at 0.08 each
 23 June 2017 issue 2,500,000 shares to consultant in consideration of investor relations and corporate advisory services provided to the Company
 Less: Share issue costs
Balance shares at 30 June 2017

2017 No.	2017 \$
553,822,613	8,229,327
83,073,383	4,984,403
36,250,000	2,900,000
18,750,000	1,500,000
3,093,750	247,500
2,500,000	200,000
-	(658,332)
697,489,746	17,402,898

(iii) Holders of Ordinary Shares

Holders of 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 the sale of all surplus assets in proportion to the number of shares held and the amount paid up. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

4. SHARE OPTION RESERVE
(i) Unlisted options:

107,319,445 (2016: 85,469,445) unlisted options

2017 \$	2016 \$
677,427	415,919

(ii) Movements during the period
Balance unlisted options at 30 June 2015

Opening balance of Nuheara Limited unlisted options
Issue of Management options in Nuheara acquisition
Issue of Underwriter options pursuant to Prospectus dated 25 January 2016

Issue of Employee options @ \$0.04 each on 18 April 2016
Issue of Employee options @ \$0.06 each on 18 April 2016
Issue of Employee options @ \$0.09 each on 18 April 2016

Balance unlisted options at 30 June 2016

2016 No.	2016 \$
-	-
20,719,445	-
20,000,000	-
30,000,000	384,000
6,000,000	15,246
5,500,000	12,452
3,250,000	4,221
85,469,445	415,919

Balance unlisted options at 30 June 2016

Issue of Employee options @ \$0.09 each on 19 December 2016
Issue of Employee options @ \$0.115 each on 16 February 2017
Issue of Employee options @ \$0.09 each on 22 May 2017
Issue of options @ \$0.078 each on 23 June 2017
Issue of options @ \$0.12 each on 23 June 2017
Less: Options forfeited
Movement in valuation of options issued in prior reporting periods
Balance unlisted options at 30 June 2017

2017 No.	2017 \$
85,469,445	415,919
11,000,000	79,900
1,500,000	6,059
4,000,000	5,435
10,000,000	4,300
10,000,000	4,120
(14,650,000)	-
-	161,694
107,319,445	677,427

5. EARNINGS PER SHARE

Basic loss per share (cents per share)
Diluted loss per share (cents per share)

2017 Cents	2016 Cents
(0.78)	(2.22)
(0.69)	(2.09)

Basic loss per share

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

2017 \$	2016 \$
(4,839,623)	(6,716,807)

Weighted average number of ordinary shares – basic loss per share
Weighted average number of ordinary shares – diluted loss per share

2017 No.	2016 No.
622,333,724	301,952,369
701,003,854	321,842,095