Grandbridge Limited

Appendix 4E - Preliminary Final Report

Name of Entity	Grandbridge Limited
ABN	64 089 311 026
Financial Year Ended	Year ended 30 June 2018
Previous Corresponding Reporting Period	Year ended 30 June 2017

Results for announcement to the market

				$A'000
Revenues from ordinary activities (i)	Down	60%	to	329
Net (loss) from ordinary activities after tax attributable to members (ii) (Prior year loss of $439,777)	Up	67%	to	(734)
Net (loss) for the period attributable to members (ii) (Prior year loss of $439,777)	Up	67%	to	(734)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final dividend Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil

(i) Prior period revenues include $340,692 of fees relating to the termination of service agreements which have not been paid. In the prior period a provision for doubtful debts has been recognised in respect of 100% of the associated receivable

(ii) Net (loss) after tax is after recognising a fair value loss of $293,750 (2017: loss of $1,169,150) and an income tax expense of $3,264 (2017: $716,941 income tax benefit)

Ratios

	Year ended 30 June 2018	**Year ended 30 June 2017**
(Loss) before tax / revenue Consolidated (loss) from ordinary activities before tax as a percentage of revenue	(222%)	(139%)
(Loss) after tax / equity interests Consolidated net (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(221%)	(41%)
Net tangible asset backing per ordinary security (cents per share)	1.1	3.5

Commentary on results

The consolidated entity has reported an unaudited net loss after tax for the year ended 30 June 2018 of $734,263 (30 June 2017: loss $439,777), which is stated after (i) a fair value loss of $293,750 (2017: loss of $1,169,150) on the Company's investment in Advent Energy Limited (i) consulting and legal expenses of $182,176 partly relating to ongoing legal disputes (2017: $238,163) (iii) a reduction in employee expenses to $111,091 (2017: $177,922) (iv) unrealised losses on the revaluation of financial investments of $217,307 (2017: loss of $128,044). The consolidated entity has a working capital deficit of $273,958 (2017: deficit of $215,423). The net assets of the consolidated entity decreased by $732,115 to $332,995 at 30 June 2018. The Company's shares were suspended on ASX on 1 June 2017 due to the Company's financial position and remain in suspension.

Developments in the Company's investments include:

Cortical Dynamics Ltd ("Cortical")

BPH Energy Limited ("BPH") investee Cortical announced a number of developments during the period which included:-

- On 18 October 2017 BPH confirmed a European trial with Hôpital Foch in Paris, France. The arrangement with Hôpital Foch was the second installation of the BAR Monitor technology internationally (after New Zealand) and the first for Cortical in Europe.

- On 14 November 2017 BPH advised of the appointment of Reno Wright Smith & Partners ("RWS") to undertake marketing activities to assist Cortical to enter the European market with the Brain Anaesthesia Response ("BAR") monitor technology. RWS, based in Chicago, Illinois, are specialists in commercialisation for early stage medical technologies. The RWS President, David Smith, has a background in medical device marketing & general management for 25+ years including with Coopervision, Carl Zeiss, Biocompatibles International plc, Cohesion Technologies, Tenaxis Medical Inc & Device Technologies Australia

- On 20 November 2017 BPH advised of the appointment of Dr Bruce Whan as Corporate Development Director to assist to further the development of Cortical. Bruce Whan has a background in industry covering a range of research, operations and management positions, including the management of innovation and commercialisation of R&D, in particular from the public research sector. He was Director of Swinburne University of Technology's commercialisation unit for 12 years and a member of the Commercialisation Australia board.

- On 13 December 2017 BPH confirmed the European Patent Office had granted a further patent titled, 'EEG Analysis System'.

- On 14 December 2017 BPH advised that the Cortical BAR Monitor was being used in evaluation trials in a further major hospital in Melbourne. This is the second installation of the BAR Monitor technology in Melbourne, with further units being evaluated in Queensland, and internationally in New Zealand and Europe.

- On 22 December 2017 BPH advised that investee Cortical was to be further evaluated in a Sydney hospital in 2018. These trials introduce the BAR Monitor to a number of anaesthetists to assess its function, which in turns assists Cortical to better understand how best to address the needs of the market, underpinning its marketing campaign.

- On 16 January 2018 BPH advised that that the Cortical BAR Monitor was being used in a set of evaluation trials in a further Melbourne hospital.

- On 19th April BPH advised that Cortical had signed an agreement for the distribution of its BAR Monitor in South Korea. The distribution agreement arose as a result of an invitation by Austrade to attend and present at the Austrade Korean Medtech Innovation Showcase

- On 29th April BPH advised that Cortical had signed its first European Distribution agreement covering the BARM for the Benelux Countries of Belgium, Netherlands and Luxembourg. Cortical will initially focus on the Total Intravenous Anaesthesia ("TIVA") market within Europe. TIVA provides a method of inducing and maintaining general anaesthesia intravenously without the use of any inhalation agents.

MEC Resources Limited (“MEC”) / Advent Energy Ltd (“Advent”)

- The 2018 MEC half year financial report to 31 December 2017 released on 27th Feb 2018 confirmed that the MEC subsidiary Advent Energy had (spending) commitments”…“for its exploration permits of $4,497,500 over the next 12 months” in order to maintain tenure. (In the 2017 MEC Annual Report an amount was confirmed of $2.5m of required permit compliance expenditures to retain EP386.)

- On 21 July 2017 MEC announced the withdrawal of its statutory demand against BPH prior to a settlement conference between MEC, BPH and GBA to seek a global resolution of the respective legal disputes.

- On 1 September 2017 BPH received a writ from MEC Resources Ltd for an amount of $270,000 plus interest and costs and then received on 2 October 2017 an application for summary judgement in relation to this claim. The application by MEC for summary judgement was heard in December 2017 in the District Court of Western Australia. The summary judgement application decision in the claim by MEC Resources Ltd for $270,000 plus interest and costs was handed down on 23 February 2018. The MEC application was dismissed by the court. BPH disputes the basis of the claim by MEC and its interest claims, and BPH asserts that there has not been an Event of Default and that the loan is not due and owing. BPH had previously advised the market on 4th July that it has a claim against MEC of $388,050 plus interest and costs and has advised it will continue to pursue this matter.

- On 12 October 2017 MEC announced the appointment of a specialist firm to assist in finding joint venture partners for 3D seismic for PEP11.No announcement on any partner from this appointment has been made to date.

- On 5 December 2017 MEC announced a conditional Farmin with RL Energy Ltd a company controlled by Greg Channon, who until immediately prior to the announcement was a director of Advent Energy.

- On 8th January 2018 MEC announced that an extension of the PEP11 permit had been granted until 2021.The drilling of a well in PEP11 is a confirmed year 4 minimum commitment as set out in that announcement with this program to be completed by 12/02/2020 prior to a 3D seismic survey of 500 sq km .

- A further announcement on 8th confirmed Advent was planning the plug and abandonment of the three Bonaparte Basin wells Waggon Creek, Vienta and Weaber in the 2018 dry season .This has not occurred. In the MEC prospectus lodged with ASIC on 16 May it was advised that a well management plan, environmental plan and safety case must be submitted to the DMIRS by 28th September for the decommissioning of Waggon Creek-1 and Vienta -1 wells.

- On 15 February 2018 MEC was placed in a trading halt after the ASX had asked a series of questions by letters dated 31 January 2018 and 9 February 2018. MEC confirmed in a letter dated 14 February 2018 and released on 15th February in relation to RL Energy that: “there can be no certainty that the provision of funding to finalise the phase 2 3D seismic works will be finalised ” (page 2) and “in respect of the 3D seismic works..the second phase “(the 3d seismic works) “will be subject to RL Energy securing funding at the relevant time “(Page 1)

- On 19 Feb 2018 MEC announced that the 3D farmin transaction with RL Energy, a company controlled by previous Advent Director Greg Channon’s family company, would need MEC shareholder approval under ASX Listing Rule 10. Mr Channon’s company would, under the proposed agreement, earn an unspecified percentage interest in the PEP11 permit by funding the 3D project only up to a maximum of $4m. MEC has previously estimated the cost of this 500 sq km of 3D at least up to $8m.

- On 23 February 2018 MEC announced that the 2D seismic survey in PEP11, at the Baleen drill prospect, was now planned for April 2018.

- On 28th March 2018 BPH announced it had served Notices of Demand on MEC Resources and Advent Energy for outstanding loans of $225,486 and $164,744 respectively and on 4 April 2018 writs were issued against MEC and Advent for these amounts .The total amounts claimed against MEC and its subsidiaries by both BPH and GBA is $820,661.A statement of claim in the DistricOn the 6th July 2018 MEC announced it had increased its holding in Advent to 50% from 47%.

Advent Energy Ltd (GBA 7.45% Direct)

The information in this section contains material extracted from the ASX announcements of MEC Resources Limited (ASX: MMR), the major shareholder in Advent Energy Ltd.

(i) PEP 11

PEP11**,** offshore Sydney Basin adjacent to Newcastle-Sydney offshore New South Wales, is held 85% and operated by Asset Energy Pty Ltd ("Asset"), a wholly owned subsidiary of Advent Energy Ltd ("Advent").

PEP11 holds significant structural targets potentially capable of comprising multi-Tcf natural gas resources. The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market.

Advent's two core prospects in PEP11 have previously been calculated via external assessment to have the potential for un-risked (P50) prospective gas resources of 472 and 2,131 billion cubic feet ("BCF") respectively, with multi-trillion cubic feet upside ("multi-TCF", Pmean). This resource assessment was originally comprised within the independent expert report disclosed to the ASX on 22 December 2010 and has not materially changed since that date.

On 24 November 2017 the Advent AGM presentation 'Strategic Summary: Tactics to Success 'confirmed the strategy of "Complete current 2D seismic commitment to deliver shallow hazard survey work …to deliver 'drill ready' gas prospect ..and.. actively pursue farm-out ..for early drilling, capturing near-term rig availability off Australia's coast."

On 10 January 2018 MEC announced the acceptance by NOPSEMA of the Baleen 2D High Resolution Seismic Plan. This approval process took approximately 7 months for a seismic program with a primary survey area of just 9 square km.

The proposed PEP11 3D seismic program is for an area of 500 sq km (Refer 8th Jan 2018).
The anticipated operational area for a seismic survey of 500 sq km is 2500 sq km. The whale migration period offshore NSW is between May to November which will exclude seismic operations during this time.

In April 2018 Advent undertook a high resolution 2D seismic data over the Baleen prospect designed to evaluate (amongst other things) shallow geohazard indications including shallow gas accumulations that can affect future potential drilling operations. On the 19th April it was announced that processing of this 2D data would take approximately 2 months .No announcement about the processing has been made to date.

It is a drilling prerequisite that a site survey is made prior to drilling at the Baleen location.

(ii) EP386 and RL1

EP386 and RL1 are held by Advent's 100% subsidiary Onshore Energy Pty Ltd. The petroleum titles lie in the onshore Bonaparte Basin, one of Australia's most prolific hydrocarbon producing basins. The petroleum wells Waggon Creek-1, Vienta-1 (EP386) and Weaber-4 (RL1) are cased and suspended.

On 29 March 2018 an Instrument of Direction was issued by the WA Department of Mines under S.95(1) of the Petroleum and Geothermal Energy resources Act 1967 to Onshore Energy Pty Ltd a wholly owned subsidiary of Advent Energy Ltd. The Instrument of Direction is available on the WA Govt. website and relates to Waggon Creek and Vienta wells in EP386 in the onshore Bonaparte Basin in WA. The Instrument of Direction to plug and abandon the wells must be completed by March 2020 .The wet season means this work must be completed during mid-year 2019.

On 3rd April 2018 MEC announced a two year extension to the EP386 permit to enable this work to be

Other

- On 28 December 2017 Grandbridge announced it had appealed a decision of the FWC in respect of a jurisdictional matter in relation to coverage of the FWC for a dismissed employee who had made an unparticularised compensation claim .The company had denied liability .The Company won this case. Its appeal was upheld, the original decision quashed, and the question of whether the Company complied with the small Business Fair Dismissal Code referred to a Deputy President of the FWC. The Deputy President determined that David Breeze, a Director of Grandbridge had reasonable grounds that the employees conduct was sufficiently serious to justify immediate dismissal .The Deputy President was satisfied that the Code had been met and the application made was dismissed. This decision was then appealed on 13 April by the employee to the Full Bench of the FWC .The application to appeal by the employee was refused by the Full Bench in a decision handed down on the 10th May 2018.

- On 13 September 2017 Grandbridge served a writ for a total of $340,692 against MEC Resources Ltd (ASX: MMR) and Advent Energy Ltd. At or around 24 November 2016, MEC and Advent terminated the MEC Services Agreement and Advent Services Agreement. Pursuant to these Agreements payment for termination became due and payable by MEC and Advent at that time. Grandbridge made demand for payment of the termination payments and no payment was made or settlement offer made. The Grandbridge writ claims $212,052 against MEC and $128,640 against Advent. On 22 January 2018 Grandbridge lodged a Statement of Claim in respect of these amounts plus interest and costs with the District Court of Western Australia.

- On 4th April 2018, GBA served a Writ issued in the District Court of Western Australia on MEC Resources for claims as detailed against MEC Resources Limited for the amount of $42, 203, Advent Energy Limited for the amount of $274, 005, Asset Energy Pty Ltd for the amount of $114,223.Advent Energy Limited is controlled by MEC Resources Ltd. Asset Energy Pty Ltd is a subsidiary of Advent Energy Ltd. The writs follow the failure of these parties, following demand, to pay outstanding debts by 5pm on 29th March 2018.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	1	329,029	831,585
Other (losses) / income	1	(213,323)	(127,951)
Administration expenses		(269,411)	(215,058)
Fair value loss		(293,750)	(1,169,150)
Payables write-back		75,000	-
Provision against loans write-back / (expense)		-	32,502
Investment written off		(1,652)	(18,293)
Consulting and legal expenses		(182,176)	(238,163)
Depreciation		(587)	(1,100)
Finance expense		(1,780)	(2,045)
Employee expenses	2	(111,091)	(177,922)
Insurance expenses		(16,424)	(25,647)
Share based expense		(2,148)	-
Occupancy expenses		(37,782)	(40,576)
Other expenses from ordinary activities		(4,904)	(4,900)
Loss / (profit) before income tax		(730,999)	(1,156,718)
Income tax (expense) / benefit	3	(3,264)	716,941
(Loss) / profit from continuing operations		(734,263)	(439,777)
Other comprehensive income			
Reclassification of revaluation reserve (net of tax)		-	(3,589,600)
Other comprehensive (loss) (net of tax)		-	(3,589,600)
(Loss) / profit attributable to members of the parent entity		(734,263)	(439,777)
Total comprehensive (loss) / income attributable to members of the Company		(734,263)	(4,029,377)
Earnings Per Share – *Basic and diluted earnings per share (cents per share)*	4	(2.40)	(1.44)

The accompanying notes form part of and should be read in conjunction with this financial statement

NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

1. Revenue and Other Income

	Consolidated 2018 $	Consolidated 2017 $
Revenue		
Corporate advice and management fees	328,549	818,104
Underwriting fees	-	13,000
Interest revenue – other entities	480	481
Total revenue	329,029	831,585
Other income		
Unrealised (losses) on financial investments	(217,307)	(128,044)
Other	3,984	93
	(213,323)	(127,951)

2. Expenses Included in the (Loss) for the Year

	2018 $	2017 $
Employee Expenses		
Salary	96,052	197,549
Superannuation	6,275	16,234
Other payroll expenses	8,764	(35,861)
	111,091	177,922

3. Income Tax (Expense) / Benefit

	2018 $	2017 $
a) The components of income tax (expense) / benefit comprise:		
Adjustments recognised in the current year in relation to the current tax of prior years	(3,264)	(3,541)
Current tax	-	(6,399)
Deferred income tax (credit)	-	726,881
	(3,264)	716,941
Deferred income tax credit included in income tax benefit comprises:		
(Decrease) in deferred tax assets	-	(701,067)
Decrease in deferred tax liabilities	-	1,427,948
	-	726,881

NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Consolidated	
	2018	2017
	$	$
3. Income Tax (Expense) / Benefit (continued)		
b) The prima facie tax on (loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
(Loss) from ordinary activities before income tax	(730,999)	(1,156,718)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2017: 27.5%)	201,025	318,097
Tax effect of amounts which are not taxable / deductible in calculating taxable income:		
Effect of change in income tax rate	-	60,573
Effect of previously unrecognised and unused tax losses now recognised as deferred tax assets	-	(318,830)
Expense relating to prior period	(3,264)	(3,542)
Temporary differences and tax losses not recognised	(201,025)	660,643
Income tax (expense) / benefit recognised	(3,264)	716,941

4. Earnings per Share ("EPS")

	2018	2017
Reconciliation of earnings to profit or loss		
Net (loss) after tax attributable to members of the parent entity	(734,263)	(439,777)
(Loss) used to calculate basic EPS	(734,263)	(439,777)
(Loss) used to calculate dilutive EPS	(734,263)	(439,777)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	30,633,364	30,633,364
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	30,633,364	30,633,364
Earnings per share (cents per share)	(2.40)	(1.44)
Diluted earnings per share (cents per share)	(2.40)	(1.44)

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2018 $	Consolidated 2017 $
Current Assets			
Cash and cash equivalents	1	10,052	56,869
Trade and other receivables		-	15,602
Financial assets	2	1,037,158	888,642
Other current assets		9,204	18,290
Total Current Assets		1,056,414	979,403
Non-Current Assets			
Financial assets	2	627,834	1,304,334
Property, plant & equipment	3	3,326	-
Total Non-Current Assets		631,160	1,304,334
Total Assets		1,687,574	2,283,737
Current Liabilities			
Trade and other payables	4	1,170,728	1,122,510
Borrowings	6	88,033	-
Short–term provisions	7	71,611	72,316
Total Current Liabilities		1,330,372	1,194,826
Non-Current Liabilities			
Long-term provisions	7	24,207	23,801
Total Non-Current Liabilities		24,207	23,801
Total Liabilities		1,354,579	1,218,627
Net Assets		332,995	1,065,110
Equity			
Issued capital	5	3,609,420	3,609,420
Reserves	8	325,714	323,566
Accumulated losses		(3,602,139)	(2,867,876)
Total Equity		332,995	1,065,110

The accompanying notes form part of and should be read in conjunction with this financial statement

NOTES TO THE STATEMENT OF FINANCIAL POSITION

	Consolidated 2018 $	Consolidated 2017 $
1. Cash and Cash Equivalents		
Cash at bank and in hand	10,052	56,869
	10,052	56,869
2. Financial Assets		
Current		
Loans receivable (b)	702,086	888,642
Investments in listed entities (c)	335,072	-
	1,037,158	888,642
Non-current		
Security deposit (a)	20,000	20,000
Loans receivable (b)	-	1,655
Shares:		
Investments in listed entities (c)	-	381,095
Investments in unlisted entities (d)	607,834	901,584
	627,834	1,304,334

(a) The security deposit is for a performance bond provided by the Company's bank to the Australian Securities and Investments Commission.

	2018 $	2017 $
(b) Loans receivable -		
Unsecured loans to other entities	1,718,572	1,906,783
Provisions against unsecured loans	(1,016,486)	(1,016,486)
Unsecured loans to other entities	702,086	890,297
(c) Financial assets carried at fair value through profit and loss -		
Current		
BPH Energy Limited	83,556	-
MEC Resources Limited	248,556	-
Strategic Elements Limited	2,960	-
Total	335,072	-
Non-current		
BPH Energy Limited	-	83,556
MEC Resources Limited	-	292,419
Strategic Elements Limited	-	5,120
Total	-	381,095

NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

2. Financial Assets (continued)

Loans receivables are non-interest bearing and payable on demand. During the prior period the Company raised a provision of $340,692 against fees relating to the termination of contracts with MEC Resources Limited and Advent Energy Limited. This provision can be reversed upon payment of the outstanding fees.

	Consolidated	
	2018	**2017**
	$	**$**
3. Property Plant and Equipment		
At cost	121,304	117,391
Accumulated depreciation	(117,978)	(117,391)
Total property, plant and equipment	3,326	-
Carrying amount at the beginning of the year	-	1,100
Additions	3,913	-
Depreciation expense	(587)	(1,100)
Carrying amount at the end of the year	3,326	-
4. Trade and Other Payables - Current		
Trade payables	100,141	176,650
Sundry payables and accrued expenses	1,070,587	945,860
	1,170,728	1,122,510
5. Issued Capital		
30,633,364 (2017: 30,633,364) fully paid ordinary shares	3,609,420	3,609,420

The company does not have an authorized share capital and the shares issued have no par value.

Ordinary Shares:	**2018 Number**	**2017 Number**
At the beginning of reporting period	30,633,364	30,633,364
At the end of reporting period	30,633,364	30,633,364

6. Borrowings - Current

Related party borrowings	88,033	-
	88,033	-

The loan has been provided by a director, Mr David Breeze, at an interest rate of 8% per annum. The loan is unsecured with a repayment date of 14 December 2018.

NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

7. Provisions

	Consolidated 2018 $	Consolidated 2017 $
Current	71,611	72,316
Non-Current	24,207	23,801
	95,818	96,117
Employee entitlements		
Opening balance at 1 July	89,718	128,528
(Decrease) / increase in provision	8,764	(38,810)
Balance at 30 June	98,482	89,718
Current	74,275	65,917
Non-Current	24,207	23,801
	98,482	89,718
Income tax:		
Current		
Opening balance at 1 July	6,399	-
Paid	(10,420)	(3,542)
Increase in provision	1,357	9,941
Balance at 30 June	(2,664)	6,399

8. Reserves

(a) *Option Reserve*

	Consolidated 2018 $	Consolidated 2017 $
Opening balance	323,566	323,566
Share based payment	2,148	-
Closing balance	325,714	323,566

The option reserve records items recognized as expenses in respect of share options.

STATEMENT OF CASH FLOWS

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		377,006	490,412
Payments to suppliers and employees		(511,497)	(598,235)
Income tax paid		(10,420)	(3,542)
Interest (paid)		(993)	(1,564)
Net cash (used in) operating activities	1	(145,904)	(112,929)
Cash flows from investing activities			
Payment for property, plant and equipment		(3,913)	-
Payment for listed investments		(87,726)	-
Net cash (used in) investing activities		(91,639)	-
Cash flows from financing activities			
Loan from related entity		87,726	-
Repayment of loan by related entity		103,000	120,000
Net cash from investing activities		190,726	120,000
Net (decrease) / increase in cash and cash equivalents		(46,817)	7,071
Cash and cash equivalents at the beginning of the financial year		56,869	49,798
Cash and cash equivalents at the end of the financial year		10,052	56,869

The accompanying notes form part of and should be read in conjunction with this financial statement.

NOTES TO THE STATEMENT OF CASH FLOWS

1. Cash Flow Reconciliation

	Consolidated	
	2018	2017
	$	$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Operating (loss) after income tax	(734,263)	(439,777)
Non-cash items:		
Depreciation	587	1,100
Fair value loss	293,750	1,169,150
Investment written off	1,652	18,293
Share based payments	2,148	-
Unrealised losses on revaluation of investments	217,307	128,044
(Reversal) / provision against unsecured loans	-	(32,503)
Contract termination fees	-	(340,692)
Changes in net assets and liabilities:		
Decrease / (increase) in trade and other receivables	15,602	(15,602)
Decrease in other assets	9,086	6,387
(Decrease) in provisions	(299)	(32,412)
(Decrease) in net deferred tax liabilities	-	(726,882)
Increase in trade payables and accruals	48,526	151,965
Net cash (used in) operating activities	(145,904)	(112,929)

STATEMENT OF CHANGES IN EQUITY

	Ordinary Share Capital $	Accumulated losses $	Option Reserve $	Fair Value Reserve $	Total $
Balance at 30 June 2016	3,609,420	(2,428,099)	323,566	3,589,600	5,094,487
Net (loss) for the year	-	(439,777)	-	-	(439,777)
Other comprehensive (loss) net of income tax	-	-	-	(3,589,600)	(3,589,600)
Total comprehensive (loss) for the year	-	(439,777)	-	(3,589,600)	(4,029,377)
Balance at 30 June 2017	3,609,420	(2,867,876)	323,566	-	1,065,110
Net (loss) for the year	-	(734,263)	-	-	(734,263)
Other comprehensive income net of income tax	-	-	2,148	-	2,148
Total comprehensive income for the year	-	(734,263)	-	-	(734,263)
Share based expense	-	-	2,148	-	2,148
Balance at 30 June 2018	3,609,420	(3,602,139)	325,714	-	332,995

Compliance Statement

1. This report has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to the ASX.

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on accounts to which one of the following applies.

   - [ ] The accounts have been audited
   - [x] The accounts are in the process of being audited or subject to review.
   - [ ] The accounts have been subject to review.
   - [ ] The accounts have not yet been audited.

Sign here: .... Date: 31 August 2018
Director

Print name: David Breeze