Appendix 4E - Preliminary Final Report

Name of Entity	**BPH Energy Limited**
ABN	41 095 912 002
Financial Year Ended	Year ended 30 June 2020
Previous Corresponding Reporting Period	Year ended 30 June 2019

Results for announcement to the market

				$A'000
Revenues from ordinary activities	Down	13.7%	to	240
Net profit from ordinary activities after tax attributable to members (2019: $3,013,043 loss)	N/A			1,371
Net profit for the period attributable to members (2019: $3,013,043 loss)	N/A			1,371

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim and final dividends	Nil	Nil
Previous corresponding period	Nil	Nil

The net profit from ordinary activities after tax is after recognising (i) a fair value loss of $484,542 (2019: gain of $280,372) (ii) $357,291 consulting and legal costs (2019: $332,102), (iii) share of associates losses net of impairment of $30,792 (2018: $28,006) (iv) a doubtful debt reversal of $2,929,199 (2019: charge of $2,889,033) and (v) an impairment charge of $420,731 (2019: $Nil)

Ratios

Profit before tax / revenue Consolidated profit / (loss) from ordinary activities before tax as a % of revenue	571%	N/A
Profit 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	30.2%	N/A
Net tangible asset backing per ordinary security (cents per share)	1.2	0.8

The prior year net tangible asset backing per ordinary security has been adjusted for the 1 for 10 share consolidation completed in April 2020.

Details of Associates

Name of Entity	**Percentage Held**		**Share of Net (Loss)**	
	Current Period	**Previous Period**	**Current Period ($)**	**Previous Period ($)**
Advent Energy Ltd	22%	23%	(14,983)	-
Molecular Discovery Systems Limited	20%	20%	(15,810)	(28,006)
Aggregate share of (losses) net of impairment			(30,793)	(28,006)

As of 1 January 2017 a judgement was made that, despite owning 27% of Advent, the Company no longer exercised significant influence over Advent and it ceased to be treated as an associate entity from that date. In particular, the Company was not involved in the operational decision making of Advent and did not have access to its operational and financial records. As a consequence of a legal settlement reached in August 2019 and David Breeze's confirmation as a director of Advent the Company has resumed significant influence over Advent Energy Limited and it has been treated as an associate again from that date.

The carrying value of Molecular Discovery Systems Limited has been fully impaired during the period.

Commentary on Results

The consolidated entity has reported a net profit after tax for the year ended 30 June 2020 of $1,371,263 (2019: loss of $3,013,043) and has a net cash outflow from operating activities of $504,295 (2019: outflow of $487,427).

The net profit from ordinary activities after tax is after recognising (i) a fair value loss of $484,542 (2019: gain of $280,372) (ii) $357,291 consulting and legal costs (2019: $332,102), (iii) share of associates losses net of impairment of $30,793 (2018: $28,006) (iv) a doubtful debt reversal of $2,929,199 (2019: charge of $2,889,033) and (v) an impairment charge of $420,731 (2019: $Nil).

Capital raisings

The Company completed a 1 for 10 share consolidation in April 2020 with a corresponding consolidation of share options subsequent to shareholder approval. Prior to this share consolidation BPH issued 215,518,877 shares under a Share Purchase Plan at an issue price of $0.00140056 per share, of which $211,847 was received in cash and $90,000 satisfied by debt set-off, raised $282,000 cash from the issue of 282,000,000 placement shares, issued 150,000,000 shares as partial consideration for 10% of Patagonia Genetics, issued 15,000,000 shares as an introductory fee for a business transaction, issued 20,000,000 shares as part of director remuneration, and issued 115,666,667 shares in lieu of consultants' fees. Subsequent to the share consolidation the Company issued 37,079,166 shares for $333,700 cash, and issued 2,011,580 shares in lieu of $18,104 consulting fees.

Subsequent to period end the Company completed a share placement of 29,987,500 fully paid ordinary shares at $0.015 per share to raise $449,813 with an attaching one for two share option (subject to shareholder approval) with an exercise price of $0.05 and a two year expiry.

In addition, on 27 August 2020 the Company announced the completion of a non renounceable rights issue Applications were received for 266,783,294 shares totaling $4,001,749 including applications for 137,698,578 shortfall shares totaling $2,065,479. Based on the capital structure of the Company as at the date of the non-renounceable rights issue Prospectus, a maximum of 161,289,728 shares and 80,644,864 new options will be issued pursuant to the offer to raise up to $2,419,346. The directors are currently determining the shortfall allocation.

Developments in the Company's Investments

On 21 August 2019 the Company announced that it intended to pursue a complementary strategy of making an investment (or investments) in the medical cannabis sector, as it is considered that an investment of this nature is in line with its investee company strategy and, in particular, its biomedical business. The medical cannabis sector is showing significant growth with current developments boosting the sectors viability including the move to legalise cannabis in Canada and the announcement by the UK Government to legalise medical cannabis.

On 2 September 2019 BPH announced it had agreed to acquire an initial investment of 10% (with the option to increase its percentage to 49%) in Patagonia Genetics Pty Ltd ("PG Aust"), the entity that owns a 100% interest in Patagonia Genetics SPA ("PG"), a Chilean entity.

The key terms were:

(a) BPH agreed to acquire a total 10% interest in PG Aust in consideration for a subscription amount of $50,000 in cash into the entity and the issue of 150,000,000 BPH shares and payment of $50,000 by equal instalments over 6 months to the shareholders of PG Aust ("T1 transaction"). The amount of capital issued by BPH for the consideration represents approximately 5.5% of the capital of BPH. The 150,000,000 BPH shares were issued on 30 August 2019 and the cash consideration has now been paid in full ; and
(b) BPH is granted the option to acquire a total shareholding of 49% in PG Aust (that is, an additional 39% when added to the original acquisition of a 10% interest) in consideration for a subscription amount of $700,000 into the entity and the issue of 450,000,000 shares in the capital of BPH ("T2 transaction").

The T2 transaction was to be conditional on appropriate due diligence and shareholder approval. There was no requirement for shareholder approval for the T1 transaction as the consideration was met from the current cash position and the shares issued from the existing 15% ASX Listing Rule 7.1 capacity of BPH. The option was not initiated.

On 17 September 2019 the Company announced that PG had purchased its first 1,300ltrs of Wonderland Agronutrients products to send samples to major licensed producers and grow shops internationally. PG has secured the exclusive worldwide distribution rights (excluding Chile & Argentina) to Chile's leading cannabis fertilizer and biostimulant range, Wonderland Agronutrients. PG has also executed a joint venture agreement with Israeli based research group Bio-Sciences Pharma Ltd (BSP), a subsidiary of Impact NRS (NRS).

The Company requested voluntary suspension of its securities on 30 April 2020 pending the release of an announcement in respect to potential investments under its expanded investment mandate. The voluntary suspension was lifted on 17 June 2020. The Company announced it had entered into a terms sheet in relation to a COVID related transaction. The terms sheet specified a 60-day due diligence period. Its terms were subject to ASX approval. The Company announced that it had terminated this agreement by mutual consent with the vendor and had accordingly asked the ASX to lift the company voluntary suspension. The ASX Life Science Code of Best Practice for Reporting by Life Science Practice and ASX Listing Rules specifies certain disclosures in relation to intellectual property and testing. These requirements could not be met. The Company is continuing to evaluate new opportunities.

Cortical Dynamics Ltd ("Cortical"), BPH 16.1%

Cortical is an Australian based medical device technology company that has developed an industry disruptive brain function monitor independently described as "a paradigm busting technology from an Australian based device house that really gives a significant advantage in this space". Its competitive advantage has been recognised by leading world experts in anesthesia. Cortical has received both TGA approval and the CE mark and has now commenced its sales campaign.

The core product, the Brain Anaesthesia Response Monitor (BARM), was developed to better detect the effect of anaesthetic agents on brain activity, aiding anaesthetists in keeping patients optimally anaesthetised. The product is focused on integrated distribution with the leading global brands in operation theatre monitoring equipment.

The approach used is fundamentally different from all other devices currently available in the market in that its underlying algorithm produces EEG indexes which are directly related to the physiological state of the patient's brain. Such monitoring is gaining significant use during surgery, however even with the use of EEG monitors, it is not uncommon for there to be a critical imbalance between the patient's anaesthetic requirements and the anaesthetic drugs administered. While a number of EEG monitors are commercially available, one that is reliably able to quantify the patient's anaesthetic state is still desperately needed.

To date, all of the existing EEG based depth of anaesthesia ("D o A") monitors operate in the context of a number of well documented limitations: (i) inability to monitor the analgesic effects; and (ii) reliably measure certain hypnotic agents.

The above limitations highlight the inadequacies in current EEG based depth of anaesthesia monitors, particularly given surgical anaesthesia requires both hypnotic and analgesic agents (and muscle relaxants).

The global brain monitoring market is poised to grow to reach $1.6 billion by 2020. Around 312 million major surgical procedures requiring anaesthesia are undertaken every year worldwide *(WHO 2012.)* The pain monitoring market is valued at over $8.6 billion per annum by 2022. (www.grandviewresearch.com/industry-analysis/pain-management-devices-market- April 2016).

Initial marketing will focus on Total Intravenous Anaesthesia (TIVA), a method of inducing and maintaining general anaesthesia without the use of any inhalation agent. This is becoming more widely accepted, particularly in Europe. Approximately 29 million major general surgery general anaesthesias are conducted in the European Union each year, of which 55% (circa 16 million) are balanced anaesthesia (using a combination of intravenous agents such as propofol and volatile gases) and 20% are total intravenous anaesthesia using propofol. This creates a market opportunity of between $83m to $229m to Cortical in the European Union alone.

"The use of EEG-based depth of anaesthesia monitors has been recommended in patients receiving total intravenous anaesthesia because it is cost effective and because it is not possible to measure end-tidal anaesthetic concentration in this group" (source: nice.org.uk).

Cortical's technology has a versatility that goes beyond depth of anaesthesia and may be applied to other EEG based markets, such as neuro-diagnostic, drug discovery, drug evaluation and the emerging Brain computer Interface (BCI) market.

There are considerable opportunities offered by subsequent expansion of the company's core technology through developing the product to carry out additional functions including neuro-diagnostics of changes in brain and memory functions to provide early warning of degenerative diseases, pain response and tranquiliser monitoring for trauma patients in intensive care units.

While the current array of bedside monitoring and imaging systems in the critical care environment has led to dramatic reductions in mortality, they do not as yet involve the continuous monitoring of brain function. This is widely acknowledged to be a major problem, as the care and management of the critically ill patient is ultimately all about the brain.

The continuous monitoring of a patients' brain state is not only necessary to diagnose and manage acute deteriorations in brain function that may have long lasting effects, but also to aid in the optimal administration of sedation and analgesia. Sedation and analgesia in the critically ill patient play a pivotal role in their care and is necessary to minimize patient distress and agitation, being essential to facilitate the utility of a wide variety of life support equipment and procedures, the most important of which is mechanical ventilation.

Study after study has shown that too deep sedation increases the time on mechanical ventilation, which leads to increases in mortality, the incidence of complications and treatment costs. Given these acknowledged advantages to brain function monitoring in the ICU why then is continuous monitoring of brain function not currently available?

There are two main reasons for this:

1. Firstly, the size and the complexity of configuration of most approaches to monitoring brain function are simply not capable of being adapted for use in the busy and crowded ICU environment.
2. Secondly, in those monitoring approaches that could be potentially deployed at the bedside, they depend on physiologically uncertain principles of operation that are not relevant, or meaningfully interpretable, in the context of the critically ill patient.

Cortical aims to address both these limitations by the further development and trialling of the novel bedside and remotely deployable Australian manufactured and designed, electroencephalographically based (EEG-based), BARM system. The BARM is configured to efficiently image and display complex information related to the clinically relevant state of the brain.

The BARM is not only expected to address the shortcomings of these EEG-based DoA approaches, and thus realise their documented promise, but to extend the functionality of bedside EEG monitoring to the objective monitoring of pain, a measure also vital to the management of the sedated mechanically ventilated critically ill patient.

In Australia between 2015 and 2016 there were approximately 149,000 admissions to ICU of which 48,000 required continuous ventilatory support (CVS) and thus required sedation, pain relief and who would have potentially benefited from an instrumental approach to imaging brain activity. Given that the average patient time on CVS was 96 hours in Australia, this equates to potentially 4.5 million hours of instrumental monitoring and approximately a quantity of 188,000 of 24-hour single patient-use sensors to image brain activity. In the USA, based on 1.5 million ICU patients (30% CVS) requiring CVS, and given that the first episode of an average patient time on CVS is 96 hours, this equates to 144 million hours of instrumental monitoring and approximately 6 million of 24-hour single patient use sensors to image brain activity. For the European Union (EU), based on similar statistics to USA, there would be an estimated 5 million single patient use sensors, used per annum. Total market opportunity per annum of the US, Western Europe and Australian markets only, would be approximately 11.188 million 24-hour single-use patient sensors per annum, which with an average cost of $AU20 per single patient use sensor, would represent a total revenue stream conservatively estimated to be of the order of $AU223.8 million per annum.

The BARM system is protected by five patent families in multiple jurisdictions worldwide consisting of 22 granted patents. Cortical will continue to drive the development of the BAR monitor, maintain its intellectual property and concentrate on obtaining regulatory approval for the BAR monitor.

Cortical has now commenced preparations for a sales program of the device in Europe, Australia, New Zealand and further development is also underway in Korea and Singapore. A USA based distributorship is expected to follow once Cortical attains the FDA certification.

Cortical's Brain Anesthesia Response Monitor ('BARM") has now been used in further successful trials at Strathfield Private Hospital in Sydney. Strathfield is part of the Ramsay private hospital group.

Cortical announced a number of developments during the period which included:-

- In July 2019 it was announced that the Company was trialling the Brain Anaesthesia Response Monitor ("BARM") at Southampton University Hospital in the UK.

- On 29 September 2019 Globaluck, the Company's South Korean exclusive distributor of the BARM, confirmed it has now received Korean KGMP certification. This regulatory milestone, the KGMP certificate of approval for its BARM (Class II Medical Device) from the Korea Good Manufacturing Practice (KGMP) followed an independent Korean audit of Cortical's facility in Scoresby, Victoria during July 2019. KGMP certification is required by the Korean Ministry of Food and Drug Safety (MFDS) before placement of Class II, III, and IV medical devices on the South Korean market.

- In the March 2020 quarter it was announced that the Company had secured an investment of $250,000 from IntuitiveX ("IX") and Korean based VC investor Gentium Partners ("GP") by the issue of 12,500,000 shares at $0.02 per share. Mr Charles Chang and Mr Ashley Zimpel joined the Cortical board following the resignations of Cortical directors Mr Gary Todd and Mr David Liley. BPH director David Breeze remained as a Cortical board member.

  IX is a Seattle-based life science consulting firm and incubator. Its management team is comprised of life science entrepreneurs, physicians, investors, and innovators. It brings a combined 100+ years of experience in R&D, Clinical, IP Strategy, Prototyping, Product Development, and Commercialisation. IX catalyzes medical innovation by identifying novel and timely ideas and applying its resources to make them possible. From initial concept to final commercialisation, IntuitiveX has the in-house knowledge and network to meet the unique needs of the most innovative life science companies in the world. The Intuitive X team will assist Cortical in the FDA regulatory approval process. It has investments in eleven MedTech, digital health, robotics to augmented reality, and 3-D printing to biotech and brings to Cortical extensive experience in the US capital raising and commercialisation arena.

  Gentium Partners Inc is a FSS licensed asset management company based in Seoul, South Korea. It was established in 2018 by professionals who have broad experience in domestic and global financial institutions. Previously, the partners have headed up divisions at Morgan Stanley, Bankers Trust, KB Bank, Commerzbank, and Meritz Securities. Using their collective broad network and experience, GP was created to assist venture companies, particularly those in the startup stages, with mentoring and fund raising. GP also assists and invests in promising pre-IPO companies. While sector agnostic, GP prefers to invest in companies with innovative technologies and/or ideas, particularly when they are impactful in healthcare, environment, and lifestyle. Among some of GP's investments are: the leading urban farm business in Korea; B2C payment technology based on Bluetooth identifier; a biomedical startup with a breakthrough approach for diagnosing and treating amyloid diseases; and "hycore" for electrifying a 26" bicycle, just to name a few.

- In the June 2020 quarter it was announced that Cortical has entered into a non-exclusive Licence and Co-operation Agreement with Philips Healthcare North America Corp ("Philips"), which will enable Cortical to interface its BARM into the Philips IntelliVue and Patient Information Center (PIC iX) Monitoring Systems using the IntelliBridge integration product line.

- Cortical has now begun the FDA 510K filing process for BARM in the USA assisted by its strategic investor IX. The Food and Drug Administration ("FDA") is the federal agency of the United States Department of Health and Human Services which regulates the sale of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM to commence in the USA. Cortical already has achieved both CE (Europe) and TGA (Australian) registration and is currently awaiting final approval of the Company's registration application to the Korean Ministry of Food and Drug Safety.

Advent Energy Ltd ("Advent"), BPH 22.3%

Advent Energy Ltd is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia. Advent's assets include PEP11 (85%) in the offshore Sydney Basin and RL1 (100%) in the onshore Bonaparte Basin in the Northern territory.

<u>PEP 11 Oil and Gas Permit</u>

Advent, through wholly owned subsidiary Asset Energy Pty Ltd, holds 85% of Petroleum Exploration Permit PEP 11 – an exploration permit prospective for natural gas located in the Offshore Sydney Basin.

PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

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. The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.9 Tcf with a net 5 Tcf to Advent Energy (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (HRDZ), Amplitude Versus Offset (AVO) anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples.

The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Importantly, "a recent review of more than 850 wildcat wells – all drilled after geochemical surveys – finds that 79% of wells drilled in positive anomalies resulted in commercial oil and gas discoveries." (Surface geochemical exploration for oil and gas: New life for an old technology, D. Schumacher, 2000, *The Leading Edge*)

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent Energy has conducted a focused seismic campaign around a key drilling prospect in PEP11 at Baleen, in the offshore Sydney Basin. The high resolution 2D seismic survey covering approximately 200-line km was performed to assist in the drilling of the Baleen target approximately 30 km south east of Newcastle, New South Wales. A drilling target on the Baleen prospect at a depth of 2150 metres subsea has been identified in a review of previous seismic data. Intersecting 2D lines suggest an extrapolated 6000 acre (24.3 km2) seismic amplitude anomaly area at that drilling target. The report on this drilling target noted previous 2D seismic data showed that the Permian aged section of the Bowen Basin has producing conventional gas fields at a similar time and depth to PEP11 at the Triassic/Permian age boundary.

Advent's prior 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 ....for early drilling ,capturing near-term rig availability off Australia's coast."

The 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. It is a drilling prerequisite that a site survey is made prior to drilling at the Baleen location. On 31

December 2018 MEC announced that there were “no ‘seismically defined shallow gas hazards “at the proposed well location on the Baleen Prospect.

Onshore Bonaparte Basin

Advent Energy Ltd (“Advent”), through wholly owned subsidiary Onshore Energy Pty Ltd, holds 100% of RL 1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore.

In the Northern Territory, Advent holds Retention Licence RL1 (166 square kilometres in area), which covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy’s conventional gas project RL1.

Unconventional Resources within RL1

The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

Significant Changes in State Of Affairs

- In August 2019 the Company entered into a Deed of Settlement and Release (“Deed”) with BPH Energy Limited (BPH”), MEC Resources Limited (“MEC”), Grandbridge Limited, Trandcorp and Mr David Breeze and other relevant parties. As part of the settlement it was agreed that Messrs Matthew Battrick and Tobias Foster would appoint Messrs Steven James, Tony Huston and Thomas Fontaine as directors of Advent, and that Messrs Matthew Battrick and Tobias Foster would then resign from the Board of Advent. The incoming directors have since confirmed and acknowledged Mr David Breeze as a duly elected director of Advent.

  The other key terms of the settlement are as follows:

- MEC provided an irrevocable proxy to BPH on the voting rights attaching to 100% of the shares held by MEC in Advent at any meeting of shareholders of the Company up to 23 July 2021.
- Until 23 July 2021, MEC agrees to not directly or indirectly interfere with the board composition and/or management of Advent.
- For a period of one year commencing from 6 August 2019 MEC must not sell or otherwise dispose of any shares it holds in Advent, other than by an in-specie distribution to MEC if requested in writing to do so by Advent. If notice is given, MEC must do all that is required to effect and support the In-Specie Distribution.
- The loans owed by Advent to MEC will be recoverable by MEC only by the following means and only in the following circumstances:

  One month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

- On 28 September 2018, MEC announced the signing of a binding term sheet for the majority sale of Onshore Energy Pty Ltd (“OE”) to Bonaparte Petroleum Pty Ltd (“BP”). This agreement was terminated on 10 August 2019.

- Onshore Energy (“Onshore”) made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore Energy Pty Ltd will be lodging an appeal against this decision with the State Administrative Tribunal (SAT)

- The conditional farmin agreement to PEP11 between Asset Energy Pty Ltd and RL Energy Pty Ltd was registered as a dealing by the National Offshore Petroleum Titles Administrator in September 2018. This registration was a condition precedent to the farmin agreement. This farmin agreement was terminated on 17 September 2019.

- On 17 September 2019 BPH announced that Advent has now terminated by mutual consent the RL Energy Joint Venture Agreement for the PEP11 permit. As a result Advent, through wholly owned subsidiary Asset Energy Pty Ltd, now holds an 85% interest and is operator of the permit (and RL Energy has no further interest). Bounty Oil and Gas NL (ASX: BUY) holds the remaining 15%.

- Advent Energy Ltd has submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW. The PEP11 Joint Venture has reviewed the work program and now proposes to proceed with the drilling of a well at Baleen subject to approvals from NOPTA and other regulatory authorities and financing and has now made application to NOPTA to change the current Permit conditions. The current permit expiry date is in March 2021.The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program. NOPTA has confirmed that this application is now in the final decision phase.

- On 19 September 2019 BPH announced Advent has been granted a renewal of Retention Licence 1 (RL1) in the Northern Territory by the NT Department of Primary Industry and Resources for a five-year term concluding July 2023. Advent, through its wholly owned subsidiary Onshore Energy Pty Ltd, holds a 100 % interest in RL1 and is operator of the Retention Licence.

- In November 2019 it became apparent that the Company's previous management, who were also the management of MEC prior to the Deed entered into in August 2019 between the Company and other relevant parties, had lodged a Research and Development Tax Incentive claim for the year ending 30 June 2018 in the name of MEC in respect of work performed on the PEP 11 permit, the majority of which costs had been borne by Advent. MEC owned only 53% of Advent.

  MEC noted in their December 2018 quarterly Appendix 4C cash flow report lodged with ASX on 31 January 2019 that they had been "granted a Research and Development ("R & D") incentive in the quarter ended 31 December 2018 after recent seismic activities within PEP 11. An amount of $384k was received under the scheme in Q2". Subsequent to the Deed the Company's new management questioned why the R and D claim not been submitted in the name of Advent. As a result of these enquiries the $728,563 costs incurred by Advent in respect of the PEP 11 June 2018 R and D claim, together with $68,408 costs in respect of a proposed June 2019 R and D claim by MEC, have been recharged to MEC and are showing as a current asset of the Company at 30 June 2020. The Company has commenced legal action to recover amounts due from MEC.

  The legality of MEC's conversion of $532,500 of debt into Company shares in March 2019 at a time when, given the R and D recharges that should have been booked, potentially no such convertible debt existed, is currently under review.

- In February 2020 the Company converted a receivable of $162,566 into 3,251,320 shares in Advent at a conversion price of $0.05 per share in accordance with shareholder approval received by Advent shareholders on 29 November 2019.

- During the year the Company issued 3,400,000 shares at $0.05 for $170,000 cash. A further $15,000 had been received at year end for shares issued subsequent to year end.

MEC Resources Limited ("MEC"), BPH 0.8%

<u>Settlement of Legal Matters with MEC</u>

On 9 August 2019 BPH announced that it had reached a settlement with MEC in relation to the oppression proceedings it commenced in the Supreme Court of Western Australia with Grandbridge, Trandcorp Pty Ltd ("Trandcorp"), and Mr David Breeze.

In addition to the settlement of the oppression proceedings, BPH, MEC, GBA, Trandcorp and Mr David Breeze settled a number of other proceedings and entered into a Deed of Settlement and Release in August 2019 with Advent Energy Ltd (“Advent”) and other relevant parties as outlined in the Advent Energy summary above.

Molecular Discovery Systems Limited, BPH 20%

Molecular Discovery Systems Limited (“MDSystems”), launched in 2006 and spun off from BPH in 2010, is an associate of BPH. MDSystems has been working with the Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research to validate HLS5 as a novel tumour suppressor gene, particularly for liver cancer.

The Molecular Cancer Research Group has developed a pre-clinical model of liver cancer where the expression of Hls5 is ablated i.e. it mimics, in part, patients that have low HLS5 (TRIM35) and develop liver cancer. Research conducted at the Perkins Institute has shown that HLS5 has significant tumour suppressor properties. The Perkins findings are supported by the two independent peer reviewed scientific publications, identifying a role for HLS5 in cancer, demonstrating that the loss of HIS5 expression may be a critical event in the development and progression of liver cancer.

The publications — a collaboration between Fudan University Shanghai Cancer Centre and other Chinese Institutes, including Shanghai Cancer Institute, Liver Cancer Institute, Second Military Medical University and Qi Dong Liver Cancer Institute —focused on identifying the role of HLS5 in liver cancer. The first article demonstrated that HLS5 binds a key enzyme involved in the production of energy for cancer cells (Pyruvate Kinase isoform M2 (PKM2)). They showed that HLS5 binds PKM2 to form a complex which inhibits the activation of PKM2. The formation of this HLS5/PKM2 complex ultimately limits the cancer cell’s means of energy production and its ability to proliferate. In the second publication the expression levels of HLS5 and PKM2 were assessed for potential use as a prognostic marker for hepatocellular carcinoma (HCC) - (liver cancer) .The study analysed liver samples of 688 patients who had HCC. The study found that patients who were positive for PKM2 expression and negative for HLS5 expression had poorer overall survival and shorter time to recurrence. Taken together, the findings of both papers further support the research into HLS5 by MDS and the Harry Perkins Institute of Medical Research.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated 2020 $	2019 $
Revenue from ordinary activities	1	240,243	278,227
Other income	1	6,210	17,625
Share of associates losses net of impairment		(30,793)	(28,006)
Fair value (loss) / gain	2	(484,542)	280,372
Impairment charge		(420,731)	-
Interest expense		(359)	(774)
Administration expenses		(97,182)	(73,928)
Derecognition of financial liability		-	83,956
Doubtful debts reversed / (charged)		2,929,199	(2,889,033)
Consulting and legal		(357,291)	(332,102)
Directors fees		(100,000)	(100,000)
Insurance		-	(9,029)
Service expenses		(128,640)	(128,640)
Share based payments		(171,425)	(82,422)
Other expenses		(13,426)	(29,289)
Profit / (loss) before income tax		1,371,263	(3,013,043)
Income tax expense	3	-	-
Profit / (loss) for the year		1,371,263	(3,013,043)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive profit (net of tax)		-	-
Total comprehensive profit / (loss) for the period		1,371,263	(3,013,043)
(Loss) attributable to non-controlling interests		(538)	(245)
Profit / (loss) attributable to members of the parent entity		1,371,801	(3,012,798)
Total comprehensive profit / (loss) attributable to owners of the Company		1,371,801	(3,012,798)
Total comprehensive (loss) attributable to non-controlling interests		(538)	(245)
Earnings per share			
Basic and diluted profit / (loss) per share (cents per share)	4	0.40	(1.68)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

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

	Consolidated 2020 $	Consolidated 2019 $
1. Revenue		
Revenue		
Interest revenue: other entities	240,074	276,422
Interest revenue : cash accounts	169	1,805
	240,243	278,227
Other income		
Loan establishment fees	6,210	17,625
	6,210	17,625
2. Expenses Included in Profit / (Loss) for the Year		
Fair value (loss) / gain		
Fair value (loss) on listed investments	(5,556)	(72,222)
Fair value (loss) / gain on unlisted investments	(478,986)	352,594
	(484,542)	280,372
3. Income Tax Expense		
(a) The prima facie tax on the profit / (loss) from operations before income tax is reconciled to the income tax as follows:		
Accounting profit / (loss) before tax	1,371,263	(3,013,043)
Prima facie tax / (benefit) on the profit / (loss) from operations before income tax at 27.5% (2019: 27.5%)	377,097	(828,586)
Add tax effect of:		
Tax effect of revenue losses and temporary differences not recognised	-	828,586
Prior year tax losses recognised	(377,097)	-
Income tax expense recognised	-	-

4. Earnings per Share ("EPS")

	2020	2019
Total earnings attributable to ordinary equity holders of the Company	1,371,801	(3,012,798)
Earnings used in the calculation of basic EPS and diluted EPS	1,371,801	(3,012,798)
EPS (cents per share)		
From continuing operations	0.40	(1.68)
Total basic earnings per share and diluted earnings per share	0.40	(1.68)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculating EPS	345,889,360	179,020,029

The Company completed a 1 for 10 share consolidation in April 2020 subsequent to shareholder approval. The 2019 EPS calculation and weighted average number of ordinary shares outstanding during the year used in calculating EPS have been adjusted for this 1 for 10 consolidation.

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2020 $	2019 $
Current Assets			
Cash and cash equivalents	1	257,739	437,316
Trade and other receivables	2	32,675	20,969
Financial assets	3	43,564	190,342
Other current assets		360	33,869
Total Current Assets		334,338	682,496
Non-Current Assets			
Financial assets	3	3,705,378	2,507,543
Investments in associates	4	2,153,304	436,541
Total Non-Current Assets		5,858,682	2,944,084
Total Assets		6,193,020	3,626,580
Current Liabilities			
Trade and other payables	5	1,538,098	1,424,235
Financial liabilities	6	121,086	200,086
Total Current Liabilities		1,659,184	1,624,321
Net Assets		4,533,836	2,002,259
Equity			
Issued capital	7	46,716,896	45,574,507
Reserves	8	526,361	508,436
Accumulated losses		(42,549,063)	(43,920,864)
Non-controlling interest		(160,358)	(159,820)
Total Equity		4,533,836	2,002,259

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

	Consolidated 2020 $	Consolidated 2019 $
1. Cash and Cash Equivalents		
Cash at Bank and in hand	257,739	437,316
	257,739	437,316

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2020 $	2019 $
Cash and cash equivalents	257,739	437,716

	2020 $	2019 $
2. Trade and other Receivables		
Current		
Other receivables	32,675	20,969
	32,675	20,969

	2020 $	2019 $
3. Financial Assets		
Current		
Secured loans to other entities (interest free):		
Advent Energy Ltd	6,760	162,564
Cortical Dynamics Limited	14,582	-
Investments in listed entities		
MEC Resources Ltd (Level 1)	22,222	27,778
	43,564	190,342
Non - current		
Investments in unlisted entities - Cortical Dynamics Limited (Level 2)	3,455,378	501,543
Investments in unlisted entities – Advent Energy Ltd (a) (Level 2)	-	2,006,000
Investments in unlisted entities – Patagonia Genetics Limited (Level 3)	250,000	-
	3,705,378	2,507,543

NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

3. Financial Assets (continued)

	Consolidated 2020 $	Consolidated 2019 $
Loan receivables are stated net of the following provisions:		
Cortical Dynamics Limited (c)		
Gross receivable – secured	14,582	2,290,538
Gross receivable – unsecured	-	1,026,670
Less provision	-	(3,317,208)
	14,582	-
Molecular Discovery Systems Limited (b)		
Gross receivable	1,358,895	1,284,517
Less provision	(1,358,895)	(1,284,517)
	-	-

(a) As of 1 January 2017 a judgement was made that, despite owning 27% of Advent, the Company no longer exercised significant influence over Advent and it ceased to be treated as an associate entity from that date. In particular, the Company was not involved in the operational decision making of Advent and did not have access to its operational and financial records. As a consequence of a legal settlement reached in August 2019 and David Breeze's confirmation as a director of Advent the Company has resumed significant influence over Advent Energy Limited and it has been treated as an associate again from that date.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Asset Energy Pty Ltd has invested over $25 million in the PEP11 title in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1 each of these permits are at risk.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

During the period the Company converted $162,286 in loans due from Advent into shares in that Company.

(b) The Company has an unsecured loan with MDS for $650,700 as well as a convertible loan agreement with MDS at an interest rate of 7.69% per annum.

The convertible loan is for a maximum amount of $500,000 and is to be used for short term working capital requirements. Subject to MDS being admitted to the Official List of ASX ("Official List"), BPH Energy has a right of conversion to satisfy the debt on or before the termination date, being 26 January 2022. As at reporting date this loan had been drawn down by an amount of $708,195, including capitalised interest (2019: $649,818). Interest charged on the loan for the period was $58,378 (2019: $53,496).

(c) During the period the Company converted $3,746,451 in loans and short term amounts due from Cortical into shares in that Company. Consequently a reversal of an expected credit loss provision of $3,317,208 was recognised during the year on the loans with Cortical.

NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

4. Investments Accounted for Using the Equity Method

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. The 30 June 2020 financial statements of Advent Energy Limited and Molecular Discovery Systems Limited are still in the process of being audited.

Name of Entity	Country of Incorporation	Ownership Interest %		Principal Activity
		2020	**2019**	
Molecular Discovery Systems Limited	Australia	20%	20%	Biomedical Research
Advent Energy Limited	Australia	22.3%	22.6%	Oil and Gas Exploration

	Consolidated	
	2020 $	**2019 $**
Shares in Associates		
Molecular Discovery Systems Limited (ii)	-	436,541
Advent Energy Limited (i)	2,153,304	-
	2,153,304	436,541

	Consolidated			
	Advent		MDS	
	30 June 2020($)	**30 June 2019 ($)**	**30 June 2020($)**	**30 June 2019 ($)**
Revenue	32	-	-	-
Profit / (loss) for the period	3,896,896	-	(79,047)	(78,371)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	3,896,896	-	(79,047)	(78,371)

Advent 2020 numbers are from 6 August 2019

	30 June 2020($)	**30 June 2019 ($)**	**30 June 2020($)**	**30 June 2019 ($)**
Current assets	847,611	-	1,009	955
Non-current assets	14,060,190	-	-	-
Current liabilities	184,641	-	908,747	888,023
Non-current liabilities	4,824,343	-	717,660	659,282
Net assets	9,898,817	-	(1,625,398)	(1,546,350)

NOTES TO THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

4. Investments Accounted for Using the Equity Method (continued)

	Consolidated			
	Advent		MDS	
	30 June 2020($)	30 June 2019 ($)	30 June 2020($)	30 June 2019 ($)
Share of the group's ownership interest in associate	2,153,304	-	(325,080)	(309,270)
Goodwill	-	-	1,487,291	1,487,291
Other adjustments	-	-	(1,162,211)	(741,480)
Carrying value of the group's interest in associate	2,153,304	-	-	436,541
Opening balance	-	-	436,541	464,547
Reclassification of fair value of investment	2,006,000	-	-	-
Impairment charge	-	-	(420,731)	-
Conversion of debt to equity	162,287	-	-	-
Share of associates loss net of impairment	(14,983)	-	(15,810)	(28,006)
Closing balance	2,153,304	-	-	436,541

(i) As of 1 January 2017 a judgement was made that, despite owning 27% of Advent Energy Limited ("Advent"), the Company no longer exercised significant influence over Advent and it ceased to be treated as an associate entity from that date. In particular, the Company was not involved in the operational decision making of Advent and did not have access to its operational and financial records. If an entity holds, directly or indirectly, twenty per cent or more of the voting power of an investee it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

On 6 August 2019 the Company entered into a Deed of Settlement and Release ("Deed") with Advent, MEC Resources Limited ("MEC"), Grandbridge Limited ("GBA"), Trandcorp Pty Ltd ("Trandcorp") and Mr David Breeze and other relevant parties. As a condition of this Deed it was agreed that Messrs Matthew Battrick and Tobias Foster would appoint Messrs Steven James, Tony Huston and Thomas Fontaine as directors of Advent, and that Messrs Matthew Battrick and Tobias Foster would then resign from the Board of Advent. The incoming directors have since confirmed and acknowledged Mr David Breeze as a duly elected director of Advent.

The existence of significant influence by an BPH over Advent from the date of the Deed is evidenced by Mr David Breeze being the Managing Director of both BPH and Advent, MEC no longer have a MEC Board position, and, if at any time before 23 July 2021 Advent has less than 51 members then MEC, who currently holds 49% of Advent will, upon written request by BPH, execute an irrevocable proxy in favour of BPH in respect of all business to be considered at any meeting of members of Advent. As a consequence the Company regained significant influence over Advent and Advent has once again been recognised as an associate of BPH from 6 August 2019.

4. Investments Accounted for Using the Equity Method (continued)

In the June 2018 year Advent's management at that time assessed capitalised costs for impairment by reference to the value implied for the PEP 11 permit by virtue of a conditional farmin agreement entered into with RL Energy Pty Ltd. Based on this assessment the asset was considered to be impaired and an adjustment to the fair value was booked at 30 June 2018. This farmin agreement was terminated on 17 September 2019 and therefore the writedown of $18,780,680 booked to the fair value at 30 June 2018 was pre-emptive. In the current period the Advent directors have assessed the valuation of the PEP 11 permit against what they consider a comparable transaction with the result that the 2018 year PEP 11 impairment has been reversed to the extent of $6,882,247 resulting in the $14,893 share of an associate loss recognized by BPH in the year net of notional goodwill of $933,354 not brought to account on recognition of Advent as an associate again from 6 August 2019.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Asset Energy Pty Ltd has invested over $25 million in the PEP11 title in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11, RL1 and EP 386 each of these permits are at risk.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

(ii) The carrying value of Molecular Discovery Systems Limited has been fully impaired during the period.

	Consolidated 2020 $	Consolidated 2019 $
5. Trade and Other Payables		
Current		
Trade payables	174,565	72,463
Sundry payables and accrued expenses - unrelated	513,546	538,989
Related party payables	849,987	812,783
	1,538,098	1,424,235

Trade payables are non-interest bearing and normally settled within 90 days

	Consolidated 2020 $	Consolidated 2019 $
6. Financial Liabilities		
Current		
Borrowings – unsecured – interest free	121,086	200,086
	121,086	200,086

	Consolidated 2020 $	Consolidated 2019 $
7. Issued Capital		
373,236,818 (2019: 2,543,277,658) fully paid ordinary shares	46,716,896	45,574,507

(a) Ordinary Shares

	Consolidated 2020 $	Consolidated 2019 $	Consolidated 2020 Number	Consolidated 2019 Number
At the beginning of reporting period	45,574,507	44,135,442	2,543,277,658	966,187,417
Shares issued for cash	827,547	1,175,504	470,338,031	1,175,504,193
Share issue costs	(96,762)	(153,025)	-	-
Shares issued in lieu of consulting fees	136,604	138,050	117,678,247	123,050,000
Shares issued as set-off against amounts payable	90,000	158,536	64,260,012	158,536,048
Shares issued in exchange for ordinary shares in listed entity	-	100,000	-	100,000,000
Shares issued as partial acquisition of investment	150,000	-	150,000,000	-
Shares issued as introductory fee for business transaction	15,000	-	15,000,000	-
Shares issued as director remuneration	20,000	20,000	20,000,000	20,000,000
Reduction in shares from a 1 for 10 share consolidation	-	-	(3,007,317,130)	-
At reporting date	46,716,896	45,574,507	373,236,818	2,543,277,658

Fully paid ordinary shares do not have a par value, have one vote per share, and carry the right to dividends. The market price of the Company's ordinary shares at 30 June 2020 on ASX was 2.3 cents per share.

(b) Options

Refer to Note 21 for options on issue at the end of the financial year. There were no options exercised during the year (2019: Nil). The holders of options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

(c) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

7. Issued Capital (continued)

(c) Capital risk management (continued)

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet corporate overheads. The strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2020 and 30 June 2019 is as follows:

	Consolidated	
	2020 ($)	**2019 ($)**
Cash and cash equivalents	257,739	437,316
Other current assets	360	33,869
Trade receivables and financial assets	76,239	211,311
Trade payables and financial liabilities	(1,659,184)	(1,624,321)
Net working capital position	(1,324,846)	(941,825)

8. Reserves

Option Reserve (a)	526,361	508,436
	526,361	508,436

(a) Option Reserve

The option reserve records items recognised as expenses on the valuation of director and employee share options.

Opening balance	508,436	494,014
Share based payments	17,925	14,422
Closing balance	526,361	508,436

STATEMENT OF CASHFLOWS

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(504,105)	(488,458)
Interest received		169	1,805
Interest paid		(359)	(774)
Net cash used in operating activities	1(a)	(504,295)	(487,427)
Cash flows from investing activities			
Payment for unlisted investments		(100,000)	-
Loans advanced		(245,170)	(505,000)
Net cash used in investing activities		(345,170)	(505,000)
Cash flows from financing activities			
Proceeds from issue of securities (net of share issue costs)		748,888	1,112,529
Repayment of borrowings	1(c)	(79,000)	(130,000)
Net cash provided by financing activities		669,888	982,529
Net decrease in cash held		(179,577)	(9,898)
Cash and cash equivalents at the beginning of the financial year		437,316	447,214
Cash and cash equivalents at the end of the financial year	1(b)	257,739	437,316

The accompanying notes form part of and should be read in conjunction with these financial statements.

NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2020	**2019**
	$	**$**

1. Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax:

	2020 $	2019 $
Operating profit / (loss) after income tax	1,371,263	(3,013,043)
Non-cash items:		
Fair value loss/ (gain)	484,542	(280,372)
Impairment charge	420,731	-
Interest revenue on loans	(240,074)	(253,992)
Derecognition of financial liability	-	(83,956)
Share based payments	171,425	82,422
Doubtful debts (reversed) / charged	(2,929,199)	2,889,033
Share of Associates' losses	30,793	28,006
Changes in net assets and liabilities,		
Decrease / (increase) in other assets	33,509	(29,818)
(Increase) / decrease in trade and other receivables	(11,707)	(1,310)
Increase in trade payables and accruals	164,422	175,603
Net cash (used in) operating activities	(504,295)	(487,427)

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2020 $	2019 $
Cash and cash equivalents	257,739	437,316

(c) Changes in liabilities arising from financing activities – unsecured borrowings

	2020 $	2019 $
Balance 1 July	200,086	500,092
Net cash used in financing activities	(79,000)	(130,000)
Shares issued as set of against loans payable	-	(83,555)
Loan derecognised	-	(86,451)
Balance 30 June	121,086	200,086

STATEMENT OF CHANGES IN EQUITY

Consolidated

	Ordinary share capital	Accumulated losses	Option reserve	Total attributable to owners of the parent entity	Non-controlling Interest	Total
	$	$	$	$	$	$
Balance at 30 June 2018	44,135,442	(40,908,066)	494,014	3,721,390	(159,575)	3,561,815
Loss for the period	-	(3,012,798)	-	(3,012,798)	(245)	(3,013,043)
Total comprehensive loss for the year	-	(3,012,798)	-	(3,012,798)	(245)	(3,013,043)
Transactions with owners in their capacity as owners						
Shares issued for cash	1,175,504	-	-	1,175,504	-	1,175,504
Share issue costs	(153,025)	-	-	(153,025)	-	(153,025)
Shares issued in lieu of consulting fees	138,050	-	-	138,050	-	138,050
Shares issued as set-off against loans payable	158,536	-	-	158,536	-	158,536
Shares issued as director remuneration	20,000	-	-	20,000	-	20,000
Shares issued in exchange for ordinary shares in listed entity	100,000	-	-	100,000	-	100,000
Share based payments expense	-	-	14,422	14,422	-	14,422
Balance at 30 June 2019	45,574,507	(43,920,864)	508,436	2,162,079	(159,820)	2,002,259
Profit for the period	-	1,371,801	-	1,371,801	(538)	1,371,263
Total comprehensive profit for the year	-	1,371,801	-	1,371,801	(538)	1,371,263
Transactions with owners in their capacity as owners						
Shares issued for cash	827,547	-	-	827,547	-	827,547
Share issue costs	(96,762)	-	-	(96,762)	-	(96,762)
Shares issued as partial acquisition for investment	150,000	-	-	150,000	-	150,000
Shares issued as introductory fee for business transaction	15,000	-	-	15,000	-	15,000
Shares issued in lieu of consulting fees	136,604	-	-	136,604	-	136,604
Shares issued as set-off against amounts payable	90,000	-	-	90,000	-	90,000
Share based payments expense	20,000	-	17,925	20,000	-	37,925
Balance at 30 June 2020	46,716,896	(42,549,063)	526,361	4,694,194	(160,358)	4,533,836

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 2020
Director

Print name: David Breeze