EXALT RESOURCES LIMITED
ANNUAL REPORT

ABN 17145327617

FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS' REPORT

The Directors present their report, together with financial statements of Exalt Resources Limited (also referred to as the "Company") for the year ended 30 June 2015.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Peter Bennetto	Non-Executive Chairman
Peter Dykes	Non-Executive Director
Shane Hartwig	Non-Executive Director / Company Secretary (resigned 4 May 2015)
Stephen Brockhurst	Non-Executive Director / Company Secretary (appointed 4 May 2015)

Peter Bennetto, Non-Executive Chairman, Appointed 28 November 2013

Member of Audit Committee

Peter Bennetto is an experienced company director, with skills in banking, corporate finance and governance and has held a number of company director positions in exploration, mining and manufacturing companies Listed on the ASX since 1990. Mr Bennetto, GAICD, SA Fin has been Non-Executive Chairman at Exalt Resources Limited since November 28, 2013.

Peter Dykes, Non-Executive Director, Appointed 30 November 2012

Member of Audit Committee

Mr Dykes has more than 20 years of experience in the technology industry, beginning his career as a founding member of KPMG's technology advisory practice in both Sydney and Melbourne. He subsequently co-founded a boutique technology advisory business and advised some of Australia's largest corporate clients including BHP, Boral, Telstra and General Motors Holden.

Mr Dykes was an Executive Director, CFO and Company Secretary of Nexbis Ltd and played a key role during its rise from a market capitalisation of $4 million dollars until its successful sale for $80 million.

He is currently Executive Chairman of Chapmans Limited and Non-Executive Director of Capital Mining Limited.

Mr Dykes holds a Bachelor of Business (Accountancy) degree from RMIT University and is a Fellow of the Taxation Institute of Australia.

Stephen Brockhurst, Non-Executive Director, Company Secretary, Appointed on 4 May 2015

Member of Audit Committee

Steve has 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the Due Diligence process and Prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and Company secretarial services, capital raising, ASX and ASIC compliance requirements.

Steve has served on the Board and acted as Company Secretary for numerous ASX listed and unlisted companies. He is currently a Director of Plymouth Minerals Limited, and Company Secretary of Windward Resources Limited, Jacka Resources Limited and Raptor Resources Limited.

PRINCIPAL ACTIVITIES

The Company's principal activity during the financial year was as a resource and energy exploration company.

OPERATING RESULTS

The net loss of the Company after income tax for the year was $666,965 (2014: $11,144,067).

DIRECTORS' REPORT

DIVIDENDS

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

REVIEW OF OPERATIONS

During the year, the Company finalised some rehabilitation work from previous exploration at its Brooklyn Iron Project located at Mineral Hill South EL 7945. Subject to the completion of the acquisition of MedAdvisor International Pty Ltd, the Company will seek to dispose of the Mineral Hill South project.

Earlier in the year the company ceased the operations of its 100% subsidiary Odni Holdings (Pte.) Ltd.

On 11 June 2015, the Company announced it had entered into a Heads of Agreement to acquire 100% of market-leading cloud based e-health software company, MedAdvisor International Pty Ltd (MedAdvisor).

MedAdvisor has developed a world-class software platform that assists individuals in correctly using medication via a 'virtual pharmacist', dramatically improving health outcomes through improved medication adherence. The software uses a cloud computing approach, in conjunction with optimised user experience on mobile and web devices.

MedAdvisor was the most downloaded pharmacy or medication-related app in Apple and Android stores in Australia in 2014 and 2015, and more than nearly a quarter of all Australian pharmacies subscribe to the platform. MedAdvisor has formed important sales and marketing partnerships with Bupa and the Pharmacy Guild of Australia's Guildlink, and has training and service contracts with a number of top tier global pharmaceutical companies, including GSK, AstraZeneca, Actavis and UCB.

Since the Acquisition will result in a significant change to the nature and scale of the Company's activities, it will require the shareholder approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Financial Position

The Company has $165,033 in cash as of 30 June 2015 following a net cash decrease of $226,273 for the year.

The net liabilities of the Company at 30 June 2015 were $106,882, a decrease in net assets of $417,865 from 30 June 2014. This has largely resulted from the write down of exploration expenditure carried forward from 30 June 2014.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company other than those noted in the Annual Report.

LIKELY DEVELOPMENTS

Except to the extent of disclosure in the Review of Operations, disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The Company's operations are subject to significant environmental and other regulations. The Company has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial period as at the date of this report.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

Attendances by each Director to meetings of Directors (including committee of Directors) during the year to 30th June 2015 were as follows:

	Directors Meetings		Audit Committee Meetings	
2015	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
Peter Bennetto	5	5	1	1
Peter Dykes	5	5	1	1
Shane Hartwig[1]	5	5	1	1
Stephen Brockhurst[2]	-	-	-	-

[1] Resigned4 May 2015
[2] Appointed 4 May 2015

INDEMNIFYING OFFICERS OR AUDITORS

During the financial year, the Company has paid a premium of $9,268 (2014: $8,425) in respect of a contract insuring the Directors and officers of the Company against a liability incurred by such Directors and officers to the extent permitted by the Corporations Act 2001. The Company has not otherwise, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Company, or of any related body corporate, against a liability incurred by such the auditor.

PROCEEDINGS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 27 July 2015, the Company announced that it had raised $200,000 of convertible loans from professional and sophisticated investors to be used predominately to finalise the MedAdvisor acquisition and on-going corporate overheads. The Convertible Loans will, subject to shareholder approval, convert into fully paid ordinary shares in the capital of the Company at settlement of the Company's proposed acquisition of MedAdvisor International Pty Ltd (as announced on 11 June 2015).

Since the acquisition of MedAdvisor International Pty Ltd will result in a significant change to the nature and scale of the Company's activities, it will require the shareholder approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company expects to dispatch a Notice of General Meeting to shareholders to approve the acquisition shortly.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's APES 110: Code of Ethics for Professional Accountants.

No amounts were paid or payable to the auditors (Hall Chadwick) for non-audit services provided during the year (2014: $nil)

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001 the auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 9 of the Annual Report and forms part of this report.

SHARES AND OPTIONS

	Shares	Options
Balance at beginning of the period	76,571,958	26,008,568
Issue of shares via SPP shortfall	4,500,000	-
Issue of shares to directors in lieu of cash payment for director fees	4,178,447	
Redemption of Peloton Options	-	(10,000,000)
Balance at end of the period	**85,250,405**	**16,008,568**

OPTIONS

At the date of this report, the unissued ordinary shares of Company under option are as follows:

Grant date	Expiry Date	Exercise Price	Number of Option	Class
15 September 2011	31 December 2015	0.20	16,008,568	Listed

REMUNERATION REPORT

Details of the nature and amount of remuneration for each Director of Exalt Resources Limited and key management personnel are set out below.

Remuneration Philosophy

The performance of the Company depends upon the quality of the directors and executives. To prosper, the company must attract, motivate and retain highly skilled directors and executives.

To achieve this, Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Achieve goal congruence between the Company's shareholders, Directors and executives;
- To have significant amounts of remuneration at risk;
- Establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Structure

The Company's policy for determining the nature and amount of remuneration of Board members and senior executives is as follows:

(i) Non-executive Directors

The Board's policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to its non-executive directors and will review their remuneration annually.

The maximum aggregate annual remuneration of non-executive Directors is subject to approval by the shareholders in general meeting.

(ii) Key management personnel

The Company has 3 Non-Executive Directors who have extensive experience in the exploration and finance industries.

DIRECTORS' REPORT

A) Remuneration Details

2015	Director Fees	Salary	Termination /Resignation Payments	Consulting	Super	Share Based Payments	Total in respect to service
Directors							
P Bennetto	42,000	-	-	-	-	-	42,000
P Dykes	36,000	-	-	-	-	-	36,000
S Hartwig[1]	30,387	-	-	-	-	-	30,387
S Brockhurst[2]	5,613	-	-	-	-	-	5,613
	114,000	-	-	-	-	-	114,000

Non-Executive Directors Mr Bennetto, Mr Dykes, Mr Hartwig and Mr Brockhurst received NIL cash Director Fees during the year ended 30 June 2015. These Non-Executive Director Fees are accrued under trade and other payables at 30 June 2015.

[1] Resigned4 May 2015
[2] Appointed 4 May 2015

2014	Director Fees	Salary	Termination /Resignation Payments	Consulting	Super	Share Based Options	Total in respect to service
Directors							
W Moss[a]	25,000	-	-	-	-	120,634	145,634
R Crossman[b]	-	-	-	358,440	-	-	358,440
B Tudor[c]	-	257,078	334,958	-	4,167	123,608	719,811
P Dykes	35,500	-	-	-	-	-	35,500
S Hartwig	35,500	-	-	-	-	-	35,500
E Lee[d]	16,000	-	-	-	-	-	16,000
R Soekarno[e]	20,000	-	-	-	-	-	20,000
R Whitton[f]	23,868	-	-	-	-	-	23,868
P Bennetto[g]	21,000	-	-	-	-	-	21,000
Subtotal	**176,868**	**257,078**	**334,958**	**358,440**	**4,167**	**244,242**	**1,375,753**
Executives							
A Kovago[i]	-	-	-	108,000	-	-	108,000
R Sheridan[h]	-	-	-	131,323	-	-	131,323
Total	**176,868**	**257,078**	**334,958**	**597,763**	**4,167**	**244,242**	**1,615,076**

Non-Executive Directors Mr Bennetto, Mr Dykes and Mr Hartwig, received NIL cash Director Fees during the year ended 30 June 2014. These Non-Executive Director Fees were accrued under trade and other payables at 30 June 2014 and were satisfied through the issue of fully paid ordinary shares in the Company on 9 December 2014 – refer to note 17: share based payments.

[a] Resigned2 September 2013
[b] Appointed 23 July 2013, resigned 28 November 2013
[c] Resigned 17 September 2013
[d] Resigned 11 November 2013
[e] Resigned 28 November 2013
[f] Appointed 2 September, resigned 25 November 2013
[g] Appointed 28 November 2013
[i] Resigned 28 November 2013
[h] Resigned15 June 2014

DIRECTORS' REPORT

B) Directors' and Executives' securities holdings

As at the date of this report, the relevant interests of the Directors in the securities of the Company were as follows:

	Number		
2015	**Fully paid ordinary shares**	**Options**	**Performance Shares**
Directors			
P Dykes	1,589,097	-	-
S Brockhurst	-	-	-
P Bennetto	982,754	-	-
Total	**2,571,851**	**-**	**-**

	Number		
2014	**Fully paid ordinary shares**	**Options**	**Performance Shares**
Directors			
P Dykes	-	-	-
S Hartwig	1,525,001	1,550,001	-
P Bennetto	-	-	-
Total	**1,525,001**	**1,550,001**	**-**

KMP Share holdings

2015	Balance at beginning of year	Appointment /(Retirement)	Purchased	Other changes	Balance at end of year
P Bennetto	-	-	-	982,754	982,754
S Hartwig	1,525,001	(3,131,597)	-	1,606,596	-
P Dykes	-	-	-	1,589,097	1,589,097
S Brockhurst	-	-	-	-	-
Total	1,525,001	(3,131,597)	-	4,178,447	2,571,851

DIRECTORS' REPORT

2014	**Balance at beginning of year**	**Appointment /(Retirement)**	**Purchased/ (Sold)**	**Other changes**	**Balance at end of year**
W Moss AM	2,500,000	(2,500,000)	-	-	-
B Tudor	1,600,000	(1,600,000)	-	-	-
S Hartwig	1,525,001	-	-	-	1,525,001
P Dykes	277,778	-	(277,778)	-	-
R Sheridan	84,579	(84,579)	-	-	-
Total	5,987,358	(4,184,579)	(277,778)	-	**1,525,001**

KMP Option holdings

2015	**Balance at beginning of year**	**Granted as compensation**	**Appointment /(Retirement)**	**Other changes**	**Balance at end of year**
P Bennetto	-	-	-	-	-
S Hartwig	1,550,001	-	(1,550,001)	-	-
P Dykes	-	-	-	-	-
S Brockhurst	-	-	-	-	-
Total	**1,550,001**	**-**	**(1,550,001)**	**-**	**-**

2014	**Balance at beginning of year**	**Granted as compensation**	**Appointment /(Retirement)**	**Other changes**	**Balance at end of year**
B Tudor	3,000,000		(3,000,000)	-	-
W Moss	2,000,000	-	(2,000,000)	-	-
S Hartwig	1,550,001	-	-	-	1,550,001
Total	**6,550,001**	**-**	**(5,000,000)**	**-**	**1,550,001**

End of audited Remuneration Report

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

Peter Bennetto
Non-Executive Director
Dated: 25 August 2015

EXALT RESOURCES LIMITED
ABN 17 4532 7617
AND CONTROLLED ENTITY

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EXALT RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

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

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb
Partner

Date: 25 August 2015

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. Where the Company does not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

The Board of Directors of Exalt Resources Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of Exalt Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations. For further information on corporate governance policies adopted by Exalt Resources Limited, refer to our website: www.exaltresources.com.au. Date of last review and Board approval: 13 August 2015.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
Recommendation 1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter, Independent Professional Advice Policy, Website	The Company does not currently have a Managing Director. Therefore, all reference to a Managing Director in the Corporate Governance Statement and its related policies and charters will relate to the Company's current Non-Executive Chairman. The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance, overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company

CORPORATE GOVERNANCE STATEMENT

			that a reasonable person would expect to have a material effect on the price or value of the entity's securities and monitoring the effectiveness of the Company's governance practices. Senior executives are responsible for supporting Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds directly to the Chair or the lead independent director, as appropriate. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
<u>Recommendation 1.2</u> A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes	Director Selection Procedure Website	In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

CORPORATE GOVERNANCE STATEMENT

			The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting and re-appointment of directors is not automatic.
<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office, Independent Professional Advice Policy	Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees. Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter Website	The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter.
Recommendation 1.5 A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive"	Yes	Diversity Policy Website	Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The Company's Diversity Strategy details the Company's measurable objectives for achieving gender diversity in accordance with the Diversity Policy. In doing this, and assigning the responsibility for the Diversity Policy and its administration, monitoring and review. The Diversity Strategy includes a number of concepts including contribution to enhance local workforce and provision of opportunities for career development. Initiation of programs and schemes to achieve these goals were achieved during the Reporting Period. The Board has also adopted a policy to address harassment and discrimination in the Company, which it believes will facilitate an environment that encourages a diverse workforce. The Company set the following objectives for the employment of women: • to the Board – 50% by 2018 • to senior management (including CFO and Company Secretary) – 50% by 2018 • to the organisation as a whole – 50% by 2018 As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 0%

CORPORATE GOVERNANCE STATEMENT

for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			• to senior management (including CFO and Company Secretary) – 0% • to the organisation as a whole – 25% The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.
<u>Recommendation 1.6:</u> A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	**Board, its committees, the chair and individual directors** The Chair is responsible for evaluating the performance of the Board and, when appropriate, Board committees and individual directors deemed. A Non-Executive Director is responsible for evaluating the Chair. The evaluations of the Board, and any applicable Board committees and individual directors are undertaken via informal discussions on an ongoing basis with the Chair. The evaluation of the Managing Director (if applicable) is undertaken via an informal interview process which occurs annually or more frequently, at the Board's discretion. During the reporting period an evaluation of Board, its committees, the chair and individual directors took place in accordance with the process disclosed above.
<u>Recommendation 1.7:</u> A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	**Senior executives** The Chair is responsible for evaluating the performance of senior executives. The evaluation of senior executives is undertaken via an informal interview process which occurs annually or more frequently as required and otherwise takes place as part of the annual salary review under the senior executives' employment contract. During the reporting period an evaluation of senior executives took place in accordance with the process disclosed above.

CORPORATE GOVERNANCE STATEMENT

Principle 2: Structure the board to add value			
Recommendation 2.1 The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	Nomination Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are discussed at a separate meeting when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. The Board met as the Nomination Committee once during the year and all Board members were in attendance. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Website	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Company is working towards filling these gaps through professional development initiatives as well as seeking to identify suitable Board candidates for positions from a diverse pool.

CORPORATE GOVERNANCE STATEMENT

			The Company is currently in the process of acquiring MedAdvisor International Pty Ltd as announced on 11 June 2015 and therefore will undergo major restructuring of the Board to obtain the mix of skills needed for the new business.
<u>Recommendation 2.3</u> A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	Board Charter, Independence of Directors Assessment Website	All Director including Peter Bennetto (appointment 28 November 2013), Peter Dykes (appointment 30 November 2012) and Stephen Brockhurst (appointment 4 May 2015) are deemed independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter, for assessing the materiality of matters: • Balance sheet items are material if they have a value of more than 10% of pro-forma net asset. • Profit and loss items are material if they will have an impact on the current year operating result of 10% or more. • Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. • Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the

CORPORATE GOVERNANCE STATEMENT

			default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	Independence of Directors Assessment Website	The Board has a majority of Directors who are independent.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Independence of Directors Assessment Website	The Board believes that there would be no efficiencies gained by having a separate Chair due to its current size. The Chairperson is an independent Director who is not the CEO / Managing Director.
Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework Website	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.
Principle 3: Act ethically and responsibly			

CORPORATE GOVERNANCE STATEMENT

Recommendation 3.1 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct Website	The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
Principle 4: Safeguard integrity in corporate reporting			
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not the chair of the board, and disclose: 2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its	Yes	Audit Committee Charter Website	Items that are usually required to be discussed by an Audit Committee are discussed at a separate meeting when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board as a whole met as the Audit Committee once during the year and all Board members were in attendance. To assist the Board to fulfil its function as the Audit Committee, the Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee. All of the Directors consider themselves to be financially literate and possess relevant industry experience. The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit

CORPORATE GOVERNANCE STATEMENT

corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			Committee (or its equivalent) and any recommendations are made to the Board.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Kept at registered office	The Chairman and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
Recommendation 5.1 A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy Website	The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance. The Company has appointed a Responsible Officer who is responsible for ensuring the procedures are complied with. The Responsible Officer is Stephen Brockhurst, and in that person's absence, Peter Bennetto.
Principle 6: Respect the rights of security holders			

CORPORATE GOVERNANCE STATEMENT

Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Website Disclosure Policy Website	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Constitution • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases • Overview of the Company's current business, structure and history • Details of upcoming meetings of security holders • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy, Social Media Policy Website	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy Website	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy Website	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1 The board of a listed entity should: a) have a committee or committees to	Yes	Risk Management Policy Website	When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk

CORPORATE GOVERNANCE STATEMENT

oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.			Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board meet once as the Risk Committee during the year. Risk identification and risk management discussions occurred at several Board meetings throughout the year. To assist the Board to fulfil its function as the Risk Committee, the Company has adopted a Risk Management Policy.
<u>Recommendation 7.2</u> The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy Website	The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company

CORPORATE GOVERNANCE STATEMENT

			employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board. In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks: • the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval; • the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and • the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices. During the year, management reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks.
<u>Recommendation 7.3</u> A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Audit Committee Charter Website	The Board performs the role of Audit Committee. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter which include reviewing the Company's internal financial control system. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

CORPORATE GOVERNANCE STATEMENT

Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1 The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	Remuneration Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Remuneration Committee, and therefore it is not structured in accordance with Recommendation 8.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are discussed at a separate meeting when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board as a whole met as the Remuneration Committee once during the year and all Board members were in attendance. To assist the Board to fulfil its function as the Remuneration Committee, the Company has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

CORPORATE GOVERNANCE STATEMENT

Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy Website	Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms of part of the Annual Report. The remuneration of non-executive directors is set by reference to payments made by other companies of similar size and industry, and by reference to the director's skills and experience. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the directors' option holdings are fully disclosed. Executive pay and rewards consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	3	**3,441**	34,617
Finance Costs		**(2,851)**	(16,611)
Employee benefits expense		**-**	(683,838)
Share based payments		**-**	(244,241)
Consultancy Expenses		**(75,437)**	(694,182)
Impairment of ODNI Mining Rights and Exploration Costs		**(307,567)**	(8,735,600)
Directors Fees		**(116,074)**	(173,539)
Exploration Costs		**(35,548)**	(28,325)
Occupancy Costs		**(4,576)**	(214,064)
Legal, Professional and Compliance Fees		**(118,172)**	(158,865)
Depreciation		**(957)**	(4,244)
Other Expenses		**(9,224)**	(225,175)
Loss before income tax	4	**(666,965)**	(11,144,067)
Income Tax Expense	5	**-**	-
Loss after before tax		**(666,965)**	(11,144,067)
Other comprehensive income			
Other comprehensive income for the year, net of tax		**-**	-
Other comprehensive income for the year		**-**	-
		(666,965)	(11,144,067)
Total comprehensive loss for the year attributable to members of the Parent Entity		**(666,965)**	(11,144,067)
		Cents	**Cents**
Loss per share			
From continuing operations:			
Basic and diluted loss per share	20	**(0.81)**	(15.18)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015	2014
		$	$
CURRENT ASSETS			
Cash and cash equivalents	7	**165,033**	391,306
Trade and other receivables	8	**26,827**	2,601
Other assets	9	**5,839**	-
TOTAL CURRENT ASSETS		**197,699**	393,907
NON-CURRENT ASSETS			
Other assets	9	**-**	309,517
Plant and equipment	10	**-**	2,073
TOTAL NON-CURRENT ASSETS		**-**	311,590
TOTAL ASSETS		**197,699**	705,497
CURRENT LIABILITIES			
Trade and other payables	11	**304,581**	394,514
TOTAL CURRENT LIABILITIES		**304,581**	394,514
TOTAL LIABILITIES		**304,581**	394,514
NET ASSETS		**(106,882)**	310,983
EQUITY			
Issued capital	12	**11,940,409**	11,703,950
Reserves	13	**178,468**	638,818
Accumulated losses		**(12,225,759)**	(12,031,785)
TOTAL EQUITY		**(106,882)**	310,983

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Issued Capital	Performance Shares	Share-based Payments Reserve	Accumulated Losses	Total
	$		$	$	$
For the year ended 30 June 2014					
Balance at 30 June 2013	11,602,950	2,756,666	1,560,852	(4,810,658)	11,109,810
Total comprehensive loss for the period	-	-	-	(11,144,067)	(11,144,067)
Ordinary Shares issued during the period	101,000	-	-		101,000
Performance Shares redeemed		(2,756,666)	-	2,756,666	-
Share based payments	-	-	244,240		244,240
Options redeemed during the period	-	-	(149,648)	149,648	-
Options cancelled during the period	-	-	(1,016,626)	1,016,626	-
Balance at 30 June 2014	**11,703,950**	**-**	**638,818**	**(12,031,785)**	**310,983**
For the year ended 30 June 2015					
Balance at 30 June 2014	**11,703,950**	**-**	**638,818**	**(12,031,785)**	**310,983**
Total comprehensive loss for the period	**-**	**-**	**-**	**(666,965)**	**(666,965)**
Shares issued during the period	**135,000**	**-**	**-**	**-**	**135,000**
Shares issued in lieu of director fees	**109,409**	**-**	**-**	**-**	**109,409**
Options redeemed during the period	**-**	**-**	**(460,350)**	**460,350**	**-**
Derecognition of subsidiary	**-**	**-**	**-**	**12,641**	**12,641**
Transaction costs	**(7,950)**	**-**	**-**	**-**	**(7,950)**
Balance at 30 June 2015	**11,940,409**	**-**	**178,468**	**(12,225,759)**	**(106,882)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015	2014
		$	**$**
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		-	5,110
Payments to suppliers and employees		**(393,166)**	(2,447,158)
Interest received		**3,441**	29,971
Net cash used in operating activities	18(b)	**(389,725)**	(2,412,077)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		**(53,598)**	(269,219)
Purchase of plant and equipment		**-**	(2,503)
Net cash used in financing activities		**(53,598)**	(271,722)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		**135,000**	101,000
Proceeds from application funds received in advance		**90,000**	-
Payments relating to capital raising		**(7,950)**	-
Net cash provided by financing activities		**217,050**	101,000
Net decrease in cash and cash equivalents held		**(226,273)**	(2,582,799)
Cash at beginning of year		**308,023**	2,974,105
Cash at end of year	18(a)	**165,033**	391,306

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 1: Statement of Significant Accounting Policies

The financial statements cover the Company of Exalt Resources Limited. Exalt Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on the 21 August 2015 by the Directors of the Company.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern basis of accounting

The financial statements have been prepared on a going concern basis. The Company has incurred an operating loss during the year of $666,965 (2014: $11,144,067) and has a deficiency of operating cash flow of $389,725, in addition there is a deficiency of net current assets of $106,882.The Directors are managing the Company's cash flows carefully to meet its operational commitments.

The Directors consider that the going concern basis is appropriate for the following reasons:

1) On 27 July 2015, the Company announced that it had raised $200,000 of convertible loans from professional and sophisticated investors to be used predominately to finalise the MedAdvisor acquisition and on-going corporate overheads. As at 30 June 2015, $90,000 in application funds for the convertible loans had been received in advance;
2) Subject to the receipt of shareholder approval for the acquisition of MedAdvisor, the Company will also undertake a placement to raise at least $3,000,000 at a price not less than $0.02 per share, to be completed under a prospectus.
3) The ability to raise capital from equity markets, with $135,000 raised through a share placement during the year.
4) The Company has reduced its commitments over the last 12 months and will continue to do so should the MedAdvisor acquisition not complete.

In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Exalt Resources Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 14 of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised as it accrues.

(c) Income tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period.Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(f) Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of the Company is measured in Australian dollars. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the period are translated into functional currency using the rates of exchange prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

– assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
– income and expenses are translated at average exchange rates for the period; and
– retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(h) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(i) Financial instruments

Recognition

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

Loans and receivables

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenses. Receivables and payables are stated with the amount of GST included.

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

(k) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Earnings per share

Basic loss per share is determined by dividing the operating loss after income tax attributable to members of the company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share adjusts the figures used in the determination of basic loss per share by taking into account any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

When the Company has an operating loss after income tax and the conversion of ordinary share capital in respect of potential ordinary shares does not lead to a diluted earnings per share that shows an inferior view of the earnings performance of the Company, than is shown by basic loss per share, the diluted loss per share is reported the same as basic loss per share.

(n) Equity-settled compensation

The Company may operate equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(o) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(p) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of this Standard, the application of such accounting would be largely prospective.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact, it is impracticable at this stage to provide a reasonable estimate of such impact.

(q) Comparative figures

Where required by Accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 2: Segment information

The Company has identified its operating segments based on the location of its exploration assets. The company operates in one business segment being minerals and energy exploration and after discontinuing its operations in Indonesia only in one geographic segment being Australia.

2015	Indonesian Operations $	Australian Operations $	Corporate $	Total $
Segment performance				
Revenue	-		3,441	**3,441**
Net loss before tax	-	(343,115)	(323,850)	**(666,965)**
i) Segment Assets				
Total Assets		-	197,699	**197,699**
ii) **Segment Liabilities**				
Total Liabilities	-	-	(304,581)	**(304,581)**

2014	Indonesian Operations $	Australian Operations $	Corporate $	Total $
Segment performance				
Revenue	-	34,617	-	34,617
Net loss before tax	(9,374,781)	(1,595,750)	(173,536)	(11,144,067)
i) Segment Assets				
Total Assets		397,842	307,655	705,497
ii) Segment Liabilities				
Total Liabilities	-	(394,514)	-	(394,514)

Note 3: Revenue

	2015 $	2014 $
Non – operating activities		
- interest income	**3,441**	29,971
- other Income	**-**	4,646
	3,441	34,617

Note 4: Loss for the Year

Loss before income tax includes the following specific expenses:

Employee benefits expense		
Salary and Wages	**-**	602,985
Superannuation	**-**	4,167
Other	**-**	76,686
Total Employee benefits expense	**-**	683,838

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Significant expenses

	2015	2014
	$	$
Impairment of ODNI Mining Rights and Exploration Costs	**307,567**	8,735,600
Legal fees	**46,766**	78,867
Consulting fees	**24,171**	694,182
Road Show and travel costs	**-**	39,251

Note 5: Income tax expense

(a) The components of income tax expense comprise:

Deferred tax	**196,984**	618,983
Deferred tax assets not recognised	**(196,984)**	(618,983)
	-	-

(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax benefit on the loss from ordinary activities	**(200,089)**	(3,343,221)
Less:		
Tax effect of:		
Share options expensed during period	**-**	(73,272)
Non-deductible offshore exploration costs	**-**	(49,795)
Other Non-deductible costs	**(3,105)**	(124)
Impairment of ODNI Shares	**-**	(2,607,045)
Tax effect of:		
Deferred tax assets not recognised	**(196,984)**	(618,983)
Income tax expense	**-**	-

Tax losses

Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	**2,206,734**	2,042,680

The taxation benefits will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Company in realising the benefits from the deductions for the loss.

(iv) the Company makes an application for R&D expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 6: Auditor's remuneration

	2015	2014
	$	$
Remuneration of the auditor for:		
- auditing or reviewing the financial reports	**32,558**	34,000

Note 7: Cash and cash equivalents

Cash at bank and on hand	**165,033**	391,306

Note 8: Trade and other receivables

GST receivables	**6,827**	2,491
Other receivables	**20,000**	110
	26,827	2,601

(a) Effective interest rates and credit risk

There is no interest rate risk for the balance of trade and other receivables.

All amounts past due are considered impaired and provided against. All trade and other receivables are within credit terms and not considered impaired.

Note 9: Other assets

Current		
Prepayments	**5,839**	-
Non-Current		
Exploration Expenditure		
Balance at the beginning of the period	**309,517**	8,771,255
Impairment of mining rights and exploration costs - ODNI	**-**	(8,370,162)
Impairment of mining rights and exploration costs	**(307,567)**	(361,083)
Transfer to other receivables	**(20,000)**	-
Exploration and evaluation expenditure	**18,050**	269,507
Total	**-**	309,517

The carrying value of exploration at 30 June 2014 relates to the Mineral Hill South project only. As a result of the proposed acquisition of MedAdvisor International Pty Ltd, the Company has fully impaired the carrying value of capitalised exploration expenditure as at 30 June 2015. Subject to the completion of the acquisition of MedAdvisor International Pty Ltd, the Company will seek to dispose of the Mineral Hill South project.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 10: Plant and Equipment	Furniture Fittings and Office Equipment
Year ended 30 June 2015	
Opening net book value	**2,073**
Impairment	**(1,116)**
Depreciation charge	**(957)**
Closing net book value	**-**
Year ended 30 June 2014	
Opening net book value	9,670
Additions	2,503
Impairment	(5,856)
Depreciation charge	(4,244)
Closing net book value	2,073

Note 11: Trade and other payables

	2015 $	2014 $
Trade payables	**37,156**	40,051
Application funds – received in advance[1]	**90,000**	-
Sundry payables and accrued expenses	**177,425**	354,463
	304,581	394,514

[1] As at 30 June 2015, the Company had received $90,000 of application funds in advance for convertible loans. Convertible loans agreements with professional and sophisticated investors to raise $200,000 were executed subsequent to 30 June 2015 - Refer to Note 21: Events occurring after the reporting period.

Note 12: Issued capital

85,250,406 (2014: 76,571,958) fully paid ordinary shares	**11,940,409**	11,703,950

	2015 No of shares	2015 $	2014 No of shares	2014 $
(a) Fully paid ordinary shares				
Balance at beginning of reporting period	**76,571,959**	**11,703,950**	73,205,295	11,602,950
Shares issued during the period:				
- 10 June 2014	**-**	**-**	3,366,664	101,000
- 21 August 2014	**4,500,000**	**135,000**	-	-
- 9 December 2014	**4,178,447**	**109,409**	-	-
Transaction costs	**-**	**(7,950)**	-	-
Subtotal Ordinary Shares	**85,250,406**	**11,940,409**	76,571,959	11,703,950

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 No of shares	**2015 $**	2014 No of shares	2014 $
(b) Performance shares				
Balance at beginning of reporting period	**-**	**-**	84,000,000	2,756,666
Redemption of ODNI Performance shares	**-**	**-**	(66,000,000)	(2,640,000)
Redemption of Tudor Performance shares	**-**	**-**	(18,000,000)	(116,666)
Subtotal Performance Shares	**-**	**-**	-	-
Total Issued Capital	**85,250,406**	**11,940,409**	**76,571,959**	**11,703,950**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote.

Ordinary shares have no par value.

Redemption of Performance shares

During the prior year, 84,000,000 performance shares were redeemed by the Company in accordance with their terms of issue.

(c) Options over unissued shares

	2015 No.	**2014 No.**
Balance at beginning of reporting period	**26,008,568**	61,008,568
Redemption /Expiry of Options during the period:		
ODNI Vendors	**-**	(30,000,000)
B. Tudor	**-**	(3,000,000)
W. Moss AM	**-**	(2,000,000)
Peloton Capital	**(10,000,000)**	-
Balance at end of reporting period	**16,008,568**	26,008,568

Options exercisable at $0.20

30,000,000 options issued on 30 November 2012 to ODNI in relation to acquisition of ODNI Holdings Pte Ltd were cancelled on November 28th 2013 in accordance with their terms of issue.

3,000,000 options issued to B Tudor expired in March 2014.

2,000,000 options issued to W Moss AM were cancelled by the Company following his resignation as director in September 2013.

10,000,000 options issued to Peloton Capital expired in December 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(d) Capital management

Management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

Note 13: Reserves

	2015	2014
Share option reserve: *The share-based payments reserve is used to recognise the fair value of options granted but not exercised.*	**$**	$
Balance at the beginning of the year	**638,818**	1,560,852
Options expensed during the period to Directors	**-**	244,240
Options redeemed during the period to Directors	**-**	(149,648)
Options redeemed during the period to ODNI	**-**	(1,016,626)
Options redeemed during the period to Peloton Capital	**(460,350)**	-
Balance at the end of the year	**178,468**	638,818

Share option reserve

Fair values at grant date are independently determined using a Black–Scholes Option Pricing Model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

No options were issued in the year ended 30 June 2015 (2014: nil).

Note 14: Controlled entity

	Country of Incorporation	Percentage Owned (%)*	
		2015	2014
ODNI Pte Ltd	Singapore	**-**	100

* *Percentage of voting power is in proportion to ownership*

During the year, the Company ceased the operations of Odni Holdings (Pte.) Ltd which was a 100% subsidiary on 31 October 2014. This follows the Company's decision to write off the entire capitalised exploration and evaluation in December 2013.

As at 31 October 2014, Odni had no assets and liabilities. The Company was subsequently deregistered.

No income or expenses were recognised in the profit or loss and other comprehensive income in the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 15: Related party transactions

During the year the following amounts have been recorded in the Consolidated Statement of Profit and Loss and other Comprehensive Income:

Mining Corporate Pty Ltd, a Company in which Stephen Brockhurst is a director and shareholder, invoiced $11,812 (inc. GST) for company secretarial and accounting services provided to 30 June 2015 (2014: nil).

During the prior year the following expenses were incurred in relation to settlement of Director's contracts. The following amounts have been recorded in the Consolidated Statement of Profit and Loss and other Comprehensive Income:

- Employee Benefit Expense of $595,203 in relation to Salary and termination benefits to Mr Barry Tudor: and
- Consulting Fees Expense include $325,000 in relation to Corpac Partners Pty Ltd ("Corpac"). Mr Robert Crossman is the Managing Director of Corpac.
- Mr Robert Whitton's employer, William Buck Chartered Accountants was paid an amount of $57,111 by the Company for services provided by Mr Whitton outside of his Non-executive Director role.
- Consulting Fees Expense includes $10,000 in relation to Peloton Capital Limited. Mr Shane Hartwig is a director of Peloton Capital Limited. Mr Hartwig received no benefit, directly or indirectly from the payment of these fees.
- Mr Peter Bennetto sub-leased an office from the Company for a period during the financial year and for this paid the Company an amount of $4,000.

Apart from the above payments there are no other related party transactions.

Note 16: Interests of key management personnel (KMP)

Names and positions held of Company key management personnel in office at any time during the year were:

Name	Change	Role
S Hartwig	Resigned 4 May 2015	Non-Executive Director
P Dykes	No change	Non-Executive Director
P Bennetto	No change	Non-Executive Chairman
S Brockhurst	Appointed 4 May 2015	Non-Executive Director

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the period ended 30 June 2015.

The total remuneration paid to KMP during the year is as follows:

	2015	2014
	$	$
Short term employee benefits	**114,000**	1,028,709
Post – employment benefits	**-**	4,167
Share- based payments	**-**	244,242
Termination/resignation payments	**-**	334,958
Total KMP compensation	**114,000**	1,612,076

Note 17: Share based payments

On 9 December 2014, 4,178,447 ordinary shares were issued in total to Non-Executive Directors Mr Bennetto, Mr Dykes and Mr Hartwig, as approved by shareholders at the Company's 2014 AGM, in lieu of cash payment for director fees accrued to 30 June 2014.

The fair value of the ordinary shares issued were determined by reference to market price of the Company's shares on the date of shareholder approval.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 18: Notes to statement of cash flows

	2015 $	2014 $
(a) Reconciliation of cash		
Cash at bank and on hand	**165,033**	391,306
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss from ordinary activities after income tax	**(666,965)**	(11,144,067)
Depreciation	**957**	4,244
Non-cash expense – share-based payments	**109,409**	244,241
Impairment expense	**308,683**	8,735,600
- Increase/(Decrease) in creditors and accruals	**(146,145)**	(253,761)
- (Increase)/Decrease in receivables	**4,336**	64,974
- Increase/(Decrease) in provisions	**-**	(63,308)
Net cash used in operating activities	**(389,725)**	(2,412,077)

Note 19: Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limited and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's activities expose it to a limited number of financial risks as described below. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company. To date, the Company has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposure identified. The Company holds the following financial instruments.

Financial assets		
Cash and cash equivalents	**165,033**	391,306
Trade and other receivables	**26,827**	2,601
Total	**191,860**	393,927
Financial liabilities		
Trade and other payables	**304,581**	394,914
Total	**304,581**	394,914

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Specific financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

Interest rate risk

The Company's main interest exposure arises from cash at bank and bank term deposits. As at the reporting date, the Company had the following cash profile.

	2015 **$**	2014 $
Cash at bank and in hand	**165,033**	391,306
Total	**165,033**	391,306

The Company's main interest rate risk arises from cash and cash equivalents. The cash in the investment account earns a floating interest rate between 0% and 2.4% (2014: 0% and 2.4%)

Credit risk

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents, deposits and banks as well credit exposure including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Liquidity risk

The Company maintains sufficient liquidity by holding cash in readily accessible accounts. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has no access to borrowing facilities at the reporting date. The Company's financial assets are $191,860 (2014: $393,927) and financial liabilities are $304,581 (2014: $394,514).

Fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective net fair values unless otherwise noted, determined in accordance with the accounting policies disclosed in the Statement of Accounting Policies.

Sensitivity analysis

The following table illustrates sensitivity to the Company's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. This sensitivity assumes that the movement in a particular variable is independent of other variables.

	Profit **$**	**Equity** **$**
Year ended 30 June 2015	**+/-34**	**+/- 34**
+/-1% in interest rates		
Year ended 30 June 2014		
+/-1% in interest rates	+/-3,080	+/- 3,080

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 20: Earnings per share

	2015	2014
	$	$
Operating loss after income tax used in the calculation of basic and diluted loss per share	**666,965**	11,144,067
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	**82,754,767**	73,398,992

Note 21: Events occurring after the reporting period

On 27 July 2015, the Company announced that it had raised $200,000 of convertible loans from professional and sophisticated investors to be used predominately to finalise the MedAdvisor acquisition and on-going corporate overheads. The Convertible Loans will, subject to shareholder approval, convert into fully paid ordinary shares in the capital of the Company at settlement of the Company's proposed acquisition of MedAdvisor International Pty Ltd (as announced on 11 June 2015).

Since the acquisition of MedAdvisor International Pty Ltd will result in a significant change to the nature and scale of the Company's activities, it will require the shareholder approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company expects to dispatch a Notice of General Meeting to shareholders to approve the acquisition shortly.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Note 22: Commitments

	2015	2014
	$	$
a) Minimum expenditure commitments for mining tenements:		
Within one year	**-**	72,000
Later than one year but not later than five years	**-**	**-**
Later than five years	**-**	**-**
	-	**72,000**

b) The company vacated its leased premises effective 2 July 2014 and has no further lease commitments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note 23: Parent Information

	2015	2014
	$	$
ASSETS		
Current assets	**197,699**	393,926
Non-current assets	**-**	319,555
TOTAL ASSETS	**197,699**	**713,881**
LIABILITIES		
Current liabilities	**304,581**	390,107
TOTAL LIABILITIES	**304,581**	**390,107**
EQUITY		
Issued capital	**11,940,409**	11,703,950
Reserves	**178,468**	638,818
Accumulated Losses	**(12,225,759)**	(12,031,785)
TOTAL EQUITY	**(106,882)**	310,983
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	**(666,965)**	(11,144,067)
Total comprehensive income	**(666,965)**	(11,144,067)

Guarantees

Exalt Resources Limited, a Publically Listed Company, has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

Nil

Contractual commitments

At 30 June 2015, Exalt Resources Limited a Publically Listed Company had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014:$nil).

Note 24: Company Details

THE REGISTERED OFFICEAND PRINCIPAL PLACE OF BUSINESS IS:

Level 11
216 St Georges Terrace
Perth WA 6000

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 26 to 47, are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company;

2. the Chairman has declared that:

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

    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

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

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

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

Dated this 25 August 2015

Peter Bennetto
Non-Executive Chairman

EXALT RESOURCES LIMITED
ABN 17 145327617
AND CONTROLLED ENTITY

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXALT RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Exalt Resources Limited which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

EXALT RESOURCES LIMITED
ABN 17 4532 7617
AND CONTROLLED ENTITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXALT RESOURCES LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Exalt Resources Limited is in accordance with the Corporations Act 2001 including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred a net loss of $666,965 during the year ended 30 June 2015, and as of that date, the company's current liabilities exceeded its current assets by $106,882. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 5 to 8 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Exalt Resources Limited for the year ended 30 June 2014 complies with Section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb
Partner

Date: 25 August 2015

ADDITIONAL INFORMATION

Additional Australian Securities Exchange information as at 13 August 2015.

Number of holders of equity securities

Fully Paid Ordinary Shares

85,250,405 fully paid ordinary shares are held by 293 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

16,008,568 Options ($0.20 Ex Price, 31st December 2015 Expiry) held by 331 individual optionholders

Distribution of holders of equity securities.

Category (size of Holdings)	Ordinary Shares holders	Option holders
1 - 1,000	4	3
1,001 - 5,000	2	132
5,001 - 10,000	54	96
10,001 - 100,000	137	82
100,001 and over	96	19
	293	331
Holding less than a marketable parcel	**5**	**317**

Substantial shareholders

The names of the substantial shareholders listed in the Exalt Resources Limited register as at 13 August 2015 were:

Holders	Fully paid ordinary shares	
	Number	Percentage
GXB PTY LTD	5,599,997	6.57
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,604,543	5.40
	10,204,540	11.97

ADDITIONAL INFORMATION

Twenty largest holders of quoted ordinary shares

	Number	%
GXB PTY LTD	5,599,997	6.57
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,604,543	5.40
ALASTAIR R BROWN PTY LTD	4,136,637	4.85
VERTIGO TRADING PTY LIMITED <DOWNES SUPER FUND A/C>	3,070,000	3.60
KIS CAPITAL PARTNERS PTY LTD	2,969,349	3.48
GEBA PTY LTD <GEBA FAMILY A/C>	2,825,438	3.31
ETHAN ALLEN INVESTMENTS PTY LTD <ETHAN ALLEN INVEST UNIT A/C>	2,680,976	3.14
VICEROY INVESTMENTS PTE LTD	2,250,958	2.64
CANGU PTY LTD <CANGU FAMILY A/C>	2,085,000	2.45
AS & JR LIBBIS PTY LIMITED <LIBBIS FAMILY A/C>	1,950,000	2.29
PELOTON ADVISORY PTY LIMITED	1,606,596	1.88
POIPU BAY PTY LTD	1,589,097	1.86
EKE HOLDINGS PTY LTD	1,500,000	1.76
KORE CAPITAL PTY LTD	1,500,000	1.76
OREM INVESTMENTS PTY LTD <OREM SUPER FUND A/C>	1,500,000	1.76
SPOFFORTH PTY LTD	1,445,902	1.70
JEFF TOWLER BUILDING PTY LTD	1,400,000	1.64
LITTLE BREAKAWAY PTY LTD	1,365,000	1.60
MR STEVEN WOODHAM + MRS ELIZABETH WOODHAM <ALPHA FAMILY A/C>	1,350,000	1.58
CLEAR RANGE PTY LTD <CLEAR RANGE A/C>	1,333,333	1.56
Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**46,762,826**	**54.85**
Total Remaining Holders Balance	**38,487,579**	**45.15**

Twenty largest holders of quoted options

	Number	%
GEBA PTY LTD <GEBA FAMILY A/C>	2,861,112	17.87
CANGU PTY LTD <CANGU FAMILY A/C>	2,521,667	15.75
MR SHANE HARTWIG	1,158,334	7.24
MR EMMANUEL CORREIA	1,058,334	6.61
MR JONATHON CHARLES KOOP	750,000	4.68
MADEIRA NOMINEES PTY LTD	622,500	3.89
MS NYREE CORREIA	621,528	3.88
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	440,854	2.75
MR MARK WILLIAM BRYCKI + MRS NICOLA JANE BRYCKI <BRYCKI PENSION FUND A/C>	400,000	2.50
MRS LOUISE JANE HARTWIG	391,667	2.45
DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	332,674	2.08
MR DAVID ANTHONY WARD	316,667	1.98
MR CHRISTOPHER BRYCKI	280,000	1.75
BIMEDENT PTY LTD <DISCRETIONARY A/C>	250,001	1.56
BJS ROBB PTY LTD	133,334	0.83
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	133,334	0.83
ARCHFIELD HOLDINGS PTY LTD	125,004	0.78
JALONEX INVESTMENTS PTY LTD	116,000	0.72
DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	111,112	0.69
MR GRAHAM ROBERT FOREMAN	75,000	0.47
Top 20 holders of Listed Options	**12,699,122**	**79.33**
Total Remaining Holders Balance	**3,309,446**	**20.67**

SCHEDULE OF MINERAL TENEMENTS

Project	Tenement	Interest held
Mineral Hill South	EL 7945	100%

ADDITIONAL INFORMATION

DIRECTORS

Mr Peter Bennetto	Non-Executive Chairman
Mr Peter Dykes	Non-Executive Director
Mr Stephen Brockhurst	Non-Executive Director

COMPANY SECRETARY
Mr Stephen Brockhurst

REGISTERED OFFICE
Level 11
216 St Georges Terrace
PERTH WA 6000

PRINCIPAL PLACE OF BUSINESS
Level 11
216 St Georges Terrace
PERTH WA 6000

AUDITORS
Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

SHARE REGISTRY
Computershare Investor Services Pty Limited
Yarra Falls
1152 Johnston Street
Abbotsford VIC 3067