

# **Land and Mineral Exploration Limited (Formerly Bligh Mining Limited)**

**ABN: 86 073 153 223**

## **Annual Financial Report**

**For the Year Ended 30 June 2014**

# Land and Mineral Exploration Limited

ABN: 86 073 153 223

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For the Year Ended 30 June 2014

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**Land and Mineral Exploration Limited**  
**ABN: 86 073 153 223**

## **Corporate Information**

**30 June 2014**

### **Directors**

Mr Sevag Chalabian (Chairman)  
Mr Jiachen Xue  
Mr Yanyan Wang  
Mr Jian Shi  
Mr Ronglai Zhang

### **Company Secretary**

Ms Nicola Betteridge

### **Registered Office**

Floor 12, 225 George Street  
Sydney NSW 2000  
Australia

### **Principal Place of Business**

Floor 12, 225 George Street  
Sydney NSW 2000  
Australia

### **Auditors**

RSM Australia Partners  
Level 12, 60 Castlereagh Street  
Sydney NSW 2000  
Australia

### **Solicitors**

Lands Legal  
Level 8, 131 York Street  
Sydney NSW 2000  
Australia

### **Share Registry**

Boardroom Pty Limited  
Floor 12, 225 George Street  
Sydney NSW 2000

### **ASX Code**

Shares            LDM

### **Country of Incorporation and Domicile**

Australia

# Land and Mineral Exploration Limited

ABN: 86 073 153 223

## Directors' Report

30 June 2014

The directors present their report on Land and Mineral Exploration Limited for the financial year ended 30 June 2014.

### 1. General information

#### Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Anthony Crimmins	Director - resigned 9 December 2013
Andrew Nutt	Director - resigned 23 October 2013
Robert Fallon	Director - appointed 2 December 2013 and resigned 12 December 2014
Ben Salmon	Director - appointed 9 December 2013 and resigned 12 December 2014
Garrick Higgins	Director - appointed 23 October 2013 and resigned 2 December 2013
Jeffery Bennett	Director - appointed 23 October 2013 and resigned 2 December 2013
Greg Seers	Director - appointed 23 October 2013 and resigned 2 December 2013
Trevor Woolfe	Director - appointed 23 October 2013 and resigned 2 December 2013
Sevag Chalabian	Director and Chairman - resigned 23 October 2013 as non-executive director, and re-appointed 2 December 2013 as Chairman
Experience	Mr Chalabian is a practicing commercial lawyer with over 17 years' experience and particular specialisation in corporate and commercial transactions in the mining, finance and property industries. Mr Chalabian was formerly a partner at the Australian national law firm Phillips Fox. He was formerly chairman of Apollo Minerals Limited and Artemis Resources Limited, Global Strategic Metals NL and MIKOH Corporation Limited.
Interest in shares and options	Shares: 682,540 by associated entity Ardila Holdings Pty Limited as at 30 June 2014. NIL as at the date of this report.
Other current directorships in listed entities	None

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### 1. General information continued

#### Information on directors continued

Jiachen Xue	Director - appointed 12 December 2014
Qualifications	Mr Xue holds a Bachelor of Administration Management from East China University of Science and Technology.
Experience	Mr Xue was Overseas Sales Department Manager, Brand Development Department Director and Procurement Center Director with Luolai Home Textile Co. Ltd. Mr Xue is a director of Luolai Home Textile Co. Ltd since 2013.
Interest in shares and options	Shares: 1,542,181 by associated entity Xue Family Holdings Pty Limited as at date of this report. NIL as at 30 June 2014.
Other current directorships in listed entities	None
Yanyan Wang	Director - appointed 12 December 2014
Qualifications	Mr Wang holds a Bachelor of Science from Jiangsu University of Science and Technology, a Bachelor of Science with Honours from University of Central England in Birmingham, and a Master of Science in Engineering Business Management from University of Warwick.
Experience	Mr Wang is a Sales Manager of Jiangsu Diao Property Development Co Ltd.
Interest in shares and options	Shares: 1,542,060 by associated entity Wang JF Family Holdings Pty Limited as at date of this report. NIL as at 30 June 2014.
Other current directorships in listed entities	None
Jian Shi	Director - appointed 12 December 2014
Qualifications	Mr Shi is a certified civil engineer. He holds an Executive Master of Business Administration from Fudan University, an Executive Master of Business Administration from Shanghai Jiaotong University, and a Master of Business Administration of University of Northern Virginia. Mr Shi is currently undertaking Executive Education with CEIBS.
Experience	Mr Shi has over 20 years experience in construction and property industry. Mr Shi was an executive director and chairman of board of property development and investment companies. Mr Shi currently holds the Chairman of Board of Directors with Letai Investment Development (Tianjin) Co Ltd.
Interest in shares and options	Shares: 2,041,967 by associated entity Shi Family Holdings Pty Limited as at date of this report. NIL as at 30 June 2014.
Other current directorships in listed entities	None

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### 1. General information continued

#### Information on directors continued

Ronglai Zhang	Director - appointed 12 December 2014
Qualifications	Mr Zhang holds a Bachelor of Law from Melbourne University.
Experience	Mr Zhang was a solicitor with Wei Heng Law Firm (Beijing). Currently Mr Zhang is a director of W&H Lawyers Australia.
Other current directorships in listed entities	None
Nicola Betteridge	Company Secretary - appointed 17 December 2014
Qualifications	Ms Betteridge is a qualified lawyer and holds a Bachelor of Law from the University of Glasgow, Scotland. Nicola recently completed the Governance Institute of Australia's Graduate Diploma of Applied Corporate Governance.
Tom Bloomfield	Company Secretary - appointed 12 December 2014 and resigned 17 December 2014
Graeme Hogan	Company Secretary - resigned 23 October 2013, re-appointed 2 December 2013 and resigned 12 December 2014
Justin Mouchacca	Company Secretary - appointed 23 October 2013 and resigned 2 December 2013
Melanie Leydin	Company Secretary - appointed 23 October 2013 and resigned 2 December 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities and significant changes in nature of activities

The Company's principal activity during the financial year was:

to identify business opportunities that will assist in adding shareholder value.

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

### 2. Operating results and review of operations for the year

#### Operating results

The loss of the Company amounted to \$ 138,541, after providing for income tax. This represented a 430% increase on the loss reported for the year ended 30 June 2013 (loss of \$26,142).

#### Review of operations

The activity of the Company has been to seek prospective business opportunities for acquisition or Joint Venture to increase the intrinsic value of the company for shareholders.

### 3. Financial review

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### 3. Financial review continued

#### Financial position

The net assets of the Company have decreased by \$ 67,116 from 30 June 2013 to \$ 14,724 at 30 June 2014. This decrease is largely due to the following factors:

- increased operational costs including compliance costs
- decreased revenue

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### 4. Other items

#### Significant changes in state of affairs

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

(i) on 28 August 2013 the company entered into a Share Sale Agreement with Land and Mineral Limited and the shareholders of Land and Mineral Limited. On 28 November 2013 the Share Sale Agreement was terminated as a number of the conditions precedent that were required to be fulfilled were unable to be satisfied.

(ii) on 12 February 2014 the company completed a share placement issuing 1,327,274 shares at 5.5 cent per share raising a total of \$73,000, (\$71,425 net of share issue costs).

#### Dividends paid or recommended

No dividends were paid or recommended during the year.

#### Events after the reporting date

On 18 December 2014, the Company entered into a Loan Agreement to receive a principal amount of \$70,000 from Shi Family Holdings Pty Limited, a director related entity. Under the terms of the Agreement, the Company has the option, at its sole discretion, to elect to convert the whole principal amount to shares at any time prior to the repayment date. Interest is accrued and repayable at a rate of 10% per annum on the principal amount. The repayment date was scheduled to be six months from the date of the Agreement. The principal amount was received by the Company on 2 February 2015.

In June 2015, the Company and Shi Family Holdings Pty Limited agreed to defer the repayment date to 31 December 2015.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### Future developments and results

The Directors will continue to review and identify business opportunities that will assist in adding shareholder value.

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

#### Company secretary

The following person held the position of Company secretary at the end of the financial year:

Nicola Betteridge was appointed company secretary on 17 December 2014. Nicola Betteridge is a qualified lawyer and holds a Bachelor of Law from the University of Glasgow, Scotland. Nicola recently completed the Governance Institute of Australia's Graduate Diploma of Applied Corporate Governance.



# Land and Mineral Exploration Limited

ABN: 86 073 153 223

## Directors' Report

30 June 2014

### Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Sevag Chalabian	2	2	-	-	-	-
Anthony Crimmins	4	4	-	-	-	-
Andrew Nutt	1	-	-	-	-	-
Robert Fallon	1	1	-	-	-	-
Ben Salmon	-	-	-	-	-	-
Garrick Higgins	2	2	-	-	-	-
Jeffery Bennett	2	2	-	-	-	-
Greg Seers	2	2	-	-	-	-
Trevor Woolfe	2	2	-	-	-	-

### Indemnification and insurance of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

### Options

At the date of this report, there were no unissued ordinary shares under options (Nil at the reporting date).

### Non-audit services

No non-audit services were provided by the Company's auditor.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2014 has been received and can be found on page 18 of the financial report.

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### Remuneration Report (audited)

#### Remuneration policy

The Company does not have a formal Remuneration Committee. The full Board attends to the matters normally attended to by a Remuneration Committee.

Apart from the directors, the Company has no employees.

Shareholder approval is obtained in relation to the overall limit set for directors' fees. The directors must set individual Board fees within the limit approved by shareholders.

The level of fees is not linked to directors' or the Company's performance.

Shareholder approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for directors is currently \$210,000.

Further, shareholders must approve the framework for any equity schemes and if a director is recommended for being able to participate in an equity scheme, this participation must be approved by the shareholders.

#### Remuneration details for the year ended 30 June 2014

There has been no remuneration in respect to the financial year, for any member of the key management personnel of Land and Mineral Exploration Limited.

#### Remuneration details for the 2013 financial year are summarised below.

The following directors resigned: \* 9 December 2013, \*\* 5 October 2012.

	Short term cash salary fees	Total
	\$	\$
<b>2013</b>		
<b>Directors</b>		
Anthony Crimmins *	41,654	41,654
Richard Pritchard **	800	800
Andrew Wild **	770	770
	<hr/>	<hr/>
	43,224	43,224
	<hr/>	<hr/>

# Land and Mineral Exploration Limited

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## Directors' Report

30 June 2014

### Key management personnel shareholdings

The number of ordinary shares in the Company held by each key management personnel of during the financial year is as follows:

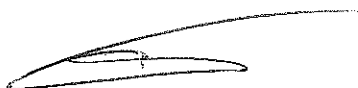
	Balance at beginning of year		Other changes during the year	Balance at date of resignation and at end of year
<b>30 June 2014</b>				
<b>Directors</b>				
Anthony Crimmins *	1,788,083	--	(1,788,083)	-
	<u>1,788,083</u>	<u>-</u>	<u>(1,788,083)</u>	<u>-</u>

\* Resigned 9 December 2013

	Balance at beginning of year		Other changes during the year	Balance at end of year
<b>30 June 2013</b>				
<b>Directors</b>				
Anthony Crimmins	1,788,083	-	-	1,788,083
	<u>1,788,083</u>	<u>-</u>	<u>-</u>	<u>1,788,083</u>

### End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director: .....  
Sevag Chalabian

Dated 18 November 2015

## **Corporate Governance Statement**

**30 June 2014**

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

The Company is presently suspended from listing on the Australian Stock Exchange. Currently the Company does not have any executives and all management functions are performed by the Board, including assurances as to the integrity of the Financial Statements.

The Board are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Securities Exchange ("ASX") Corporate Governance Council.

In summary, the Company departs from the Guidelines in four (4) key areas:

- The Company does not have a separate Nomination Committee. This is a departure from Recommendation 2.4.
- The Company does not have a policy on diversity nor has it established measureable objectives for achieving gender diversity. This is a departure from Recommendations 3.2, 3.3 and 3.4.
- The Company currently does not have a separate Audit Committee. This is a departure from Recommendation 4.1.
- The Company does not have a separate Remuneration Committee. This is a departure from Recommendation 8.1.

The Board of the Company has changed since the end of the financial year. It is the intention of the newly constructed Board that the existing Corporate Governance Policies will be reviewed.

### **Principle 1: Lay solid foundations for management and oversight**

#### **Role of the Board and Management**

The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight of management. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

It should be noted that currently the Company does not employ any senior executives and therefore there is no need for evaluation of performance. The functions of management of the Company are currently undertaken by the Board.

#### **Responsibilities of the Board**

The Board is responsible for:

- Overseeing the company, including its control and accountability systems;
- Overseeing the integrity of the accounting and corporate systems, including external audit;
- Where appropriate, ratifying the appointment and removal of senior executives;

## **Corporate Governance Statement**

**30 June 2014**

- Reviewing, ratifying and monitoring systems of risk management and internal controls, codes of conduct and legal compliance;
- Ensuring timely and balanced disclosure of all material information concerning the company that a reasonable person would expect to have a material effect on the price or value of the company's securities;
- Approving and monitoring the operating budgets and progress of major capital expenditure, capital management and acquisitions and divestures; and
- Monitoring the effectiveness of the entity's governance practices.

### **Allocation of individual responsibilities**

Formal letters of appointment are provided to all new Directors setting out key terms and conditions of their appointment.

### **Induction**

All new Directors participate in a formal induction process co-ordinated by the Company Secretary. This induction process includes briefings on the Company's financial, strategic, operational and risk management position, the Company's governance framework and key developments in the Company and the industry and environment in which it operates.

### **Role and accountability of the Company Secretary**

The Company Secretary is appointed by the Board and is responsible for:

- Advising the Board on Governance matters;
- Monitoring compliance with Board policies and procedures;
- Co-ordinating Board papers;
- Accurately recording decisions and discussions from Board meetings; and
- Co-ordinating the induction and professional development of Directors.

### **Ongoing training**

Directors identify additional training needs on an ongoing basis and attend these as necessary to ensure they have the appropriate skills and knowledge to perform their role.

### **Appointment of Board Members**

Prior to appointing or putting forward a candidate for election to the Board, appropriate checks such as character, experience, criminal records and education are performed. All material information in the Company's possession is provided to security holders to allow them to make an informed decision about the suitability of the candidate.

### **Diversity policy**

In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills.

## Corporate Governance Statement

30 June 2014

The Board seeks to develop a culture of diversity within the Company whereby a mix of skills and diverse backgrounds are employed by the Company at all levels through structuring the recruitment processes at all levels so that a diverse range of candidates are considered and there are no excuses or unconscious biases that might discriminate against certain candidates.

The Company strives to:

1. develop and maintain a diverse and skilled workforce through transparent recruitment processes.
2. promote an inclusive workplace culture that values and utilises the contributions of all employees backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity.
3. facilitate diversity in the workplace by developing programs that promote growth for all employees, so each employee may reach their full potential, and providing maximum benefit for the Company.
4. set measurable objectives to encourage diversity within the Company.

### Principle 2: Structure the Board to add Value

The Board's policy is that the Board needs to have an appropriate mix of skills, experience, expertise and diversity to be well equipped to help the Company navigate the range of challenges faced by the company.

The names, independence status and terms of service of the members of the Board as at the date of this report are set out below:

Directors Name	Independence Status	Length of Service
Sevag Chalabian	Independent	2 years
Jiachen Xue	Not Independent	3 months
Yanyan Wang	Not Independent	3 months
Jian Shi	Not Independent	3 months
Ronglai Zhang	Independent	3 months

Details of the Board member's experience, expertise and qualifications are set out in the directors' report. The majority of the Board are not independent.

### Composition of the Board

The Board's composition is determined based on criteria set out in the Company's constitution and the Board Charter.

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Company and directors with an external or fresh perspective;
- There is a sufficient number of directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and
- The size of the Board is appropriate to facilitate effective discussion and efficient decision making.

## **Corporate Governance Statement**

**30 June 2014**

In accordance with the ASX Listing Rules, the Company must hold an election of Directors each year.

### **Board committees**

Currently the Company does not have separate committees.

### **Board skills matrix**

The key skills required by the Board are highlighted in the matrix below, the Board believes that there is sufficient directors with these skills and there are no deficiencies in these skills in the current board.

- Risk and compliance: Identify key risks to the company related to each key areas of operations. Ability to monitor risk and compliance and knowledge of legal and regulatory requirements.
- Financial and Audit: Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, overseas budgets and funding arrangements.
- Strategy: Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business objectives.
- Policy development: Ability to identify key issues for the organisation and develop appropriate policy parameters within which the company should operate.

### **Independent decision making**

The Board recognises the important contribution independent Directors make to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

A Director is considered to be independent if he or she is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

If any Director believes there is a change in their independence status, they are required to notify the Board as soon as possible.

The Board has adopted specific principles in relation to directors' independence and considers the following, at least annually, when determining if a Director is independent:

Whether the Director:

- Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
- Is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided.

## **Corporate Governance Statement**

**30 June 2014**

- Is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the company or another group member other than as a director.

### **Role of the Chair**

The Chair of the Board is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning.

The Chair facilitates the effective contribution of all directors and promotes constructive and respectful relations between directors.

### **Nomination Committee**

Due to the size of the Company and the fact it is presently suspended from listing on the Australian Stock Exchange the Board does not consider it appropriate or necessary to establish a formal Nomination Committee. The full Board attends to the matters normally attended to by a Nomination Committee. The Board acknowledges that when the size and nature of the Company warrants a Nomination Committee the Committee will operate under a Charter approved by the Board.

### **Access to information**

In certain circumstances, each Director has the right to seek independent professional advice at the Company's expense, within specified limits, or with the prior approval of the Board.

## **Principle 3: Act ethically and responsibly**

### **Code of conduct**

The Board acknowledges and emphasises the importance of all directors maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors to:

- Act in the best interest of the entity;
- Act honestly and with high standards of personal integrity;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflicts of interest;
- Comply with the laws and regulations that apply to the entity and its operations;
- Not knowingly participate in any illegal or unethical activity; and
- Comply with the share trading policy outlined in the Code of Conduct.

## **Principle 4: Safeguard integrity in corporate reporting**

### **Audit Committee**



## **Corporate Governance Statement**

**30 June 2014**

The Board has not established nor considers it necessary or appropriate given the size of the Company and the fact it is suspended from listing on the Australian Stock Exchange to establish an Audit Committee. The full Board currently attends to the matters normally attended to by such a Committee.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators.

The Board is responsible for:

- the adequacy of the entity's corporate reporting processes;
- whether the entity's financial statements reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of the entity;
- the appropriateness of the accounting judgements or choices exercised by management in preparing the entity's financial statements;
- the appointment or removal, rotation, independence and performance of the external auditor;
- the scope and adequacy of the external audit and any non-audit services;
- if the entity has an internal audit function:
  - \* the appointment or removal of the head of internal audit;
  - \* the scope and adequacy of the internal audit work plan; and
  - \* the objectivity and performance of the internal audit function.

### **External auditor**

The Board oversees the relationship with the external auditor. In accordance with the *Corporations Act 2001*, the lead Audit Partner on the audit is required to rotate at the completion of a 5 year term.

The external auditor attends the AGM and is available to answer your shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

In the opinion of the Board, 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.

### **Internal control**

The Board is responsible for reviewing 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.

In the opinion of the Board, the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a system of risk management and internal control and that the system is operating effectively in all material

## **Corporate Governance Statement**

**30 June 2014**

respects in relation to financial reporting risks.

### **Principle 5: Make timely and balanced disclosure**

Land and Mineral Exploration Limited has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have equal and timely access to information on the Company's financial performance.

These policies and procedures include a comprehensive disclosure policy that includes identification of matters that may have a material effect on the price on the Company's securities, quality control procedures over announcements, notifying them to the ASX and issuing media releases.

The Annual Report includes relevant information about the operations of the Company during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Reports for the current year and for previous years are available to shareholders on ASX website.

The half year and full year financial results are announced to the ASX and are available to shareholders on ASX website.

### **Principle 6: Respect the rights of security holders**

The Company Secretary has been nominated as the person responsible for communications with the ASX.

The Company promotes effective communication with shareholders, encourages participation at general meetings and encourages communications throughout the year.

The Company engages with its security holders through:

- Giving them ready access to information about the entity and its governance;
- Communicating openly and honestly with them;
- Encouraging and facilitating their participation in meetings of security holders; and
- Providing an email address on all communication for security holders who wish to contact the Company.

The Notice of Annual General Meeting (AGM) will be provided to all shareholders. Notices for general meetings and other communications with shareholders are drafted to ensure that they are honest, accurate and not misleading and that the nature of the business of the meeting is clearly stated and explained where necessary.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals.

For shareholders unable to attend, an AGM question form will accompany the Notice of Meeting, giving shareholders the opportunity to forward questions and comments to the company or the external auditor prior to the AGM.

### **Principle 7: Recognise and manage risk**

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks.

**Land and Mineral Exploration Limited**  
**ABN: 86 073 153 223**

## **Corporate Governance Statement**

**30 June 2014**

The Company does not have an internal audit function. External consultants may be used in certain circumstances, however have not been used during the financial year.

### **Principle 8: Remunerate fairly and responsibly**

#### **Remuneration Committee**

Due to the size of the Company and the fact it is presently suspended from listing on the Australian Stock Exchange the Board does not consider it appropriate or necessary to establish a formal Remuneration Committee. The full Board attends to the matters normally attended to by a Remuneration Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives. The Board acknowledges that when the size and nature of the Company warrants a Nomination Committee the Committee will operate under a Charter approved by the Board.

For full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.

**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Land and Mineral Exploration Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized blue ink signature of 'RSM'.

**RSM AUSTRALIA PARTNERS**

A blue ink signature of 'W E BEAUMAN'.

**W E BEAUMAN**  
Partner

Sydney, NSW

Dated: 18 November 2015

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2014**

		2014	2013
	Note	\$	\$
Revenue	4	436	100,133
Other expenses		(138,977)	(126,275)
<b>Loss before income tax</b>	5	<b>(138,541)</b>	<b>(26,142)</b>
Income tax expense	6	-	-
<b>Loss for the year</b>		<b>(138,541)</b>	<b>(26,142)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(138,541)</b>	<b>(26,142)</b>
<b>Earnings per share</b>			
From continuing operations			
Basic earnings per share (cents)		(1.47)	(0.13)
Diluted earnings per share (cents)		(1.47)	(0.13)

**Statement of Financial Position**  
**As At 30 June 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	29,464	109,215
Trade and other receivables	9	7,998	3,877
Other assets	10	403	5,248
<b>TOTAL CURRENT ASSETS</b>		<b>37,865</b>	<b>118,340</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>		<b>37,865</b>	<b>118,340</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	23,141	36,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>23,141</b>	<b>36,500</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<b>23,141</b>	<b>36,500</b>
<b>NET ASSETS</b>		<b>14,724</b>	<b>81,840</b>
<b>EQUITY</b>			
Issued capital	12	14,315,505	14,244,080
Accumulated losses		(14,300,781)	(14,162,240)
<b>TOTAL EQUITY</b>		<b>14,724</b>	<b>81,840</b>

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2014**

	Note	Issued capital \$	Option reserve \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2012</b>		14,024,580	922,217	(15,058,315)	(111,518)
Loss attributable to members of the entity		-	-	(26,142)	(26,142)
Shares issued during the year (net of costs)		219,500	-	-	219,500
Transfers to retained earnings from reserves		-	(922,217)	922,217	-
<b>Balance at 30 June 2013</b>		<b>14,244,080</b>	<b>-</b>	<b>(14,162,240)</b>	<b>81,840</b>

	Note	Issued capital \$	Option reserve \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2013</b>		<b>14,244,080</b>	<b>-</b>	<b>(14,162,240)</b>	<b>81,840</b>
Loss attributable to members		-	-	(138,541)	(138,541)
Shares issued during the year (net of costs)		<b>71,425</b>	-	-	<b>71,425</b>
<b>Balance at 30 June 2014</b>		<b>14,315,505</b>	<b>-</b>	<b>(14,300,781)</b>	<b>14,724</b>

**Statement of Cash Flows**  
For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	-	100,000
Payments to suppliers and employees	(151,612)	(161,510)
Interest received	436	133
Net cash provided used in operating activities	19 (151,176)	(61,377)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash used by investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	71,425	13,000
Net cash provided by financing activities	71,425	13,000
Net decrease in cash and cash equivalents held	(79,751)	(48,377)
Cash and cash equivalents at beginning of year	109,215	157,592
Cash and cash equivalents at end of financial year	8 29,464	109,215



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2014**

The financial report covers Land and Mineral Exploration Limited as an individual entity. Land and Mineral Exploration Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Land and Mineral Exploration Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 18 November 2015.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **2 Summary of Significant Accounting Policies**

##### **(a) Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

##### **(b) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Summary of Significant Accounting Policies continued

#### (b) Revenue and other income continued

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

#### (c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investment and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Financial Assets*

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Summary of Significant Accounting Policies continued

#### (d) Financial instruments continued

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### (f) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## Notes to the Financial Statements

### For the Year Ended 30 June 2014

#### 2 Summary of Significant Accounting Policies continued

##### (g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### (h) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of \$138,541 and net cash outflows from operating activities of \$151,176 for the year ended 30 June 2014. The ability of the Company to continue as a going concern is dependent on a combination of a number of factors, the most significant of which is the ability of the Company to raise additional funds in the following 12 months.

These factors indicate significant uncertainty as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- The Company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001;
- The Company has cash and cash equivalents of \$29,464, net current assets of \$14,724 and net assets of \$14,724, and;
- The Directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic and operational plans to ensure that adequate funding continues to be available for the Company to meet its business objectives; and
- The Directors believe that the company will incur minimal overhead, based on its current operation. The shareholders have agreed to support the Company prior to seeking to relist on ASX.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

##### (i) Adoption of new and revised accounting standards

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Notes to the Financial Statements

### For the Year Ended 30 June 2014

#### 2 Summary of Significant Accounting Policies continued

##### (i) Adoption of new and revised accounting standards continued

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

##### (j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirement of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015 (Changed to 1 January 2017 by AASB 2013-9C)	Unlikely to have a significant impact
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015	Unlikely to have a significant impact
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 109, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010.	1 January 2015	Unlikely to have a significant impact
2012-3	<i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i>	The Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.	1 January 2014	Unlikely to have a significant impact

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 2 Summary of Significant Accounting Policies continued

#### (j) New Accounting Standards and Interpretations continued

2013-3	<i>Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets</i>	This Standard amends the disclosure requirements in AASB 136 to include additional disclosures about the fair value measurement and discount rates when the recoverable amount of impaired assets is based on fair value less cost of disposal.	1 January 2014	Unlikely to have a significant impact
2014-1A	<i>Amendments to Australian Accounting Standards</i>	Part of A of 2014-1 amends various standards as result of the annual improvements process.	1 July 2014	Unlikely to have a significant impact
2014-1C	<i>Amendments to Australian Accounting Standards</i>	Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their reference to AASB 1031.	1 July 2014	Unlikely to have a significant impact
AASB 1031	<i>Materiality</i>	Re-issuance of AASB 1031	1 January 2014	No expected impact

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

### 4 Revenue and Other Income

#### Revenue from continuing operations

	2014 \$	2013 \$
Other revenue		
- Consulting fees	-	100,000
- Interest received	436	133
	<u>436</u>	<u>100,133</u>
<b>Total Revenue</b>	<b><u>436</u></b>	<b><u>100,133</u></b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2014**

**5 Result for the Year**

The result for the year includes the following specific expenses:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Other expenses:		
Auditing or reviewing the financial report	<b>18,000</b>	5,500
Other operating expenses	<b>120,977</b>	120,775
<b>Total operating expenses</b>	<b>138,977</b>	126,275

**6 Income Tax Expense**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Income tax expense for continuing operations</b>	-	-
<b>Total income tax expense</b>	-	-

(a) Reconciliation of income tax to accounting profit:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)	<b>(41,562)</b>	(7,843)
Add:		
Tax effect of:		
- non-deductible expenses	-	188
- Deferred Tax Asset (DTA) on tax losses not brought to account	<b>41,562</b>	7,655
<b>Income tax expense</b>	-	-

The DTA not brought to account will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- the company is able to meet the continuity of business tests and/or continuity of ownership.

**7 Operating Segments**

The Company operated in one geographical segment, being Australia, during the year ended 30 June 2014. The Company only operates in one segment, being to identify business opportunities that will assist in adding shareholder value.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 8 Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank and in hand	29,464	109,215
	<u>29,464</u>	<u>109,215</u>

#### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	29,464	109,215
<b>Balance as per statement of cash flows</b>	<u>29,464</u>	<u>109,215</u>

### 9 Trade and other receivables

	2014	2013
	\$	\$
CURRENT GST receivables	7,998	3,877
<b>Total current trade and other receivables</b>	<u>7,998</u>	<u>3,877</u>

### 10 Other non-financial assets

	2014	2013
	\$	\$
CURRENT Prepayments	403	5,248
	<u>403</u>	<u>5,248</u>

### 11 Trade and other payables

	2014	2013
	\$	\$
CURRENT Unsecured liabilities		
Trade payables	3,642	4,900
Other payables	19,499	31,600
	<u>23,141</u>	<u>36,500</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.



## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 12 Issued Capital

	2014	2013
	\$	\$
10,261,150 (2013: 8,933,876) Ordinary shares	14,550,562	14,477,562
Equity raising costs	(235,057)	(233,482)
<b>Total</b>	<b>14,315,505</b>	<b>14,244,080</b>

#### (a) Ordinary shares

	2014	2013
	No.	No.
At the beginning of the reporting period	8,933,876	49,042,881
Shares issued during the year		
Shares issued - 5 October 2012	-	31,357,142
Shares issued - 11 February 2014	1,327,274	-
Shares bought back during the year		
Share Consolidation - 5 October 2012	-	(71,466,147)
At the end of the reporting period	<b>10,261,150</b>	<b>8,933,876</b>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### (b) Capital Management

Capital of the Company is managed in order to provide shareholders with adequate returns and ensure that the economic entity can fund its operations and continue as a going concern.

The Company's debt and capital comprises of ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The Company monitors capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 13 Earnings per Share

(a) Reconciliation of earnings for loss from continuing operations

	2014	2013
	\$	\$
Loss from continuing operations	(138,541)	(26,142)
<b>Earnings used in the calculation of dilutive EPS from continuing operations</b>	<b>(138,541)</b>	<b>(26,142)</b>

(b) Earnings used to calculate overall earnings per share

	2014	2013
	\$	\$
Earnings used to calculate overall earnings per share	(138,541)	(26,142)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2014	2013
	No.	No.
Weighted average number of ordinary shares used in calculating basic EPS	9,441,576	19,592,981
Effect of dilution: share options	-	-
<b>Weighted average number of ordinary shares used in calculating dilutive EPS</b>	<b>9,441,576</b>	<b>19,592,981</b>

### 14 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

## Notes to the Financial Statements

### For the Year Ended 30 June 2014

#### 14 Financial Risk Management continued

##### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Cash at bank

##### Objectives, policies and processes

Risk management is carried out by the Company's Board of Directors. The Directors have primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then approved by the Board and tabled at the board meeting following their approval.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

##### Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and short-term deposits to meet its liquidity requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Company's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		1 to 3 months		3 months to 1 year		1 to 5 years	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	23,141	36,500	-	-	-	-	-	-

##### (i) Interest rate risk

The Company's exposure to risk of changes in market interest rates relates primarily to the Company's cash and short-term deposits. Since the Company does not have any long-term debt obligations, the Company's exposure to this risk is nominal.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 14 Financial Risk Management continued

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board reviews and monitors trade receivables balance and aging profile on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

### 15 Key Management Personnel Disclosures

The remuneration paid to the Company's key management personnel during the year are as follows:

	2014	2013
	\$	\$
Short-term employee benefits	-	43,224

#### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 18: Related Party Transactions.

### 16 Remuneration of Auditors

	2014	2013
	\$	\$
During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company		
- Audit or review of the financial statements	18,000	21,500

### 17 Commitment and Contingencies

There are no capital or lease commitments and no contingent assets or liabilities since the last annual reporting date.

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 18 Related Parties

**(a) The Company's main related parties are as follows:**

*(i) Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 15: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

The Company did not employ any executives during the year ended 30 June 2014.

**(b) Transactions with related parties**

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

There is NIL directors' fees outstanding at the end of year (2013: NIL) to Specified Directors and Specified Executives and their related entities.

## Notes to the Financial Statements

### For the Year Ended 30 June 2014

#### 19 Cash Flow Information

##### (a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	\$	\$
Loss for the year	(138,541)	(26,142)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(7,999)	5,979
- (increase)/decrease in prepayments	4,845	(1,261)
- increase/(decrease) in trade and other payables	(9,481)	(39,953)
Cash flow from operations	<u>(151,176)</u>	<u>(61,377)</u>

#### 20 Events Occurring After the Reporting Date

On 18 December 2014, the Company entered into a Loan Agreement to receive a principal amount of \$70,000 from Shi Family Holdings Pty Limited, a director related entity. Under the terms of the Agreement, the Company has the option, at its sole discretion, to elect to convert the whole principal amount to shares at any time prior to the repayment date. Interest is accrued and repayable at a rate of 10% per annum on the principal amount. The repayment date was scheduled to be six months from the date of the Agreement. The principal amount was received by the Company on 2 February 2015.

In June 2015, the Company and Shi Family Holdings Pty Limited agreed to defer the repayment date to 31 December 2015.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Land and Mineral Exploration Limited**  
**ABN: 86 073 153 223**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2014**

**21 Company Details**

The registered office of and principal place of business of the company is:  
Land and Mineral Exploration Limited  
Floor 12, 225 George Street  
SYDNEY NSW 2000

## **Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 37, 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 2014 and of the performance for the year ended on that date of the company;
2. 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; and
3. The directors have given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

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

Director .....  
Sevag Chalabian

Dated 18 November 2015



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
LAND AND MINERAL EXPLORATION LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Land and Mineral Exploration Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

*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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 opinions.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Land and Mineral Exploration Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Land and Mineral Exploration Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2(h) in the financial report, which indicates that the company incurred a net loss of \$138,541 and had net cash outflows from operating activities of \$151,176 for the year ended 30 June 2014. As at that date the company's current and total assets exceeded its total liabilities by \$14,724. The ability of the company to continue as a going concern is dependent on a combination of a number of factors, the most significant of which is the ability of the company to raise additional funds in the following 12 months. These conditions, along with other matters as set forth in Note 2(h), 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.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 7 to 8 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the Remuneration Report of Land and Mineral Exploration Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink, appearing to read 'W E Beauman'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read 'W E Beauman'.

**W E BEAUMAN**  
Partner

Sydney, NSW  
Dated: 18 November 2015

## Additional Information for Listed Public Companies

30 June 2014

### ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 28 September 2015.

### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares	%
Shi Family Holdings Pty Ltd	2,041,967	19.90
Xue Family Holding Pty Ltd	1,542,181	15.03
Wang JF Family Holdings Pty Ltd	1,542,060	15.03
Sumath Kumar Reddy	698,809	6.81

### Voting rights

#### Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Distribution of equity security holders

Holding	Number of shareholders	Number of shares	%
1 - 1,000	754	130,160	1.27
1,001 - 5,000	160	347,138	3.38
5,001 - 10,000	55	369,469	3.60
10,001 - 100,000	80	2,846,683	24.23
100,000 and over	11	6,927,700	67.52
	1,060	10,621,150	100.00

There were 948 holders of less than a marketable parcel of ordinary shares.

## **Additional Information for Listed Public Companies**

**30 June 2014**

**Twenty largest shareholders**

	<b>Number of shares</b>	<b>Percentage %</b>
Shi Family Holdings Pty Ltd	2,041,960	19.90
Xue Family Holdings Pty Ltd	1,542,181	15.03
Wang JF Family Holdings Pty Ltd	1,542,060	15.03
Sumath Kumar Reddy	698,809	6.81
Kings Park Superannuation Fund	296,297	2.89
Suburban Holdings Pty Ltd	176,723	1.72
Mr Michael Desmond Gallagher	160,042	1.56
NKH Pty Ltd	131,482	1.28
Sandyford Nominees Pty Ltd	125,000	1.22
Merrill Lynch (Australia) Nominees Pty Limited	108,278	1.06
Nubey Trading Pty Ltd	104,861	1.02
Mr Joseph Charles Camuglia	83,334	0.81
Armelek Pty Ltd	81,112	0.79
Jnc Investments (NQ) Pty Ltd	81,112	0.79
Mr George Sim	81,066	0.79
Michael Hermann	74,074	0.72
Mineconnect Pty Ltd	74,074	0.72
W A Halpin Investments Pty Ltd	67,778	0.66
Mr Hao Gia Dang	63,493	0.62
Richard Pritchard & Robert Stock	63,492	0.62
	<hr/>	
	7,597,235	74.04

### **Securities exchange**

The Company is suspended from listing on the Australian Securities Exchange.

### **Securities exchange**

Boardroom Pty Limited  
Floor 12, 225 George Street  
Sydney, NSW 2000  
Australia