

Emperor Range Group Limited

ABN 19 161 234 395

2015 Annual Report

For the Year Ended 31 December 2015

Emperor Range Group Limited

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Emperor Range Group Ltd and its controlled entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Group complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ('the ASX Principles'). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

Further information on the Group's corporate governance policies and practices can be found on the Company's website at www.ergau.com/Statements_and_Policies.html.

Principle 1: Lay solid foundations for management and oversight

Functions of the Board and Management

The Board of Directors is responsible for the corporate governance of the Group and operates in accordance with the principles set out in its Charter, which is available in the corporate governance section of The Group's website. To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. These responsibilities include:

- Setting the strategy for the Group, including operational and financial objectives and ensuring that there are sufficient resources for this strategy to be achieved.
- Appointing and, where appropriate, removing the Chief Executive Officer ('CEO'), approving other key executive appointments and planning for executive succession.
- Overseeing and evaluating the performance of the CEO and the executive team through a formal performance appraisal process having regard to the Group's business strategies and objectives.
- Monitoring compliance with legal, regulatory and occupational health and safety requirements and standards.
- Overseeing the identification of key risks faced by the Group and the implementation of an appropriate internal control framework to ensure those risks are managed to an acceptable level.
- Approving the Group's budgets, including operational and capital budgets, and the approval of significant acquisitions, expenditures or divestitures.
- Approval of the annual and half-yearly financial reports.
- Ensuring the market and shareholders are fully informed of material developments.

The responsibility for the operation and administration of the Group is delegated by the Board to the Chief Executive Officer ('CEO') and the executive management team. The Board ensures that both the Managing Director and executive team, including the CEO, are appropriately qualified and experienced to discharge their responsibilities and, as discussed above, has in place procedures to monitor and assess their performance. The terms of engagement or appointment for each director and senior executives and set out in accordance with their respective written agreements with the Company.

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established the following sub-committees:

- Audit and Risk Committee.
- Nomination and Remuneration Committee.

Sub-committees are able to focus on a particular responsibility and provide informed feedback to the Board. Each of these sub-committees have established Charters and operating procedures in place, which are reviewed on a regular basis. The Board may also establish other sub-committees from time to time to deal with issues of special importance.

Emperor Range Group Limited

Corporate Governance Statement (Continued)

Senior Executive performance evaluation

The Board and its Committees are reviewing its senior executive performance evaluation process and will establish policies to meet the requirements of a listed public company.

Principle 2: Structure the Board to add value

Board composition

The names of the members of the Board as at the date of this report are as follows:

- Mr Yuhan Chen - Executive Chairman and Managing Director
- Mr Pierre Lau - Independent Non-Executive Director
- Ms Sherry Tao Xue - Non-Executive Director
- Mr Min Yu - Non-Executive Director
- Mr Chien-Chih Kao - Non-Executive Director

The Board's composition is aimed to meet the following criteria:

- A majority of independent non-executive directors.
- A majority of directors having extensive experience in the industries that the Group operates in, with those that do not, having extensive experience in significant aspects of financial reporting and risk management in large ASX listed companies.
- Re-election of directors at least every three years (except for the Managing Director).
- The size of the board is appropriate to facilitate effective discussion and efficient decision making.
- There are a sufficient number of directors to serve on Board sub-committees without overburdening the directors of making it difficult for the directors to effectively discharge their responsibilities.

Currently, the board comprises of a majority of non-executive directors but not a majority of independent directors. Despite not being strictly in compliance with the Principles and Recommendations, the combined experience and skills of the current directors are considered necessary and therefore appropriate at this point in time. Nevertheless, the importance of the independent makeup of the Board is recognised which the Company will aim to comply with,

With regards to director independence, the Board has adopted specific principles which state that an independent director must not be a member of management and must comply with the following criteria:

- Not, within the last three years, have been employed in an executive capacity by the Company or any other member of the Group.
- Not be a substantial shareholder or be associated either directly or indirectly with a substantial shareholder.
- Not, within the last three years, has been a professional advisor to the Group either as a principal, or material consultant, or an employee materially associated with the service provided.
- Are not a material supplier or customer of the Group or associated either directly or indirectly with a material supplier or customer of the Group.
- Have no material contractual relationship with any entity within the Group other than in the capacity as a director.

The Board undertakes an annual review of the extent to which each non-executive director is independent, having regard to the criteria set out in its Charter. As part of this review, each director is required to make an annual declaration stating their compliance with the independence criteria to the Board.

Individual details of the Directors, including period in office, Board committee memberships, qualifications, experience and skills are set out in the information on Directors section of the Directors' Report.

Emperor Range Group Limited

Corporate Governance Statement (Continued)

Board skills and experience

Our objective is to have an appropriate mix of expertise and experience on our Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix below.

Expertise	Experience
<ul style="list-style-type: none">• Resource exploration and mining• Financial Knowledge And Experience• Legal, Governance And Compliance• Strategy• Commercial Acumen• Risk Management• Health And Safety• Sustainability• Remuneration And Nominations• Government Relations• Executive Leadership	<p>Industry</p> <ul style="list-style-type: none">• Resource exploration and mining <p>Market</p> <ul style="list-style-type: none">• Gold and copper and precious metals <p>Geographic</p> <ul style="list-style-type: none">• China• Asia• Australia

Role of the Chairman

The Board Charter states that it is desirable that the Chairman is an independent director. The Board does not consider the Chair Mr Yuhuan Chen to be an independent director as he is the Executive Chairman and Managing Director, and is also a majority shareholder. However the Board is of the opinion that Mr Chen is the most appropriate person to act as Chair given his knowledge and experience.

The Chairman is responsible for the leadership of the Board. This includes taking responsibility for ensuring that the Board functions effectively and that they comply with the continuous disclosure requirements of the ASX with regard to communicating the operations and activities of the Group to shareholders. The Chairman's responsibilities are set out in the Board Charter and include:

- Setting the agenda for Board meetings
- Managing the conduct, frequency and length of Board meetings to ensure that all directors have had the opportunity to establish a detailed understanding of the issues affecting the Group.
- Facilitating the Board meetings to ensure effective communication between the directors and that all directors have contributed to the decision making process thereby leading to a considered decision being made in the best interest of the Group and its shareholders.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees the appointment and induction process for directors and the selection, appointment and succession planning process of the Group's Managing Director and Chief Executive Officer. A copy of the Committee's Charter is available on the Company's website at www.ergau.com/Statements_and_Policies.html.

When a vacancy exists or there is a need for a particular skill, the Committee, in consultation with the Board, determines the selection criteria that will be applied. The Committee will then identify suitable candidates, with assistance from an external consultant if required, and will assist the Board in interviewing and assessing the selected candidates.

Directors are initially appointed to office by the Board and must stand for re-election at the Group's next annual general meeting of shareholders. Directors must then retire from office and nominate for re-election at least once every three years with the exception of the Managing Director and Chief Executive Officer.

The Nomination and Remuneration Committee comprises of Mr Min Yu (Chairman), Mr Yuhuan Chen and Ms Tao Xue, being a majority of non-executive directors. The Board considers the composition of the Nomination and Remuneration Committee to be appropriate for the Company's current purposes,

Emperor Range Group Limited

Corporate Governance Statement (Continued)

despite not being strictly in compliance with the ASX Principles. Details of attendance at Nomination and Remuneration Committee meetings are set out in the Meetings of Directors section of the Directors' Report.

Directors' performance evaluation

The Board undertakes an assessment of its collective performance, the performance of the Board committees and the Chairman on an annual basis.

The Chairman meets each Director on an individual basis to discuss their performance and to provide feedback. The results of this discussion including any key areas for development are formally documented.

Each Board committee annually reviews the fulfilment of its responsibilities as set out in its Charter and provides a report with a summary of issues and recommendations for the Board's review. Upon review the Board will then provide their feedback to the Committee including an endorsement of the recommendations made.

Independent professional advice and access to information

Each Director has the right of access to all relevant information in the Group in addition to access to the Group's executives. Each Director also has the right to seek independent professional advice subject to prior consultation with, and approval from, the chairman. This advice will be provided at the Group's expense and will be made available to all members of the Board.

Insurance

The Group has in place a Directors and Officers liability insurance policy providing a specified level of cover for current and former Directors and executive Officers of the Group against liabilities incurred whilst acting in their respective capacity.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Group recognises the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the reputation and performance of the Group.

The Group has established a Code of Conduct and a Directors and Officers Code of Conduct, copies of which are available on the Company's website under the corporate governance section. New employees are introduced to the Code of Conduct as part of their induction training. Employees sign a declaration confirming receipt of the Code of Conduct and their compliance with it. Periodical training is then provided throughout the course of their employment.

Unethical practices, including fraud, legal and regulatory breaches, and policy breaches are required to be reported on a timely basis to management. Reporting parties are able to do so without fear of reprisal or retribution as their identity and report are kept in the strictest confidence. External third party reporting procedures are available to employees to provide them with the assurance that their identity will be kept confidential at all times.

Whistleblower Policy

The Board is currently reviewing the whistleblower policy to identify appropriate policies to put in place.

Share Trading Policy

Emperor Range Group Limited

Corporate Governance Statement (Continued)

The Group has established a share trading policy which governs the trading in the Group's shares and applies to all Directors and employees of the Group. A copy of this policy is available on the Company's website under www.ergau.com/Statements_and_Policies.html.

Under this share trading policy, an executive, employee or director must not trade in any securities of the Group at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

Before commencing to trade, an executive or employee must first obtain the permission of the Company Secretary to do so, and a director must obtain the permission of the Chairman. The trading windows are four weeks after the release of the half year results, full year results and the holding of the Annual General Meeting. Trading of securities outside the trading windows can only occur in exceptional circumstances and with the approval of the Company Secretary.

As required by the ASX listing rules, the Group notifies the ASX of any transaction conducted by Directors in the securities of the Group.

Diversity Policy

As described in the Company's Diversity Policy (a copy of which is available on the Company's website at www.ergau.com/Statements_and_Policies.html) the Company respects and values the competitive advantage if diversity (which includes, but is not limited to gender, age, thenicity and cultural background).

The Board at all times seeks to deploy the best people it can in whatever role. The Board calls this the Company's 'Merit and Ability' philosophy. The Merit and Ability philosophy is used to employ, promote and contract on the basis of merit, ability, performance, responsibility, integrity, attitude and work ethic.

Central to the successful operation of the Company's Merit and Ability philosophy is that considerations of age, race, religion, creed or gender have no positive or negative bias in employment or contracting decisions. This is termed the 'No Bias Employment' principle. The Board encourages transparent and contestable employment processes. It strives to keep the workplace environment open and diverse, with no bias involved in any employment process.

In light of the Board's Merit and Ability philosophy, the Company has not created a formal diversity policy. The Board does not consider that the creation and implementation of a formal diversity policy will provide any measurable benefit to the Company which would not be otherwise be achieved by the Merit and Ability philosophy and No Bias Employment principle. The Company views that the combination of the Merit and Ability philosophy and the No Bias Employment principle leaves open the widest possible recruitment pool. In turn, this leads to the greatest potential for diversity to enrich the Company.

As the Company does not have a formal diversity policy, it has not implemented measurable objectives for gender diversity. The Company does not see such a policy as appropriate. The Board views that setting quantitative gender or other measurable targets is entirely inconsistent with the Company's Merit and Ability philosophy and No Bias Employment principle.

The Company is not a "relevant" employer under the Workplace Gender Equality Act.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

An Audit and Risk Committee has been established by the Board. The Committee's role and operations are documented in a Charter which is approved by the Board. This Charter is available on the Company's website under www.ergau.com/Statements_and_Policies.html.

The Committee's Charter provides that all members of the Audit and Risk Committee should be Independent Non-Executive Directors and that the Chair cannot be the Chairman of the Board. Members of the Committee throughout the period and at the date of this report are Mr Min Yu (Chair),

Emperor Range Group Limited

Corporate Governance Statement (Continued)

Mr Pierre Lau and Ms Tao Xue all of whom are Non-Executive Directors. The Board considers the composition of the Audit & Risk Committee to be appropriate for the Company's current purposes, despite not being strictly in compliance with the ASX Principles and the Committee's Charter. Nevertheless, the importance of the independent makeup of the committee is recognised which the Company will aim to comply with.

The purpose of the Committee is to:

- Ensure the integrity of the Group's internal and external financial reporting including compliance with applicable laws and regulations.
- Ensure that financial information provided to the Board is of a sufficiently high quality to allow the Board to make informed decisions.
- Ensure that appropriate and effective internal systems and controls are in place to manage the Group's exposure to risk.
- Oversee the appointment, compensation, retention and oversight of the external auditor, and review of any non-audit services provided by the external auditor.
- Regularly review the performance of the external auditor regarding quality, costs and independence.

The Chief Financial Officer and external auditor also regularly attend the Committee meetings by standing invitation. Other management are invited to attend Committee meetings and participate in discussion relating to specific issues that they have an interest in.

The Committee is authorised to obtain independent legal advice at the Company's expense if it considers it necessary in fulfilling its duties.

Principle 5: Make timely and balanced disclosure

Emperor Range Group Limited has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Group, and ensure that all investors have access to information on the Group's financial performance. This ensures that the Group is compliant with the information disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Disclosure Policy that includes identification of matters that may have a material impact on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Group's website and issuing media releases. These policies are available on the Company's website at www.ergau.com/Statements_and_Policies.html.

Matters involving potential market sensitive information must first be reported to the Managing Director either directly or via the Company Secretary. The Managing Director will advise the other Directors if the issue is important enough to warrant the consideration of the full Board. In all cases the appropriate action must be determined and carried out in a timely manner in order for the Group to comply with the Information Disclosure requirements of the ASX.

Once the appropriate course of action has been agreed upon, either the Managing Director or Company Secretary will disclose the information to the relevant authorities, being the only authorised officers of the Group who are able to disclose such information. Board approval is required for market sensitive information such as financial results, material transactions or upgrading/downgrading financial forecasts. This approval is minuted in the meetings of the Board of Directors.

Emperor Range Group Limited

Corporate Governance Statement

Principle 6: Respect the rights of shareholders

Emperor Range Group Limited has established a Shareholder Communication Policy which describes the Group's approach to promoting effective communication with shareholders which includes:

- The annual report, including relevant information about the operations of the Group during the year, key financial information, changes in the state of affairs and indications of future developments. The annual report can be accessed either through the ASX website.
- The half year and full year financial results are announced to the ASX and are available to shareholders via the Company's and ASX's websites.
- Detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting.
- Shareholding and dividend payment details are available through the Group's share register, Boardroom Limited.

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 Group's strategy and goals. Important issues are presented to the shareholders as single resolutions. The shareholders are requested to vote on matters such as the adoption of the Group's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

The external auditor attends the Annual General Meeting to answer any questions concerning the audit of the Group and the contents of the auditor's report. The Company and its market registry facilitates electronic communications to and from Shareholders for efficiency.

Principle 7: Recognise and manage risk

Risk management framework

Emperor Range Group Limited recognises that a robust risk management framework is essential for corporate stability, protecting the interests of its stakeholders and for sustaining its competitive market position and long term performance.

The following objectives drive the Group's approach to risk management:

- Having a culture that is risk aware and supported by high standards of accountability at all levels.
- Promoting and achieving an integrated risk management approach whereby risk management forms a part of all key organisational processes.
- Supporting more effective decision making through better understanding and consideration of risk exposures.
- Increasing shareholder value by protecting and improving share price and earnings per share in the short to medium term while building a sustainable business in the longer term.
- Safeguarding the Group's assets.
- Enabling the Board to fulfil its governance and compliance requirements.
- Supporting the sign off for ASX Principles four and seven by the Chief Executive Officer/Managing Director and Chief Financial Officer.

In achieving effective risk management, the Group recognises the importance of leadership. As such, the Board and executive management have responsibility for driving and supporting risk management across the Group. Each subsidiary then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances. The risk management framework is reviewed by the board annually.

Emperor Range Group Limited

Corporate Governance Statement (Continued)

Audit and Risk Committee

Under its Charter, the Audit and Risk Committee has been delegated responsibility by the Board to oversee the implementation and review of risk management and related internal compliance and control systems throughout the Group.

The Committee reviews the appropriateness and adequacy of internal processes for determining, assessing and monitoring risk areas including the assessment of the effectiveness of the Group's internal compliance and controls including:

- The existence and adequacy of key policies and procedures.
- The adequacy of disclosures and processes for regular reporting of information to the appropriate parties, including the Board.
- The Committee is also responsible for monitoring the Group's compliance with applicable laws and regulations including:
- Ensuring that management is reviewing developments and changes in applicable laws and regulations relating to the Group's responsibilities.
- Reviewing management's actions and responses to ensure that the Group's practices are compliant with all new developments.
- Reviewing material actual and suspected breaches of applicable laws and regulations, and any breaches of Group policies.
- Reviewing material litigation, legal claims, contingencies or significant risks relating to the Group.
- Reviewing Director and executive management related party transactions.

The Audit and Risk Committee reports to the Board on the major issues and findings that are presented and discussed at its meetings. Internal auditor is not considered necessary and is not used.

Corporate reporting

The Board has required management to design and implement a risk management and internal control system to manage the Group's material business risks and to report on whether those risks are being effectively managed.

Principle 8: Remunerate fairly and responsibly

Nomination and Remuneration Committee

As previously stated in Principle 2, the Board has established a Nomination and Remuneration Committee whose role is documented in a Charter which is approved by the Board.

The objective of the Committee with respect to its remuneration function is to assist the Board in determining appropriate remuneration arrangements for the Directors and executive management.

These objectives include:

- Reviewing the adequacy and form of remuneration of Independent Non-Executive Directors.
- Ensuring that the remuneration of the Independent Non-Executive Directors is reflective of the responsibilities and the risks of being a Director of the Group.
- Reviewing the contractual arrangements of the Managing Director and the executive management team including their remuneration.
- Comparing the remuneration of the Managing Director and executive management to comparable groups within similar industries to ensure that the remuneration on offer can attract, retain and properly reward performance which will translate into long term growth in shareholder value.
- Annually review key performance indicators of the Managing Director and executive team to ensure that they remain congruent with the Group's strategies and objectives.
- Reviewing the basis for remuneration of other Executive Directors of the Group for their services as Directors.
- Reviewing incentive performance arrangements when instructed by the Board.
- Reviewing proposed remuneration arrangements for new Director or executive appointments

Emperor Range Group Limited

Corporate Governance Statement (Continued)

The Committee will submit their recommendations to the Board regarding the remuneration arrangements and performance incentives for the Managing Director and executive team. The Board will review these recommendations before providing their approval.

Details of the Group's remuneration structure and details of senior executives' remuneration and incentives are set out in the Remuneration Report contained within the Directors' Report. The Remuneration Report also contains details on the structure of Non-Executive Director Remuneration.

Emperor Range Group Limited

Directors report

The directors of Emperor Range Group Limited present their report together with the financial statements of the consolidated entity (referred to hereafter as the “consolidated entity” or the “group”) consisting of Emperor Range Group Limited (referred to hereafter as the “company” or “parent entity”) and the entities it controlled for the year ended 31 December 2015.

Directors

The following persons were directors of Emperor Range Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Yuhan Chen
Brendan Peter Connell (resigned 30 April 2015)
Michael Robert Billing (resigned 30 April 2015)
Pierre Lau (appointed 4 May 2015)
Sherry Tao Xue (appointed 4 May 2015)
Min Yu (appointed 16 February 2015)
Chien-Chih Kao (appointed 16 February 2015)

Review of Operations

As stated in the Company’s 2014 Annual Report it is increasingly difficult to develop new projects because of regulatory risk, sovereign risk, environmental factors and financing issues. Combined with the falling value of the Australian Dollar this has proved to be even more difficult for the Company seeks to develop offshore assets.

Until the Company is able to carry out its plan to develop its existing assets the directors are committed to carrying out meaningful work by identifying and assessing opportunities that may be valuable to the Company. With a solid mineral asset base and sufficient cash from its initial public offering to carry out its work programs, Emperor Range remains in a strong position to generate future wealth for shareholders.

No further exploration activities occurred in the two tenements held by the Company in Xinjiang Autonomous Region due to extremely unfavourable weather conditions.

TENEMENT LOCATIONS AND DETAILS

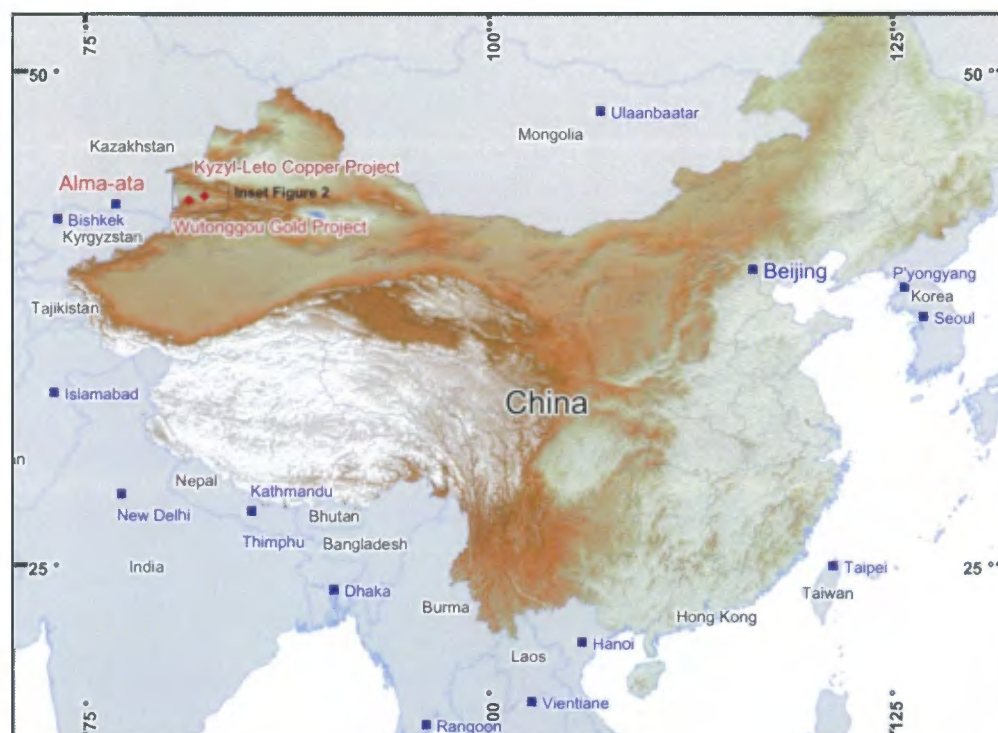


Figure 1. Emperor Range Minerals projects location map.



Figure 2. Emperor Range project locations in relation to Yining City.

Kyzyl-letto copper project

The 100% owned Kyzyl-Leto Copper Project is located approximately 90km south-southeast of the City of Yining within the Yili Block of the Central Asian Orogenic Belt in Xinjiang, China.

Highlights

- Project purchase finalised
- Non-JORC compliant mineralisation of 4.27 million tonnes @ 1.93% for 82.3 kt of Cu.

Kyzyl-Leto has Chinese classified Non - JORC compliant mineralisation of 4,271,500 tonnes at 1.93% copper for 82,300 tons of copper metal and an exploration licence area of 13.05 square kilometres. Under the Chinese System of Resources Classification the resources have been classified as 332 and 333 which represent - Discovered but Indicated and Inferred respectively.

The Kyzyl-Leto East and West prospects remain prospective for additional copper mineralisation targeting potential extensions to currently known mineralisation. The priority is to target higher copper grades, increase tonnage and confidence in the mineralisation at the Kyzyl-Leto East and West prospects. Post infill drilling JORC Compliant Resources could be estimated and economic studies applied to the appropriate level of classified resource.

Within the broader Kyzyl license there remains strong exploration potential to discover additional outcropping and possibly concealed mineralisation related to other QAP intrusive bodies. Initial exploration completed has identified several other QAP dykes with low to moderate grade copper mineralisation at surface. Additional work programmes are proposed that will evaluate known copper anomalies but also assist in discovering potentially concealed mineralisation.

Wutonggou gold project

The 100% owned Wutonggou Gold Project is located approximately 50 kilometres south south-east of the regional city of Yining within the Yili Block of the Central Asian Orogenic Belt in Xinjiang, China.

Emperor Range Group Limited

Directors report (Continued)

Highlights

- Project purchase finalised
- Exploration Target of 100 - 200kt @ 2.0 - 2.5g/t Au.

At Wutonggou, exploration to date has shown there is gold and copper mineralisation extending over at least 250m along strike that warrants further investigation. The exploration licence area for this project is 18.70 square kilometres.

Corporate

Significant board changes were implemented during the year:

- Appointment of Mr Chien-Chih Kao as a non-executive Director in order to bring business experience within China and identify and assess future business opportunities in China.
- Appointment of Mr Yu Min as a non-executive Director in order to provide additional Chinese business expertise and assist in identification and assessment of future business opportunities in China. Mr Yu has been appointed Chair of the Audit and Risk Management Committee and Nomination and Remuneration Committee.
- Appointment of Mr Pierre Lau, an Australian qualified senior commercial lawyer and a partner at Chambers & Company, an Australian commercial law firm specializing in mining and resources with an established China practice, as an independent non-executive Director in order to strengthen the Company's compliance capability.
- Appointment of Ms Sherry Tao Xue, who has over 20 years' experience in investment banking both in Australia and China, as a non-executive Director in order to strengthen the Company's strategic development capabilities and compliance capability.
- Mr Michael Billing and Mr Brendan Connell both resigned as directors. Mr James Church resigned as company secretary.

Mineral Resources and Tenement Schedule

Wutonggou has two current Chinese Resource classifications summarised below:

Chinese Classification	Tonnes (t)	%	Grade (Au)	Kg (Au)	Ounces (Au)
332	43 800	22.7	1.69	74.05	2 380
333	149 100	77.3	2.67	398.85	12 823
Total	192 900		2.45	472.9	15 203

Comparison of Mineral Resources Statement to the Prior Year

As at the reporting date there were no changes to any of the Mineral Resources recorded over the previous year.

Competent Person's Requirement - Exploration Results and Mineral Resources

Information in this report that relates to the Company's exploration results or estimates of mineral resources or ore reserves was originally provided in the Company's Replacement Prospectus dated 4 August 2014 and announced on the ASX on 19 September 2014 (Replacement Prospectus). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Replacement Prospectus and in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the Replacement Prospectus continue to apply and have not materially changed.

Emperor Range Group Limited

Directors report (Continued)

Tenement Holdings and Movements

Mining Tenements and Beneficial Interest held as at 31 December 2015:

Tenement	Location	Project	Holder	Interest (%)
Kyzyl-Leto East	Yining	Kyzyl-Leto	Emperor Range Group Limited	100
Kyzyl-Leto West	Yining	Kyzyl-Leto	Emperor Range Group Limited	100
Wutonggou	Yining	Wutonggou	Emperor Range Group Limited	100

Principal Activities

The principal activities of the consolidated entity are the exploration for copper, gold and other mineral deposits in Xinjiang Uygur Autonomous Region of the People's Republic of China with the objective to develop the discoveries into profitable operating mines.

No significant change in the nature of these activities occurred during the year.

Review of Financial Results

The loss of the consolidated entity for the financial year is \$495,908 (2014: \$271,850).

Significant Changes in the State of Affairs

No other significant changes in the consolidated entity's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments and Expected Results

As it is increasingly difficult to develop new projects because of regulatory risk, sovereign risk, environmental factors and financing issues, therefore there are no clear likely developments in the Group's operations. Until the Company is able to carry out its plan to develop its existing assets the directors are committed to carrying out meaningful work by identifying and assessing opportunities that may be valuable to the Company.

Environmental regulations

The consolidated entity's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia. The consolidated entity's operations are in China, and hence are regulated by Chinese Environmental Laws as well. There have not been any breaches under Chinese Environmental Laws since the start of the financial year to the date of this report unless otherwise stated

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Emperor Range Group Limited

Directors report (Continued)

Shares under option

There were no unissued ordinary shares of Emperor Range Group Limited under option outstanding at the date of this report

Shares issued on the exercise of options

There were no shares of Emperor Range Group Limited issued on the exercise of options during the year ended 31 December 2015 and up to the date of this report.

Information on current directors

Name: Yuhan Chen
Title: Executive Chairman and Managing Director
Experience and expertise: Chen Yuhan (LLB) obtained a law degree from the economic Law Department of East China University of Politics and Law. After graduation, he served in the Fuzhou Foreign Economic and Trade Commission and engaged in the foreign investment approval process. He commenced in private practice in 1996, and during practice specialized in corporate legal commerce. In 2010, he established the Fujian Helun Law Firm and served as Director, and in the same year established the Beijing Jinwo (Beijing) Venture Capital Co., Ltd branching into the commercial areas of private equity (PE) investment and capital operation. Mr Chen was appointed by the Fuzhou Arbitration Commission as an arbitrator for two consecutive terms from February 23, 2010 to date.

Other current directorships: Mr Chen is a resident of China.
None
Former directorships (in the last 3 years): None
Special responsibilities: Nomination and Remuneration Committee member
Interest in shares: 68,500,000
Interest in options: None

Name: Pierre Lau
Title: Non-executive director
Experience and expertise: Pierre Lau is an Australian qualified senior commercial lawyer and a partner at Chambers & Company; an Australian commercial law firm specialising in mining and resources with an established China practice. He is experienced in advising and working with private and public companies on a broad range of commercial and legal matters, and has been involved in a number of successful initial public offers on the ASX. He has also held directorships and with several Australian companies. He is currently a non-executive director of Shenhua International Ltd (ASX:SHU) and company secretary to Wugang (Australia) Pty Ltd, Maanshan Iron & Steel (Australia) Pty Ltd and Hebei Iron and Steel (Australia) Pty Ltd.

Pierre holds a double degree in law and commerce from Monash University as well as a postgraduate diploma in intellectual property law from University of Melbourne. He is a member of the Law Institute of Victoria, Australia China Business Council, Australia Malaysia Business Council and Chartered Secretaries and Administrators.

Other current directorships: Mr Lau is a resident of Australia
Shenhua International Limited (ASX:SHU)

Emperor Range Group Limited

Directors report (Continued)

Former directorships (in the last 3 years): None

Special responsibilities: Audit and Risk Management Committee member

Interest in shares: None

Interest in options: None

Name: Sherry Tao Xue

Title: Non-Executive Director

Experience and expertise: Sherry Tao, Xue, has over 20 years' experience in investment banking both in Australia and China. She has a wealth of experience in Initial Public Offerings, mergers & acquisitions and corporate adviser. She has at senior management levels with companies including China Commodity Futures Exchange, China Galaxy Securities Corporation, one of Singapore's commercial banks and 2 unlisted public companies in Australia. She is currently company secretary of Shenhua International Ltd (ASX:SHU).

She is an economics graduate with Doctorate, Master and Bachelor degrees from Zhejiang University in China. She has also been awarded the Certificate in Governance Practice and Administration by Chartered Secretaries and Administrators.

Ms Xue is a resident of Australia.

Other current directorships: None

Former directorships (in the last 3 years): None

Special responsibilities: Audit and Risk Management Committee member, Nomination and Remuneration Committee member

Interest in shares: None

Interest in options: None

Name: Min Yu

Title: Non-Executive Director

Experience and expertise: Mr Yu has over 20 years' experience in senior management positions and 10 years' experience in international trade, minerals and metals. Mr Yu has previously held the position of General Manager of Fujian Ningde Hydropower Construction Company, and has also served as Vice-President of Beijing Fuzhou Chamber of Commerce, Vice-President of Beijing Import and Export Association and Vice-President of China Investment Association. Mr Yu graduated from the School of Economics at Xiamen University and holds an Economics and Management Major from Russia State Transport University.

Mr Yu is a resident of China

Other current directorships: None

Former directorships (in the last 3 years): None

Special responsibilities: None

Interest in shares: 6,234,000 ordinary shares

Interest in options: None

Name: Chien-Chih Kao

Title: Non-Executive Director

Experience and expertise: Mr Kao has more than 20 years' experience in investment banking, corporate finance, venture capital investment, mutual funds and financial consulting.

Emperor Range Group Limited

Directors report (Continued)

Mr Kao is currently Chairman of Beijing based Eagle Investment Group Limited. Mr has previously held the position of Chairman of Qushichuangye Investment Group Limited, Chairman of Nuoya Management Consulting Co., Ltd, Chairman of Caituanfaren Earth Ecological Environment Protection Foundation and director of Juguochuangye Management Consulting Co., Ltd.

Mr Kao is a resident of China

Other current directorships: None
Former directorships (in the last 3 years): None
Special responsibilities: None
Interest in shares: 5,100,000 ordinary shares
Interest in options: None

Sherry Tao,Xue

Company Secretary

Sherry has more than 20 years' experience in the financial industry in Australia, Singapore and China at senior management levels with companies including China Commodity Futures Exchange, China Galaxy Securities Corporation, Kinghing Securities Co. Ltd and one of Singapore's commercial banks.

Ms Xue has held the role of Company Secretary since May 2015.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 31 December 2015, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Yuhan Chen	4	4	-	-	1	1
Brendan Connell*	1	4	-	-	-	-
Mick Billing*	1	4	-	-	-	-
Yu Min	4	4	4	4	1	1
Chien-Chih Kao	4	4	-	-	-	-
Pierre Lau	3	4	4	4	-	-
Sherry Tao, Xue	3	4	4	4	1	1

**Resigned on 30 April 2015 as directors and committee members*

Remuneration Report (Audited)

The Directors of Emperor Range Group Limited ('the Company') and controlled entities (together 'the consolidated entity') present the Remuneration Report for non-executive directors, executive directors and other key management personnel prepared in accordance with the Corporations Act 2001 and its regulations.

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based remuneration
- Additional disclosures relating to key management personnel
- Other transactions with key management personnel and their related parties

Emperor Range Group Limited

Directors report (Continued)

(a) Principles used to determine the nature and amount of remuneration

The principles of the consolidated entity's executive strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes that deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The consolidated entity has structured a remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The remuneration structure that has been adopted by the consolidated entity consists fixed remuneration being annual salary.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Use of remuneration consultants

No remuneration consultant has been engaged by the consolidated entity.

Short term incentive (STI)

The consolidated entity's performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the company values.

The performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

(b) Details of remuneration

The key management personnel of the consolidated entity consisted of the following directors of Emperor Range Group Limited:

- Yuhan Chen - Executive Chairman and Managing Director (Appointed 14 November 2012)
- Michael Billing - Non-Executive Director (resigned 30 April 2015)
- Brendan Connell - Non-Executive Director (resigned 30 April 2015)
- Min Yu - Non-Executive Director (appointed 16 February 2015)
- Chien-Chih Kao - Non-Executive Director (appointed 16 February 2015)
- Pierre Lau - Non-Executive Director (appointed 4 May 2015)
- Sherry Tao, Xue - Non-Executive Director (appointed 4 May 2015)

Emperor Range Group Limited

Directors report (Continued)

And the following persons:

Sherry Tao Xue - Company Secretary (appointed 4 May 2015)

James Church - Company Secretary (resigned 30 April 2015)

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP') of the consolidated entity are shown in the table below:

Director and other Key Management Personnel Remuneration

		Short term employee benefits			Post-employment benefits - Super annuation (\$)	Long-term benefits (\$)	Termination benefits (\$)	Share-based payments (\$)	Total (\$)	% of remuneration that is performance based
		Cash salary and fees (\$)	Cash bonus (\$)	Non-monetary benefits (\$)						
Yuhan Chen	2015	57,339	-	-	5,161	-	-	-	62,500	0%
	2014	11,416	-	-	1,084	-	-	-	12,500	0%
Brendan Connell	2015	25,000	-	-	-	-	-	-	25,000	0%
	2014	12,500	-	-	-	-	-	-	12,500	0%
Michael Billing	2015	25,000	-	-	-	-	-	-	25,000	0%
	2014	12,500	-	-	-	-	-	-	12,500	0%
James Church	2015	15,000	-	-	-	-	-	-	15,000	
	2014	7,500	-	-	-	-	-	-	7,500	
Chien-Chih Kao	2015	30,000	-	-	-	-	-	-	30,000	0%
	2014	-	-	-	-	-	-	-	-	0%
Min Yu	2015	30,000	-	-	-	-	-	-	30,000	0%
	2014	-	-	-	-	-	-	-	-	0%
Pierre Lau	2015	33,333	-	-	-	-	-	-	33,333	0%
	2014	-	-	-	-	-	-	-	-	0%
Sherry Xue	2015	53,333	-	-	-	-	-	-	53,333	0%
	2014	-	-	-	-	-	-	-	-	0%
TOTAL	2015	269,006	-	-	5,161	-	-	-	274,167	
	2014	43,916	-	-	1,084	-	-	-	45,000	

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration \$	At risk - STI \$	At risk - Options \$
Yuhan Chen	62,500	-	-
Brendan Connell	25,000	-	-
Michael Billing	25,000	-	-
James Church	15,000	-	-
Pierre Lau	33,333	-	-
Sherry Tao Xue	53,333	-	-
Yu Min	30,000	-	-
Chien-Chih Kao	30,000	-	-

Emperor Range Group Limited

Directors report (Continued)

(c) Service agreements

Remuneration and other terms of employment for the Executive Directors and other key management personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration (excl GST) are set out below:

Name	Bases salary \$ per annum	Term of agreement	Notice period
Yuhan Chen	50,000	Ongoing unless terminated	6 months
Brendan Connell*	50,000	Contingent upon re-election	Nil
Michael Billing*	50,000	Contingent upon re-election	Nil
James Church*	30,000	Ongoing unless terminated	Nil
Yu Min	30,000	Contingent upon re-election	Nil
Chien-Chih Kao	30,000	Contingent upon re-election	Nil
Pierre Lau	50,000	Contingent upon re-election	3 months
Sherry Tao Xue - Directorship	50,000	Ongoing unless terminated	3 months
Sherry Tao Xue - Company Secretary	30,000	Renewed annually unless terminated	1 month

*resigned on 30 April 2015

(d) Share-based remuneration

Options granted over unissued shares

There are no options issued by the consolidated entity.

(e) Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other changes	Balance at the end of the year
<i>Ordinary shares</i>					
Yuhan Chen	68,500,000	-	-	-	68,500,000
Brendan Connell***	20,000	-	-	-	20,000
Michael Billing***	10,000	-	-	-	10,000
Min Yu*	6,234,000	-	-	-	6,234,000
Chien-Chih Kao**	5,100,000	-	-	-	5,100,000
Xue Tao	-	-	-	-	-
Pierre Lau	-	-	-	-	-
	<u>79,864,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,864,000</u>

* 1,780,000 shares held by Mr Yu Min and 4,454,000 shares held by Ruei Yu Industries Co Ltd. Mr. Yu is the majority shareholder of Ruei Yu Industries Co Ltd.

** Number of shares held by Beijing Zhanteng Borun Touzi Guanli Limited. Mr Chien-Chih Kao is majority shareholder of Beijing Zhanteng Borun Touzi Guanli Limited.

*** Number of shares held by Brendan Connell and Michael Billing were held as at the date of their resignation on 30 April 2015

Emperor Range Group Limited

Directors report (Continued)

(f) Other transactions with key management personnel and their related parties

Director's loan

	2015	2014
	\$	\$
Loans from Mr Yuhan Chen (executive director)		
Beginning of the year	567,273	121,513
Loans advanced	-	590,074
Repayments made	(211,236)	-
Interest charged	72,157	-
Fair value adjustment	-	(144,314)
End of year	428,194	567,273

Amounts payable to related parties at balance date were as follows:

Current liabilities

- Other payable - Yuhan Chen (director)	428,194	-
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Non current liabilities

- Other payable - Yuhan Chen (director)	-	567,273
	428,194	567,273

Payable balances to related parties are non-interest bearing. The balance is not repayable until 31 December 2016. The carrying amount of the non-current related party payable has been discounted to its present value using an effective interest rate of 12%. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

End of audited remuneration report

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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.

Non-audit services

During the year, BDO (SA) Pty Ltd, the Company's auditors, performed certain other services in addition to their statutory audit duties. Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 13 to the financial statements.

Emperor Range Group Limited

Directors report (Continued)

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

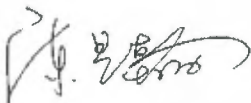
- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, BDO Audit (SA) Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in the notes to the Financial Statements.

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is included in this report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Yuhan Chen

Dated: 31 March 2016



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AUSTRALIA

**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF EMPEROR RANGE GROUP LIMITED**

As lead auditor of Emperor Range Group Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Emperor Range Group Limited and the entities it controlled during the period.

A handwritten signature in blue ink that reads 'Paul Gosnold'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 31 March 2016

Emperor Range Group Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2015

	Note	Consolidated 2015 \$	2014 \$
Revenue		-	-
Other income	2	23,573	144,314
Administrative expenses	2	(519,481)	(416,164)
Profit/(Loss) before income tax expense		(495,908)	(271,850)
Income tax expense	3	-	-
Profit/(Loss) after income tax expense		(495,908)	(271,850)
Other comprehensive income for the year, net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (net of tax: Nil)		137,869	13,881
Other comprehensive income for the year		137,869	13,881
Total comprehensive income for the year		(358,039)	(257,969)
Profit/(Loss) for the year is attributable to owners of Emperor Range Group Limited		(495,908)	(271,850)
Total comprehensive income for the year is attributable to owners of Emperor Range Group Limited		(358,039)	(257,969)
Earnings per share for profit attributable to owners of the company		Cents	Cents
- Basic earnings per share (cents per share)	4	(0.54)	(0.4)
- Diluted earnings per share (cents per share)	4	(0.54)	(0.4)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Emperor Range Group Limited

Consolidated Statement of Financial Position as at 31 December 2015

	Note	Consolidated 2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,315,877	2,125,690
Other receivables	6	19,299	91,532
TOTAL CURRENT ASSETS		1,335,176	2,217,222
NON-CURRENT ASSETS			
Property, plant and equipment	7	87,493	93,186
Exploration and evaluation assets	8	2,392,806	2,263,579
TOTAL NON-CURRENT ASSETS		2,480,299	2,356,765
TOTAL ASSETS		3,815,475	4,573,987
CURRENT LIABILITIES			
Trade and other payables	9	18,000	279,394
Other payables to related parties	20	428,194	0
TOTAL CURRENT LIABILITIES		446,194	279,394
NON CURRENT LIABILITIES			
Other payables to related parties	20	0	567,273
TOTAL NON CURRENT LIABILITIES		0	567,273
TOTAL LIABILITIES		446,194	846,667
NET ASSETS		3,369,281	3,727,320
EQUITY			
Contributed equity	10	4,128,145	4,128,145
Foreign exchange reserve		156,209	18,340
Retained profits/(Accumulated losses)		(915,073)	(419,165)
TOTAL EQUITY		3,369,281	3,727,320

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Emperor Range Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Contributed equity \$	Foreign exchange reserve \$	Retained Profits \$	Total \$
Balance at 1 January 2014	320,644	4,459	(147,315)	177,788
Loss for the year	-	-	(271,850)	(271,850)
<i>Other comprehensive income:</i>				
Foreign currency translation reserve differences	-	13,881	-	13,881
<i>Total comprehensive income</i>	-	13,881	(271,850)	(142,856)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	3,807,501	-	-	3,807,501
Balance at 31 December 2014 and 1 January 2015	4,128,145	18,340	(419,165)	3,727,320
Loss for the year	-	-	(495,908)	(495,908)
<i>Other comprehensive income:</i>				
Foreign currency translation reserve differences	-	137,869	-	137,869
<i>Total comprehensive income</i>	-	137,869	(495,908)	(358,039)
Balance at 31 December 2015	4,128,145	156,209	(915,073)	3,369,281

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Emperor Range Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	Consolidated	
		2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(625,428)	(52,894)
Net cash (outflows) from operating activities	14	(625,428)	(52,894)
Cash flows from investing activities			
Cash payments to acquire exploration and evaluation assets		-	(1,938,248)
Interest received		23,573	-
Net Cash inflow from business acquisition		-	-
Net cash inflow from investing activities		23,573	(1,938,248)
Cash flows from financing activities			
Proceeds from issues of shares		-	4,500,000
Share issue transaction costs		-	(478,849)
Proceeds from/ (Repayments of) directors loans		(211,236)	95,146
Net cash inflow from financing activities		(211,236)	4,116,297
Net increase/(decrease)in cash and cash equivalents		(813,091)	2,125,155
Cash and cash equivalents at the beginning of financial year		2,125,690	510
Effects of exchange rate changes on cash and cash equivalents		3,278	25
Cash and cash equivalents at end of financial year	5	1,315,877	2,125,690

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Emperor Range Group Limited and its controlled entities. Emperor Range Group Limited is a company limited by shares, incorporated and domiciled in Australia.

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is Emperor Range Group Limited's functional and presentation currency.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity 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 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 (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial report was authorised for issue, in accordance with a resolution of directors, on 31 March 2016 by the Directors.

Significant accounting policies

a. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Emperor Range Group Limited ('company' or 'parent entity') as at 31 December 2015 and the results of all subsidiaries for the year then ended. Emperor Range Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are entities (including structured entities) over which the group has control. The group has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

c. *Income Tax*

The income tax expense (benefit) for the year comprises current income tax expense/(income) and deferred income 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 at reporting date.

d. *Other receivable*

Other receivables are recognised at amortised cost, less any provision for impairment.

e. *Property, Plant and Equipment*

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by the directors and management 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.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity 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.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Exploration and Evaluation Assets

Exploration and evaluation and 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 in the year in which the decision to abandon the area is made.

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.

g. Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through the profit or loss', in which case the costs are expensed to the profit and loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Where available, quoted prices, in an active market are used to determine fair value.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments,

i. 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.

ii. Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using effective interest rate method

Impairment of financial assets

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

h. Impairment of Non-Financial Assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

i. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

j. Provisions

Provisions are recognised when the consolidated entity 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.

k. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services and director loans received by the consolidated entity which remains unpaid.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

n. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

o. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

p. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

q. New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity 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.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C):

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 January 2015. These amendments affect the following standards:

- AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition';
- AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9;

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker;
- AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139;
- AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset;
- AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity;
- AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

2. REVENUE AND EXPENSES

	Consolidated	
	2015	2014
	\$	\$
a.) Other Income		
Fair value adjustment to related party loan	-	144,314
Interest income	23,573	
b.) Administrative Expenses		
Bank charges	508	289
Travelling expenses	4,865	12,355
Legal fees	-	102,519
Audit fees	30,300	56,410
Insurance expenses	12,240	20,150
Broker retainer fees	-	40,000
Employee benefits expenses	274,167	45,000
Other professional fees	24,388	90,734
Regulators fees	54,658	39,271
Depreciation expenses	11,058	9,436
Other administration expense	35,140	-
Interest expense	72,157	-
Total administrative expenses	519,481	416,164

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

3. INCOME TAX EXPENSE

The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate of the consolidated entity and the reported tax expense in profit or loss are as follows:

	Consolidated	
	2015 \$	2014 \$
Income tax expenses	-	-
Loss before tax	(495,908)	(271,850)
Tax rate	30%	30%
Prima facie income tax expenses/(benefit) at 30%	(148,773)	(81,555)
Difference in overseas tax rates	555	476
Expected income tax expenses/(benefit)	(148,217)	(81,079)
Temporary tax differences not brought to account	148,117	81,079
Actual income tax expense (benefit)	-	-

The Australian tax rate is 30% (2014: 30%). The Chinese income tax rate is 25% (2014: 25%).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated	
	2015 \$	2014 \$
Unused tax losses for which no deferred tax asset has been recognised	915,073	419,165

Management does not believe it is appropriate to recognise the deferred tax assets as the activities of the consolidated entity have not reached a stage of maturity that enables their recovery to be probable.

4. EARNINGS PER SHARE

	Consolidated	
	2015 \$	2014 \$
Profit/(Loss) attributable to the owners used to calculate basic EPS and dilutive EPS	(495,908)	(271,850)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and dilutive EPS	91,000,000	71,520,548
	Cents	Cents
Basic earnings per share	(0.54)	(0.4)
Diluted earnings per share	(0.54)	(0.4)

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash on hand and at bank	1,315,877	2,125,690
	<u>1,315,877</u>	<u>2,125,690</u>

6. OTHER RECEIVABLES AND PREPAYMENT

	Consolidated	
	2015	2014
	\$	\$
Current:		
- Other receivables	10,833	-
- Other receivables	-	25,000
- GST receivable	8,466	67,532
	<u>19,299</u>	<u>91,532</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2015	2014
	\$	\$
Plant and equipment		
At cost	120,147	113,658
Accumulated depreciation	(32,654)	(20,472)
Total plant and equipment	<u>87,493</u>	<u>93,186</u>
Total property, plant and equipment	<u>87,493</u>	<u>93,186</u>

Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment	Total
Opening balance at 1 January 2015	93,186	95,603
Additions	-	-
Depreciation expense	(11,058)	(9,436)
Foreign exchange differences	5,365	7,019
Closing balance at 31 December 2015	<u>87,493</u>	<u>93,186</u>

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

8. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2015 \$	2014 \$
Costs carried forward in respect of areas of interest: Exploration and evaluation phase	2,392,806	2,263,579
A reconciliation of the carrying amount of exploration and evaluation phase expenditure is set out below:		
Costs brought forward	2,263,579	2,088,759
Expenditure capitalised during the year	-	-
Foreign exchange differences	129,227	174,820
	2,392,806	2,263,579

The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of respective areas.

9. TRADE AND OTHER PAYABLES

		Consolidated	
		2015 \$	2014 \$
Current			
- Other payables and accruals		18,000	263,522
- Other payables to related parties	Note 20(c)	428,194	-
- Amounts payable to vendors as a result of business acquisition		-	15,872
		446,194	279,394
Non Current			
- Other payables to related parties	Note 20(c)	-	567,273
		567,273	567,273

10. ISSUED CAPITAL

	Consolidated	
	2015 \$	2014 \$
(a) <i>Contributed Equity</i>		
Issued share capital	4,500,100	4,500,100
Additional capital contribution	320,544	320,544
Less transaction costs arising on share issue	(692,499)	(692,499)
	4,128,145	4,128,145

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

10. ISSUED CAPITAL (CONTINUED)

Issued share capital

	2015 Shares	2014 Shares	2015 \$	2014 \$
Ordinary shares - fully paid	91,000,000	91,000,000	4,500,100	4,500,100

	Number of shares	
	2015	2014
Opening balance	91,000,000	100
Number of shares increase due to share split	-	68,499,900
Shares issue during the period	-	22,500,000
Closing balance	91,000,000	91,000,000

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

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.

(b) Capital Management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In order to do so, management effectively manages the capital, being the contributed equity of the consolidated entity by assessing the financial risks and adjusting the capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital during the year.

11. FINANCIAL INSTRUMENTS

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Management identifies, evaluates and hedges financial risks within the consolidated entity's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of financial instruments and investment of excess liquidity where appropriate.

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

11. FINANCIAL INSTRUMENTS (CONTINUED)

The consolidated entity's financial instruments consist mainly of:

	Consolidated	
	2015	2014
Cash and cash equivalents	1,315,877	2,125,690
Trade and other receivables	19,299	91,532
	1,335,176	2,217,222
Trade and other payables	18,000	279,394
Other payables to related parties	428,194	-

(a) Market Risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The consolidated entity does not have significant balances denominated in currency other than the functional currency of the respective companies within the consolidated entity nor does it have significant exposure to foreign exchange risk.

(ii) Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign exchange or interest rate risk). The consolidated entity is not exposed to any material price risk.

(iii) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities.

The consolidated entity's exposure to interest rate risk is low as it relates principally to its short term deposits placed with financial institutions in which the impact of +/- 5% in interest rates will not have a significant impact on the Company's profit and equity. The consolidated entity does not currently have any interest bearing financial liabilities.

(b) Credit risk

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

There are no significant concentrations of credit risk for receivables, whether through exposure to individual customers, specific industry sectors and/or regions. No receivable balance was considered impaired at the end of the reporting period. Cash and cash equivalents are held with financial institutions with a minimum independent credit rating of 'A' to mitigate the credit risk.

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

11. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Over 2 years	Total contractual cash flows \$	Carrying amount (assets)/ liabilities \$
Consolidated - 2015						
Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	18,000	-		18,000	18,000
Other payables to related party	12%	428,194	-	-	428,194	428,194

Consolidated - 2014

Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	279,394	-		279,394	279,394
Other payables to related party	12%	-	711,587	-	711,587	567,273

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

12. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015 \$	2014 \$
Short-term employee benefits	269,006	43,916
Post-employment benefits	5,161	1,084
Long-term benefits	-	-
Share-based payments	-	-
	<u>274,167</u>	<u>45,000</u>

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

13. REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by BDO Audit (SA) Pty Ltd the auditor of the consolidated entity or their related practices.

	Consolidated	
	2015	2014
	\$	\$
Audit services	30,300	82,372
Tax compliance and advisory services	2,050	0
Investigating Accountant Report	-	35,000
	32,350	117,372

14. RECONCILIATION OF NET LOSS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES:

	Consolidated	
	2015	2014
	\$	\$
Net (loss) after income tax for the year	(495,908)	(271,850)
Less interest income	(23,573)	
Adjustments for non cash items		
- Non-cash flows - depreciation	11,058	9,436
- Expenses directly paid by director	-	395,494
Fair value adjustment to related party loan	72,157	(144,314)
Share issue transactions cost not paid	-	(213,650)
(Increase)/decrease in other receivable	83,066	(91,532)
(Increase)/decrease in prepayments	(10,833)	-
Increase/(decrease) in other payable	(261,395)	263,522
Net operating cash flows	(625,428)	(52,894)

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

15. COMMITMENTS FOR EXPENDITURE

Exploration Expenditure Commitments

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the consolidated entity.

Total expenditure commitments for the consolidated entity at the end of the reporting period in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	Consolidated	
	2015 \$	2014 \$
Not later than one year:	-	-
Later than one year but not later than two years:	-	-
Later than two years but not later than five years:	-	-

16. CONTINGENT LIABILITIES

The consolidated entity had no contingent liabilities as at 31 December 2015 and 31 December 2014.

17. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1(a):

	Country of incorporation	2015	2014
Horizon Mining Group Co., Limited	Hong Kong	100%	100%
Subsidiary of Horizon Mining Group Co., Limited:			
- Fujian Sanming Longhui Industry & Trade co., LTD	China	100%	100%
Subsidiary of Fujian Sanming Longhui Industry & Trade co., LTD:			
- Jinwo Datong Mining Co., LTD of Qapqal Xibe Autonomous County	China	100%	100%
- Jinwo Datong Mining Co., LTD of Yining city	China	100%	100%

There was no deed of cross guarantee entered by the parent entity and its subsidiaries as at 31 December 2015 or 31 December 2014.

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

18. SEGMENT REPORTING

The consolidated entity is organised into one single operating segment, being mining and exploration in Xinjiang Autonomous Region of the People's Republic of China. All non-current assets are held under Fujian Sanming Longhui Industry & Trade Co., Ltd, the Chinese operating entity located in the People's Republic of China. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

19. EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval any matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the consolidated entity, the results of those operations, or the state of the consolidated entity in future years.

20. RELATED PARTY TRANSACTIONS

Parent entity

Emperor Range Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 17.

(a) *Key management personnel*

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	269,006	43,916
Post-employment benefits	5,161	1,084
Long-term benefits	-	-
Share-based payments	-	-
	<u>274,167</u>	<u>45,000</u>

(b) *Transactions with related parties*

The following transactions occurred with related parties:

	Consolidated	
	2015	2014
	\$	\$
Payment for goods and services:		
Payment for legal services from Connell Lawyers (director-related entity of Brendan Connell)	-	84,063

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Director's loan

Loans from Mr Yuhan Chen (executive director)

Beginning of the year	567,273	121,513
Loans advanced	-	590,074
Loan repayments made	(211,236)	-
Interest charged	72,157	-
Fair value adjustment		(144,314)
End of year	428,194	567,273

Amounts payable to related parties at balance date were as follows:

Current liabilities

- Other payable - Yuhan Chen (director)	428,194	-
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Non current liabilities

- Other payable - Yuhan Chen (director)	-	567,273
	428,194	567,273

Payable balances to related parties are non-interest bearing. The consolidated entity no longer has an unconditional right to defer settlement of the liability for 12 months after the reporting date. The balance is not repayable until 31 December 2016. The carrying amount of the non-current related party payable has been discounted to its present value using an effective interest rate of 12%. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

21. PARENT ENTITY INFORMATION

Statement of financial position

	Parent 2015 \$	2014 \$
Total current assets	1,334,856	2,216,876
Total assets	3,481,081	4,475,667
Total current liabilities	18,000	263,522
Total liabilities	402,609	609,847
Equity		
Contributed Equity	3,807,601	4,128,145
Retained profits / (Accumulated losses)	(747,129)	(262,324)
Total equity	3,060,472	3,865,821

Emperor Range Group Limited

Notes to the Financial Statements for the Financial Year Ended 31 December 2015

21. PARENT ENTITY INFORMATION (CONTINUED)

Statement of profit or loss and other comprehensive income

	Parent 2015 \$	2014 \$
Profit/(Loss) for the year	(484,805)	(262,324)
Total comprehensive income	(484,805)	(262,324)

The parent entity has no contingent liabilities or commitments as at 31 December 2015 (2014: nil). The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

22. GOING CONCERN

The annual financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. This includes the realisation of capitalised exploration and evaluation expenditure of \$2,392,806 (31 December 2014: \$2,263,579).

The consolidated entity has incurred a net loss after tax for the year ended 31 December 2015 of \$495,908 (31 December 2014: \$271,850) and operations were funded by a net cash outflow of \$813,091 (31 December 2014: Cash inflow of \$2,125,155).

The consolidated entity's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development.

The matters set out above indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual financial report does not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

23. COMPANY DETAILS

The registered office of Emperor Range Group Limited is:

Level 41, 55 Collins Street, Melbourne, VIC 3000, Australia.

The principal place of business is:

Level 41, 55 Collins Street, Melbourne, VIC 3000, Australia.

Emperor Range Group Limited

Director's declaration

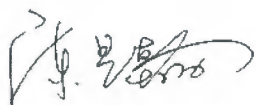
In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial year ended on that date;
- 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

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Director
Yuhan Chen

Dated this 31 of March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMPEROR RANGE GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Emperor Range Group Limited, which comprises the consolidated statement of financial position as at 31 December 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 entities 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 gives a true and fair view and 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*.

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 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 company's preparation of the financial report that gives a true and fair view 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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Emperor Range Group 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 Emperor Range Group 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 31 December 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 22 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 22, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

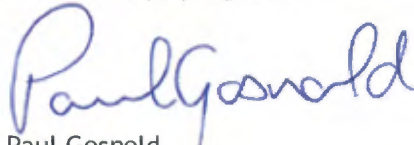
We have audited the Remuneration Report included in pages 17 to 21 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Emperor Range Group Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.



BDO Audit (SA) Pty Ltd



Paul Gosnold
Director

Adelaide, 31 March 2016

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS (as at 21 March 2015)

Ordinary Share Capital

91,000,000 fully paid ordinary shares are held by 353 individual shareholders.

Options

There are no unlisted options.

Class of shares and voting rights

1. at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and
2. on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

On-market buy-back

There is no current on-market buy-back.

Distribution of listed equity securities

Category (number of shares)	Number of Shareholders
1 – 1,000	1
1,001 – 5,000	3
5,001 – 10,000	268
10,001 – 100,000	62
100,001 and over	19

There are 1 shareholder holding less than a marketable parcel. The minimum parcel size is 1 share.

Substantial Shareholdings

At 21 March 2015, the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

	Ordinary Shares	%
China Jinwo Holdings Group	68,500,000	75.275
Beijing Zhanteng Borun Touzi	5,100,000	5.604
Ruei Yu Industries Co Ltd	4,454,000	4.895

Emperor Range Group Limited

Twenty largest shareholders as at 22 March 2016

Name	Number of shares hold	Percentage of shares hold
CHINA JINWO HOLDINGS GROUP CO LTD	68,500,000	75.275
BEIJING ZHANTENG BORUN TOUZI GUANLI LIMITED	5,100,000	5.604
RUEI YU INDUSTRIES CO LTD <5344776838 HSBC(HK) A/C>	4,454,000	4.895
MR WEIHUA WENG	1,830,000	2.011
MR MIN YU	1,780,000	1.956
MR GUOGUANG ZHANG	920,000	1.011
BENJAMIN CAPITAL PTY LTD	410,000	0.451
MR LAN CHEN	315,000	0.346
MR JINHUA CHEN	300,000	0.330
MR YANRONG CHEN	245,000	0.269
MS JIARU LI	200,000	0.220
MR BAOYUN JING	200,000	0.220
MR GUANGHUI LI	200,000	0.220
MR YANFENG ZHANG	200,000	0.220
MR LI WAN	200,000	0.220
MR DEYIN CHEN	185,000	0.203
MR NING WANG	170,000	0.187
MR YIFENG YIN	150,000	0.165
CBW (AUST) HOLDINGS PTY LTD	120,000	0.132
MR LEHENG LIANG	100,000	0.110
MR XUBIN WU	100,000	0.110
MS YING MENG	100,000	0.110
MS XUANQI CHEN	100,000	0.110
MS MINHUA GUO	100,000	0.110
MR SEN NA	100,000	0.110
MS HUIRONG WU	100,000	0.110
MR GUOHUA ZHOU	100,000	0.110
MS JIAN SONG	100,000	0.110
MS LONGYING CHEN	100,000	0.110
MS HUI SU	100,000	0.110
MR YUNJIN ZHENG	100,000	0.110
Total	86,679,000	95.252