

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	Dubber Corporation Limited
ABN	64 089 145 424
Financial Year Ended	12 months ended 30 June 2016
Previous Corresponding Reporting Period	12 months ended 30 June 2015

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	1,004	1,343%
Loss from ordinary activities after tax attributable to members	(9,301)	(516%)
Net loss attributable to members	(9,301)	(516%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

This report relates to the year ended 30 June 2016. Comparatives are for the year ended 30 June 2015, after finalising the accounting for the acquisition of Dubber Pty Ltd.

Refer to the following Review of Operation for further commentary on the results for the year ended 30 June 2016.

Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Statement of Profit or Loss and Comprehensive Income

	Part	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Revenue from continuing operations			
Service income		457,699	62,203
Other revenue from ordinary activities	9(a)	546,712	7,416
Expenses			
Service platform costs		(1,764,023)	(319,456)
Consulting fees		(180,703)	(246,109)
Depreciation and amortisation		(1,246,057)	(313,966)
Directors fees and benefits		(657,783)	(271,939)
Employee benefits expense		(1,709,287)	(594,716)
Finance costs		(43,270)	(122,831)
Share based payments		(2,255,879)	(515,903)
Other expenses from ordinary activities	9(b)	(2,448,064)	(883,629)
Loss before income tax expense from continuing operations		(9,300,655)	(3,198,930)
Income tax (expense)/benefit		-	2,008,734
Loss after income tax from continuing operations		(9,300,655)	(1,190,196)
Loss after income tax from discontinued operations		-	(336,691)
Total loss for the year		(9,300,655)	(1,526,887)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		-	(826)
Derecognition of foreign currency reserve		-	22,793
Other comprehensive income for the year, net of tax		-	21,967
Total comprehensive loss for the year		(9,300,655)	(1,504,920)
Loss for the year is attributable to:			
Owners of Dubber Corporation Limited		(9,300,655)	(1,509,617)
Non-controlling interests		-	(17,270)
		(9,300,655)	(1,526,887)
Total comprehensive income for the year is attributable to:			
Owners of Dubber Corporation Limited		(9,300,655)	(1,487,567)
Non-controlling interests		-	(17,353)
		(9,300,655)	(1,504,920)
Total comprehensive income for the year attributable to owners of Dubber Corporation Limited arises from:			
Continuing operations		(9,300,655)	(1,293,737)
Discontinued operations		-	(193,830)
		(9,300,655)	(1,487,567)

Part 5 – Consolidated Accumulated losses

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Accumulated losses at the beginning of the year	(10,801,476)	(9,291,859)
Loss attributable to owners of Dubber Corporation Limited	<u>(9,300,655)</u>	<u>(1,509,617)</u>
Accumulated losses at the end of the year	<u><u>(20,102,131)</u></u>	<u><u>(10,801,476)</u></u>

Part 6 – Consolidated Statement of Financial Position

	30 June 2016 \$	30 June 2015 \$
ASSETS		
Current Assets		
Cash and cash equivalents	2,563,767	1,697,415
Trade and other receivables	<u>473,415</u>	<u>373,418</u>
Total Current Assets	<u>3,037,182</u>	<u>2,070,833</u>
Non-Current Assets		
Property, plant and equipment	50,060	16,876
Intangible assets	<u>8,943,717</u>	<u>11,027,668</u>
Total Non-Current Assets	<u>8,993,777</u>	<u>11,044,544</u>
Total Assets	<u>12,030,959</u>	<u>13,115,377</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	976,036	933,705
Provisions	<u>166,125</u>	<u>93,303</u>
Total Current Liabilities	<u>1,142,161</u>	<u>1,027,008</u>
Total Liabilities	<u>1,142,161</u>	<u>1,027,008</u>
NET ASSETS	<u>10,888,798</u>	<u>12,088,369</u>
EQUITY		
Issued capital	25,455,700	17,637,006
Reserves	5,535,229	5,252,839
Accumulated losses	<u>(20,102,131)</u>	<u>(10,801,476)</u>
TOTAL EQUITY	<u>10,888,798</u>	<u>12,088,369</u>

Part 7 – Consolidated Statement of Cash Flows

	Part	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
Cash flows from operating activities			
Receipts from customers		510,413	31,478
Payments to suppliers and employees		(6,889,049)	(2,259,358)
Interest received		20,594	7,416
R&D tax offset refund received		524,886	-
Interest and other finance costs paid		(31,550)	(118,896)
Net cash outflows used in operating activities	11(b)	(5,864,706)	(2,339,360)
Cash flows from investing activities			
Purchase of plant and equipment		(42,190)	(8,848)
Payment of security bond		(9,909)	-
Loans to other entities		(34,611)	(1,321,366)
Receipt of security bond		125,661	-
Loans repaid by other entities		-	150,000
Cash acquired on acquisition of subsidiary		-	1,884
R&D tax offset refund relating to intangible asset acquired		846,901	-
Exploration and evaluating expenditure		-	(92,430)
Net cash provided by/(used in) investing activities		885,852	(1,270,760)
Cash flows from financing activities			
Proceeds from issue of shares		6,146,449	4,676,620
Payment of share issue costs		(301,244)	(367,577)
Proceeds from borrowings		-	440,000
Repayment of borrowings		-	(560,687)
Net cash provided by financing activities		5,845,205	4,188,356
Net increase in cash held		866,352	578,236
Cash and cash equivalents at the beginning of the year		1,697,415	1,119,997
Effect of exchange rate changes on cash		-	(818)
Cash and cash equivalents at the end of the year		2,563,767	1,697,415

Part 8 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Loss from Ordinary Activities

The loss from ordinary activities before income tax includes the following items of revenue and expense:

	Year Ended 30 June 2016	Year Ended 30 June 2015
	\$	\$
REVENUES AND EXPENSES – CONTINUING OPERATIONS		
(a) Other revenue		
Interest	21,826	7,416
Research and development tax incentive	524,886	-
	<u>546,712</u>	<u>7,416</u>
(b) Other expenses		
Audit fees	49,603	33,558
Accounting and tax advice fees	179,935	115,973
Exploration expenses	-	7,500
Legal fees	72,711	116,129
Marketing	622,052	116,400
Securities exchange and registry fees	85,893	92,580
Travel costs	644,980	119,834
Other administration	792,890	281,655
	<u>2,448,064</u>	<u>883,629</u>

Part 10 – Commentary on Results

Refer to the following Review of Operation for commentary on the results for the year ended 30 June 2016.

Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
(a) Reconciliation of cash:		
For the purposes of the Statement of Cashflows, cash includes cash on hand, and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	2,563,767	1,697,415
Cash on hand and at bank	2,563,767	1,697,415
(b) Reconciliation of loss for the year to net cash flows from operating activities:		
Total Loss for the year	(9,300,655)	(1,526,887)
<i>Non-cash flows in loss:</i>		
Depreciation and amortisation	1,246,057	331,025
Share based payments	2,255,879	515,903
Exploration expensed	-	119,413
Impairment of property, plant and equipment	-	43,731
Loss on disposal of subsidiary	-	163,987
Income tax benefit	-	(2,008,734)
<i>Changes in assets and liabilities:</i>		
Increase in trade and other receivables	(101,719)	(22,059)
(Decrease)/Increase in trade and other payables	(37,089)	32,505
Increase in provisions	72,821	11,756
Net cash outflows from operating activities	(5,864,706)	(2,339,360)

Part 12 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 13 – Loss per Share

	Consolidated	
	Year Ended 30 June 2016	Year Ended 30 June 2015
Basic (loss) per share attributable to the owners of Dubber Corporation Limited	(13.04 cents)	(4.80 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	71,324,702	31,422,455
As the Company is in a loss position there is no diluted earnings per share calculated.		

Part 14 – Net Tangible Assets per Security

	30 June 2016	30 June 2015
Net tangible asset backing per ordinary security (cents)	2.43	1.84

Part 15 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	Nil
Date control gained or lost	Nil
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	Nil
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Nil

Part 16 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/16 %	30/06/15 %	Year ended 30/06/16 \$A'000	Period ended 30/06/15 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 17 – Issued Securities

	30 June 2016 \$	30 June 2015 \$
Share capital		
79,929,426 (30 June 2015: 57,492,814) fully paid ordinary shares	<u>25,455,700</u>	<u>17,637,006</u>
<i>The following movements in issued capital occurred during the year:</i>		
	Year Ended 30 June 2016	Year Ended 30 June 2015
	Number of Shares	Number of Shares
Balance at beginning of the year	57,492,814	90,043,920
Consolidation of shares at 1:5	-	(72,035,260)
Issued for cash pursuant to prospectus placement at 20 cents each	-	23,383,100
Issued as part consideration for acquisition of Dubber Pty Ltd at 20 cents each	-	5,248,088
Issued as consideration for acquisition advisor fees at 20 cents each	-	755,961
Issued upon conversion of Dubber Pty Ltd's convertible notes at 20 cents each	-	6,000,000
Issued upon conversion of performance shares achieving milestone, at 20 cents each	4,096,946	4,097,005
Issued upon conversion of management performance shares achieving milestone, at 14 cents each	1,000,000	-
Issued for cash pursuant to share placement at 45 cents each	12,643,778	-
Issued as consideration for advisory fees at 45 cents each	268,888	-
Issued upon conversion of performance shares achieving milestone, at 36 cents each	900,000	-
Issued upon conversion of performance shares achieving milestone, at 28.9 cents each	900,000	-
Issued as employee incentives at 38.6 cents each	800,000	-
Issued on exercise of options at 25 cents each	1,827,000	-
	<u>79,929,426</u>	<u>57,492,814</u>

Options

The following options to subscribe for ordinary fully paid shares are outstanding at balance date:

- 803,000 options expiring 25 November 2016, exercisable at 25 cents each;
- 1,370,000 options expiring 31 January 2018, exercisable at 25 cents each;
- 600,000 options expiring 27 February 2018, exercisable at 25 cents each;
- 2,700,000 options expiring 30 June 2018, exercisable at 40 cents each;
- 2,250,000 options expiring 31 March 2019, exercisable at 25 cents each; and
- 100,000 options expiring 31 March 2019, exercisable at 72 cents each.

Performance shares

The following performance shares are outstanding at balance date:

- 16,315,172 performance shares convertible to 1 fully paid ordinary share each, subject to performance milestones being achieved by 27 May 2017.

Unvested shares

The following shares have been offered to employees at balance date and will be issued upon continued service up to the following vesting dates:

- 700,000 shares vesting on 1 March 2017; and
- 700,000 shares vesting on 1 March 2018.

Part 18 – Segment Information

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis that it has only one main operating segment. Previously, this involved the exploration of mineral resources in West Africa. With the acquisition of Dubber Pty Ltd on 28 February 2015 and the disposal of the West African gold projects on 31 March 2015, the Group's sole continuing operation is the Dubber technology suite. All the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal purposes are consistent with those applied in the preparation of these financial statements.

Part 19 – Subsequent Events

There were no significant events subsequent to year ended 30 June 2016 and prior to the date of this report that have not been dealt with elsewhere in this report.

Part 20 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable