



FOY GROUP LIMITED

And Controlled Entities

ABN 23 003 669 163

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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CORPORATE DIRECTORY

DIRECTORS

Paul Dickson (Executive Chairman)
Bevan Dooley (Non-Executive Director)
Clifford M James (Non-Executive Director)
Kilroy Genia (Non-Executive Director)
David McIntosh (Non-Executive Director)
Stuart Clark (Managing Director)

SECRETARY

Joshua Herbertson

REGISTERED OFFICE

Suite 3a
18 Smith St
Chatswood, NSW, 2067
Ph: (02) 8920 2300

SHARE REGISTER

Boardroom Pty Limited
Level 12, 225 George St
Sydney, NSW, 2000
Ph: 1300 737 760

AUDITOR

Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW, 2000
Ph: (02) 9263 2600

SOLICITOR

Thomson Geer
Level 25, 1 O'Connell Street
Sydney, NSW, 2000

BANKERS

Westpac Bank Limited
275 George Street
Sydney, NSW, 2000

STOCK EXCHANGE LISTING

FOY Group Limited shares are listed on the Australian Securities Exchange.
ASX Code: FOY

WEBSITE ADDRESS

www.foygroup.com.au

DIRECTORS' REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of FOY Group Limited (formerly Foyson Resources Limited) and the entities it controlled, for the financial year ended 30 June 2015 and Auditor's Report thereon.

Directors

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

Name of Director	Appointed	Resigned
Paul Dickson	24/10/2014	Current
Bevan Dooley	24/10/2014	Current
David McIntosh	15/12/2014	Current
Clifford M. James	22/12/2014	Current
Kilroy Genia	21/01/2015	Current
Stuart Clark	25/08/2016	Current
Mike Palmer	5/05/2014	7/09/2015

Information on Directors

<p>Name: Title: Qualifications: Experience and Expertise:</p>	<p>Paul Dickson Executive Director B.Com, MLogMan</p> <p>Mr Dickson has more than 25 years of experience in business management. He has held multifunctional senior roles across a range of disciplines both in Australia and internationally, including finance, logistics, operations, sales, marketing, systems and general management. Mr Dickson's role since 2008 has been as business co-founder and owner of Dickson & Dickson Healthcare Limited, a public company competing in the healthcare (high grade medical products and next generation medical systems) sectors in Australia, New Zealand and South Africa. Mr Dickson has a proven track record of developing a start-up business into a thriving, profitable going concern, in a market dominated by strong global competitors. Further, taking that entity to the market and realising its maximum realisable value through a sale.</p>
<p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>Integrated Green Energy Limited. Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee 6,779,311 Ordinary Shares and 6,779,311 Unlisted Options</p>
<p>Name: Title: Qualifications: Experience and Expertise:</p>	<p>Bevan Dooley Non-Executive Director BE (Hons) Mech.</p> <p>Mr Dooley brings to FOY 20 years of experience in the energy, fuel and chemical processing industries. Mr Dooley has a solid engineering and management background that leads to a deep understanding of processing techniques for energy conversion, as well as the energy and fuels market in Australia and Asia. In 2001 Mr Dooley co-founded Australian Biodiesel Group Ltd, an entity that listed on ASX in 2005. Mr Dooley held various roles with Australian Biodiesel Group Ltd, including technical director, Chief Executive Officer and Director. Since 2009 Mr Dooley has held board positions on proprietary companies commercialising fuel and energy technologies. Mr Dooley has been integral in the design, construction, commissioning and ongoing management of many energy, fuel and chemical processing facilities in Australia and around the world. Mr Dooley and his team have developed the core technologies within the IGE group, the entity with which FOY has signed its term sheet.</p>
<p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>Integrated Green Energy Limited, BTOLA Pty Ltd None Indirect 1,379,311 Ordinary Shares and 1,379,311 Unlisted Options</p>

DIRECTORS REPORT (CONTINUED)

Information on Directors (continued)

<p>Name: Title: Qualifications: Experience and Expertise:</p> <p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>David McIntosh Non-Executive Director M.Com (Accounting), BE (Chemical), GradDipCA Mr McIntosh is the Principal of McIntosh & Associates, a boutique accounting firm that was founded by himself and now consisting of three qualified accountants plus support staff. McIntosh & Associates provides accounting, audit, business structure, planning and taxation services and advice to large corporations, resident and non-resident individuals and a diverse array of companies and entities. David is a Chartered Accountant and the holder of a Certificate of Public Practice. His qualifications include being a Registered Auditor (Superfunds), Tax Agent, and an ASIC Agent. Prior to moving into finance David gained exposure in the area of chemical engineering through his work with Shell Oil Company and Environment Australia.</p> <p>None Chairman of the Audit and Risk Committee and Chairman of the Remuneration and Nomination Committee Indirect 1,668,288 Ordinary Shares, 1,379,311 Unlisted Options</p>
<p>Name: Title: Qualifications: Experience and Expertise:</p> <p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>Clifford M. James Non-Executive Director B.Sc. Hons, M.Sc., PhD. Geology Clifford James is a geologist and business executive with over 35 years of technical and financial experience in the natural resource sector. His work has taken him throughout North America, Africa and Asia where he held senior positions in both oil and gas and mining companies. Since 1993, Mr. James has spearheaded TVI's activities in the Philippines and he is responsible for bringing on stream the Canatuan project, the first foreign funded, modern, full-scale producing mine in the Philippines since the passage of the Mining Act in 1995.</p> <p>TVI Pacific Inc. None Direct 689,656 Ordinary Shares, 689,656 Unlisted Options, TVI Pacific Inc. (an associate of Mr. James) holds 17,592,908 Ordinary Shares and 9,158,622 Unlisted Options.</p>
<p>Name: Title: Qualifications: Experience and Expertise:</p> <p>Current Directorships Special Responsibilities Interest in Shares & Options</p>	<p>Kilroy Genia Non-Executive Director Dip. Land Management and Administration, Grad Dip. Social Ecology Mr Genia has broad experience in both private and government enterprises having spent nine year holding various Ministerial positions within the PNG cabinet, including Minister of Justice, Defense, Foreign Affairs and Trade.</p> <p>None Member of the Audit and Risk Committee and member of the Remuneration and Nomination Committee None</p>

DIRECTORS REPORT (CONTINUED)

Information on Directors (continued)

Name: Title: Qualifications: Experience and Expertise:	Stuart Clark Managing Director B.Com (Accounting), GradDipCA, GAICD. In a career spanning more than 30 years, Mr Clark has gained extensive commercial, finance and management experience as well as significant capabilities in human resources, project management and change management, in addition to strong operational and strategic skills. He also has extensive experience selling professional services to SMEs. Currently, he holds a Bachelor of Commerce from the University of New South Wales, is a member of the Institute of Chartered Accountants and holds Graduate status with the Australian Institute of Company Directors. Mr Clark earned a traineeship with PriceWaterhouseCoopers in Scotland whilst still an undergraduate at University of New South Wales and ultimately graduated and gained his qualification as a Chartered Accountant whilst working with PWC in both Scotland and Australia. He has held senior roles with publically listed companies such as Global Television and Hoyts as well as major international conglomerates including Carlson Companies and the Walt Disney Company. Mr Clark also held senior finance roles with the start-up enterprises Nudie Foods and McElory All Media during their inception phases. He played a key role in establishing these businesses, both of which continue to trade successfully today. He was recently Finance Director and Company Secretary for ComOps Limited and he was most recently Chief Operating Officer for Dickson & Dickson Healthcare Limited.
Current Directorships Special Responsibilities Interest in Shares & Options	Integrated Green Energy Limited Managing Director None
Name: Title: Qualifications: Experience and Expertise:	Mike Palmer Managing Director (resigned 7 September 2015) BE (Hons) Mining, FAIMM, FAICD Mike Palmer has over thirty years' experience in the resources industry and over 15 years' experience of successfully managing public companies. He has a vast array of international experience having worked in Indonesia, South Africa, USA, China and New Zealand, and he has specific expertise in coal, gold and copper.
Current Directorships Special Responsibilities Interest in Shares & Options	None None Indirect 3,773,964 Ordinary Shares, 2,108,436 Unlisted Options

Company Secretary

Mr Herbertson has 10 years' experience in financial management, chiefly in the professional service industry. Working in a range of finance and operations roles for both publicly listed and private companies, he has been involved in ASX listings, mergers and acquisitions, corporate restructuring and financial due diligence, in addition to responsibilities as Chief Financial Officer.

Principal Activities

The principal activities of the consolidated entity during the financial year consisted of mining exploration in Papua New Guinea.

Review of Operations and financial results

During the course of the financial year, the Company actively continued to progress the IGE transaction, assisting with the progression of the Berkeley Vale facility, which now has consent to operate as a toll processor of co-mingled fuels and is generating revenue for IGE. This asset will transfer to FOY upon completion of the transaction.

In addition to this, FOY has progressed the ACT project to the lodgement of an Environmental Impact Statement to the ACT Environment and Planning Directorate. This is the key step in receiving approval from the Minister for Planning.

The loss for the consolidated entity after providing for income tax amounted to \$1,340,554 (30 June 2015: loss of \$2,160,450).

Significant Changes in the State of Affairs

During the year the Company completed a capital raising program to fund the due diligence and transaction costs associated with the IGE acquisition and to provide working capital for PNG exploration and corporate overheads.

On 24 September 2015, the Company raised \$351,500 through the issue of 2,343,333 Shares at \$0.15 per share, each with an attaching option. The options have an exercise price of \$0.20 and expire on 31 December 2019.

Apart from the matters mentioned above, there have been no other significant changes to the state of affairs for FOY Group Limited and its controlled entities during the period.

DIRECTORS REPORT (CONTINUED)

After Balance Date Events

On 11 August 2016, the Company executed a contract to enter a 99 year lease for 36 Cauranga Crescent in Hume, ACT. The purchase price was \$3,108,500, of which a 5% deposit totalling \$155,425 was paid upon execution of the contract.

On 25 August 2016, Stuart Clark was appointed as Managing Director. David McIntosh remained as a Non-Executive Director after serving as Interim Managing Director since the resignation of Mike Palmer on 4 September 2015.

On 8 September 2016, the Company announced entered into a Deed of Variation for the Business Sale Agreement executed with Integrated Green Energy Limited announced on 9 February 2016.

Likely Developments and Expected Results of Operations

Other than the matters outlined in Note 28: After Balance Date Events, information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this financial report because the Directors believe it would likely result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of all stakeholders including shareholders, landowners, employees, customers and suppliers. The Company's exploration activities are currently regulated by both Commonwealth and State legislation in Australia as well as other regulatory authorities in Papua New Guinea with respect to its mining tenements. The Company aims to ensure that the highest standard of environmental care is achieved and that it complies with all environmental legislation. The Board is not aware of any significant breaches during the financial year.

Dividends Paid, Recommended or Declared

No dividends were paid, declared or recommended during the financial year and up to the date of this report.

Insurance of Officers

During the financial year, the Company had in place and paid premiums in respect to insurance policies indemnifying Directors and officers of the Company against certain liabilities incurred in the conduct of the business or in the discharge of their duties as Directors or officers.

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

No indemnities have been given or insurance premiums paid in respect to the auditors of the consolidated entity.

Proceedings on behalf of the Company

No person has applied for leave at Court 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. The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 21 of this report.

Non-Audit Services

Non-audit services provided by the auditors of the consolidated entity during the year, BDO East Coast Partnership are detailed below. The Directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by an auditor to any entity that is part of the consolidated entity for:
Amounts received or due and receivable by BDO East Coast Partnership and Hall Chadwick for non-audit services;
- Taxation services
- Corporate advisory services

Consolidated	
2016 \$	2015 \$
9,152	59,952
-	-
9,152	-

DIRECTORS REPORT (CONTINUED)

Directors Meetings

The number of meetings of the Board of Directors held during the financial year and meetings attended by each Director were:

Directors	Directors' Meetings		Remuneration and Nomination Committee		Audit and Risk Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Paul Dickson	13	13	1	1	1	1
Bevan Dooley	13	13	-	-	-	-
David McIntosh	13	13	1	1	1	1
Clifford M. James	13	2	-	-	-	-
Kilroy Genia	13	3	1	0	1	0
Mike Palmer	4	4	-	-	-	-

Remuneration and Nomination Committee

A Remuneration and Nomination Committee was established by the Board during the Financial Year ended 30 June 2016. The Board seeks independent advice as required on current trends and appropriate remuneration structures based on the role to be filled and the Company's operations. The Company did not engage an independent remuneration consultant during the year.

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation

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

The objective of the consolidated entity's executive framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

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

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution

The Directors determine the allocation of bonuses for senior executives on a discretionary basis. No bonuses were paid during the financial year.

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

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

Non-executive Directors Fees

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-executive Directors' fees and payments are reviewed annually by the board and payments are appropriate and in line with the market. The Chairman's fees are determined separately to the fees of Non-executive Directors based on comparable roles in the external market.

Executive Remuneration

The executive remuneration and reward framework has four components:

- base pay and benefits
- short-term performance incentives
- share or option issues
- other remuneration such as superannuation and fringe benefits

The combination of these comprise the executive's total remuneration.

(B) Details of Remuneration

	Short Term Benefits		Post Employment Benefits	Share-Based Payments	Total	% of total that consists of options
	Salary \$	Fees & Other \$	Superannuation \$	Options \$		
30 June 2016						
<i>Non-Executive Directors</i>						
Paul Dickson	-	-	-	-	-	0.00%
Bevan Dooley	-	-	-	-	-	0.00%
Clifford James	-	-	-	-	-	0.00%
Kilroy Genia	-	-	-	-	-	0.00%
<i>Key Management Personnel</i>						
David McIntosh	-	109,091	-	-	109,091	0.00%
Michael Palmer	-	-	-	-	-	0.00%
Total	-	109,091	-	-	109,091	
	Short Term Benefits		Post Employment Benefits	Share-Based Payments	Total	% of total that consists of options
	Salary \$	Fees & Other \$	Superannuation \$	Options \$		
30 June 2015						
<i>Non-Executive Directors</i>						
Paul Dickson	-	-	-	-	-	0.00%
Bevan Dooley	-	-	-	-	-	0.00%
David McIntosh	-	-	-	-	-	0.00%
Clifford M. James	-	-	-	-	-	0.00%
Kilroy Genia	-	-	-	-	-	0.00%
Doug Halley	-	24,000	2,220	-	26,220	0.00%
John Holliday	-	12,500	1,156	-	13,656	0.00%
<i>Key Management Personnel</i>						
Michael Palmer	-	45,000	-	12,295	57,295	21.46%
Total	-	81,500	3,376	12,295	97,171	

(a) Mike Palmer resigned as Managing Director on 4 September 2015

(b) David McIntosh was appointed as Interim Managing Director on 4 September 2015.

(c) Mike Palmer resigned as a Director to the Board on 7 September 2015

Share Options

Details of options over unissued shares granted during the year and unissued shares under option at balance date are outlined below. When exercisable, each option is convertible into one ordinary share of the Company.

Options granted during the year

No options were granted as part of remuneration to Directors or Key Management Personnel for the year ended 30 June 2016 or 30 June 2015

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

Shares under option issued to Directors and Key Management Personnel

Unissued ordinary shares of FOY Group Limited under option issued to Directors and Key Management Personnel or their related parties at the date of this report are as follows:

Name	Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option	Vesting Status
Paul Dickson	30/07/2015	5,400,000	\$ 0.20	31/12/2019	Vested in full
David McIntosh	30/07/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Clifford James	30/07/2015	283,159	\$ 0.20	31/12/2019	Vested in full
Paul Dickson	30/06/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Bevan Dooley	30/06/2015	1,379,311	\$ 0.20	31/12/2019	Vested in full
Clifford James	30/06/2015	406,497	\$ 0.20	31/12/2019	Vested in full
Total		10,227,589			

Mike Palmer resigned as Managing Director on 4 September 2015 and as a Non-executive Director in 7 September 2015. Stuart Clark was appointed as Managing Director on 25 August 2016. On the same date, David McIntosh resigned as Interim Managing Director. Mr McIntosh remains as a Non-Executive Director to the Board.

C. Service agreements

Mike Palmer

Mike Palmer who resigned as Managing Director on 4 September 2015 had an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements.

The following summarises the key provisions of Mr. Palmer's contract:

Mr. Palmer had an employment agreement that could be terminated by either party giving one months notice. Other than by normal operation of law, the contract does not provide for any termination payment. His employment agreement included a monthly retainer of A\$7,500 which had been waived until completion of the transaction with IGE. In lieu of the monthly retainer, following shareholder approval at the EGM held on 30 July 2015, Mr. Palmer is to be issued 250,000 ordinary shares and 250,000 unlisted options subject to re-listing. The options can be exercised at any time up to the expiry date being 31 December 2019 at an exercise price of \$0.20 on a post-consolidation basis.

David McIntosh

David McIntosh who was appointed Managing Director on 4 September 2015 has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements.

Stuart Clark

The Managing Director Stuart Clark has an agreement detailing the formal terms and conditions of appointment, expected time commitment, procedures regarding conflict of interest, performance appraisal and remuneration arrangements.

The following summarises the key provisions of Mr. Clark's contract:

Mr. Clark has an employment agreement which can be terminated by either party giving one months notice. Other than by normal operation of law, the contract does not provide for any termination payment. His employment agreement includes a monthly retainer of \$11,000 + GST.

D. Share-based compensation

Shareholding

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

Ordinary shares

		Balance 1 July 2015	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2016
Paul Dickson	(a)	6,779,311	-	-	-	-	6,779,311
Bevan Dooley	(a)	1,379,311	-	-	-	-	1,379,311
David McIntosh	(b)	288,977	-	1,379,311	-	-	1,668,288
Clifford M. James	(c)	406,497	-	283,159	-	-	689,656
Kilroy Genia	(d)	-	-	-	-	-	-
Michael Palmer	(e)	3,084,306	-	689,656	-	-	3,773,962

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

		Balance 1 July 2014	Received as remuneration	Additional	Disposals	Other changes	Balance 30 June 2015
Paul Dickson	(a)	-	-	1,379,311	-	5,400,000	6,779,311
Bevan Dooley	(a)	-	-	1,379,311	-	-	1,379,311
David McIntosh	(b)	-	-	288,977	-	-	288,977
Clifford M. James	(c)	-	-	406,497	-	-	406,497
Kilroy Genia	(d)	-	-	-	-	-	-
Michael Palmer	(e)	140,000	-	2,944,306	-	-	3,084,306
Doug Halley	(f)	1,248,138	-	431,862	-	(1,680,000)	-
John Holliday	(g)	218,759	-	-	-	(218,759)	-

(a) Paul Dickson and Bevan Dooley were appointed as Directors to the Board on 24 October 2014.

(b) David McIntosh was appointed as a Director to the Board on 15 December 2014. He was made Interim Managing Director on 4 September 2015.

(c) Clifford James was appointed as a Director to the Board on 22 December 2014.

(d) Kilroy Genia was appointed as a Director to the Board on 21 January 2015.

(e) Mike Palmer was appointed as Managing Director on 5 May 2014. He resigned on 4 September 2015 as Managing Director and as a Non-executive Director on 7 September 2015.

(f) Stuart Clark was appointed as Managing Director on August 2016.

Capital Promissory Notes

The number of capital promissory notes in the parent entity held during the financial year by each Director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

		Balance 1 July 2015	Issued	Converted to shares	Other changes	Balance 30 June 2016
Paul Dickson	(a)	-	-	-	-	-
Bevan Dooley	(b)	-	-	-	-	-
David McIntosh	(c)	100,000	-	(100,000)	-	-
Clifford M. James	(d)	20,529	-	(20,529)	-	-
Kilroy Genia	(e)	-	-	-	-	-
Michael Palmer	(f)	50,000	-	(50,000)	-	-

Option holding

The number of options in the parent entity held during the financial year by each Director and key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options - unlisted

		Balance 1 July 2015	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2016
Paul Dickson	(a)	1,379,311	-	-	-	5,400,000	6,779,311
Bevan Dooley	(a)	1,379,311	-	-	-	-	1,379,311
David McIntosh	(b)	1,379,311	-	-	-	-	1,379,311
Clifford M. James	(c)	406,497	283,159	-	-	-	689,656
Kilroy Genia	(d)	-	-	-	-	-	-
Michael Palmer	(e)	1,418,780	689,656	-	-	-	2,108,436

		Balance 1 July 2014	Issued	Exercised	Lapsed	Other changes	Balance 30 June 2015
Paul Dickson	(a)	-	1,379,311	-	-	-	1,379,311
Bevan Dooley	(a)	-	1,379,311	-	-	-	1,379,311
David McIntosh	(b)	-	1,379,311	-	-	-	1,379,311
Clifford M. James	(c)	-	406,497	-	-	-	406,497
Kilroy Genia	(d)	-	-	-	-	-	-
Michael Palmer	(e)	729,124	689,656	-	-	-	1,418,780
Doug Halley	(f)	160,000	-	-	-	(160,000)	-
John Holliday	(g)	100,000	-	-	-	(100,000)	-

All options had vested in full at reporting date.

DIRECTORS REPORT (CONTINUED)

Remuneration Report (continued)

Share-based compensation in the form of options over ordinary shares are provided to Directors and Key Management Personnel as performance incentives in the achievement of significant increases in share price and contributions to the company outside of normal Director duties.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

No share-based compensation in the form of options over ordinary shares were issued during the year ended 30 June 2016 and up to the date of this report.

Shares under option

Unissued ordinary shares of FOY Group Limited under option at the date of this report are as follows:

Date Options Granted	Number of Options on Issue	Exercise Price per Option	Expiry Date of Option
03/11/2011	260,000	\$ 1.50	30/09/2016
22/11/2012	182,281	\$ 1.00	30/06/2017
22/11/2012	182,281	\$ 1.25	30/06/2017
22/11/2012	182,281	\$ 1.25	30/06/2018
22/11/2012	182,281	\$ 1.75	30/06/2018
22/04/2015	3,384,451	\$ 0.20	31/12/2019
30/06/2015	7,992,709	\$ 0.20	31/12/2019
30/07/2015	14,215,953	\$ 0.20	31/12/2019
22/09/2015	2,343,331	\$ 0.20	31/12/2019
Total	28,925,568		

E. Total Shareholders Return

The earnings of the consolidated entity for the five years to 30 June 2016 are summarised below:

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Revenue from sales or services	-	-	0	15	184
EBITDA	(1,325)	(2,045)	(6,042)	(4,774)	(1,539)
EBIT	(1,333)	(2,055)	(6,053)	(4,783)	(1,545)
Loss after income tax	(1,342)	(2,160)	(6,108)	(4,102)	(1,545)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2016	2015	2014	2013	2012
	Post-consolidation basis				
Share price at end of financial year	\$ 0.375	\$ 0.125	\$ 0.025	\$ 0.075	\$ 0.200
Total dividends declared	\$ -	\$ -	\$ -	\$ -	\$ -
Basic earnings per share	\$ (0.02)	\$ (0.05)	\$ (0.19)	\$ (0.02)	\$ (0.01)

This concludes the remuneration report which has been audited.

Auditor

Hall Chadwick continues in the office in accordance with section 327 of the Corporations Act 2001.

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



Paul Dickson
Executive Chairman
30th day of September 2016 at Sydney.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, FOY Group Limited and its Controlled Entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations - 3rd edition ('the ASX Principles') are applicable for financial years commencing on or after 1 July 2014, consequently for the Group's 30 June 2016 year end. As a result, the Group has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report.

The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at <http://www.foygroup.com.au>

The Group's Corporate Governance 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.

**FOY GROUP LIMITED
ABN 23 003 669 163
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FOY GROUP LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

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



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 30 September 2016

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated	
		30/06/2016 \$	30/06/2015 \$
Revenue	3	50,123	152,392
Expenses			
Administrative expenses		(186,041)	(208,525)
Consultants expenses		(444,552)	(333,737)
Depreciation and amortisation	8	(7,638)	(10,063)
Due diligence and transaction costs		(384,910)	(971,987)
Employment expenses		(110,956)	(79,876)
Finance costs		(9,427)	(105,334)
Foreign currency movements		-	(5,125)
Insurance expenses		(37,900)	(33,858)
Occupancy expenses		(91,296)	(50,298)
Other expenses		(117,957)	(91,416)
Impairment expense		-	(410,328)
Share based payment expense		-	(12,295)
Loss before income tax expense		(1,340,554)	(2,160,450)
Income tax benefit	4	-	-
Net loss for the year		(1,340,554)	(2,160,450)
Other comprehensive income			
Items that may subsequently be classified to profit and loss			
Exchange differences arising in translation of foreign operations		(399,547)	139,821
Total comprehensive income for the year, net of tax		(1,740,101)	(2,020,629)

Cents / Share	
30/06/2016 \$	30/06/2015 \$
Basic and diluted loss per share (on a post-consolidation basis)	21
(0.02)	(0.05)

The Statement of Profit & Loss and other Comprehensive Income is to be read in conjunction with the accompanying notes
Refer to Note 3 for detailed information on restatement of comparatives.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Consolidated	
		30/06/2016	30/06/2015
		\$	\$
Current assets			
Cash and cash equivalents	5	42,642	305,164
Trade and other receivables	6	17,394	56,002
Other current assets	7	47,363	42,675
Total current assets		107,399	403,841
Non-current assets			
Property, plant and equipment	8	1,927	9,566
Intangible Assets	9	16,115	-
Mineral rights	10	12,924,467	12,924,467
Exploration and evaluation assets	11	2,441,851	2,839,847
Total non-current assets		15,384,360	15,773,880
Total assets		15,491,759	16,177,721
Current liabilities			
Trade and other payables	12	1,437,080	1,031,783
Loans and other borrowings	13	348,432	658,023
Total current liabilities		1,785,512	1,689,806
Total liabilities		1,785,512	1,689,806
Net assets		13,706,247	14,487,915
Equity			
Issued capital	14	109,809,427	108,850,995
Share reserve	14	2,101,201	2,101,201
Foreign currency reserve	14	292,854	692,401
Accumulated losses		(98,497,235)	(97,156,682)
Shareholders equity		13,706,247	14,487,915

The Statement of Financial Position is to be read in conjunction with the accompanying notes.
Refer to Note 3 for detailed information on restatement of comparatives

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated					
	Issued capital	Foreign currency reserve	Share reserve	Acquisition reserve	Accumulated losses	Total equity attributable to FOY Group Limited Shareholders
	\$	\$	\$	\$	\$	\$
Balance 1 July 2014	107,727,320	552,580	2,088,906	(600,000)	(106,001,232)	3,567,574
Net loss for the year	-	-	-	-	(2,160,450)	(2,160,450)
Other comprehensive income	-	139,821	-	-	-	139,821
Total comprehensive expense for the period	-	139,821	-	-	(2,160,450)	(2,020,629)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs	1,123,675	-	-	-	-	1,123,675
Share compensation expense	-	-	12,295	-	-	12,295
Acquisition of Titan Mines Limited	-	-	-	600,000	11,005,000	11,605,000
Total transactions with owners recorded directly in equity	1,123,675	-	12,295	600,000	11,005,000	12,740,970
Balance 30 June 2015	108,850,995	692,401	2,101,201	-	(97,156,682)	14,487,915

	Consolidated					
	Issued capital	Foreign currency reserve	Share reserve	Acquisition reserve	Accumulated losses	Total equity attributable to FOY Group Limited Shareholders
	\$	\$	\$	\$	\$	\$
Balance 1 July 2015	108,850,995	692,401	2,101,201	-	(97,156,682)	14,487,915
Net loss for the year	-	-	-	-	(1,340,554)	(1,340,554)
Other comprehensive income	-	(399,547)	-	-	-	(399,547)
Total comprehensive expense for the period	-	(399,547)	-	-	(1,340,554)	(1,740,101)
Transactions with owners in their capacity as owners:						
Shares issued net of transaction costs	958,433	-	-	-	-	958,433
Total transactions with owners recorded directly in equity	958,433	-	-	-	-	958,433
Balance 30 June 2016	109,809,428	292,854	2,101,201	-	(98,497,236)	13,706,247

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.
Refer to Note 3 for detailed information on restatement of comparatives

STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated	
		30/06/2016	30/06/2015
		\$	\$
Cash flows from operating activities			
Payment to suppliers and employees inclusive of goods and services tax		(984,396)	(968,402)
		(984,396)	(968,402)
Government grants received		107,776	317,061
Interest received		471	4,628
Finance costs paid		(9,427)	(49,995)
Net cash outflow from operating activities	20	(885,576)	(696,708)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(1,362)
Sale of property, plant and equipment		-	3,892
Exploration expenditure		(54,607)	(216,096)
Payments for Patents		(16,115)	-
Amazon Bay acquisition payment		-	(150,000)
Net cash outflow from investing activities		(70,722)	(363,566)
Cash flows from financing activities			
Proceeds from the issue of shares		401,500	332,676
Proceeds from borrowings		292,276	1,000,000
Net cash inflow from financing activities		693,776	1,332,676
Net (decrease)/increase in cash and cash equivalents		(262,522)	272,402
Cash and cash equivalents at the beginning of the financial year		305,164	32,762
Cash and cash equivalents at the end of the financial year	6	42,642	305,164

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

FOY Group Limited is a for profit-entity for the purpose of preparing the Financial Statements.

The consolidated financial statements of FOY Group Limited comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial report covers FOY Group Limited and controlled entities as a consolidated entity. FOY Group Limited is a listed public company on the Australian Securities Exchange (trading under the symbol "FOY"), incorporated in Australia.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The consolidated financial statements of FOY Group Limited for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors on 30th September 2016.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 1. Statement of Significant Accounting Policies (continued)

New, revised or amending standards and interpretations adopted (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019, and will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial

The Group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies (continued)

Going concern basis of accounting

During the year ended 30 June 2016, the Group incurred an operating loss before tax of \$1,340,554 and a working capital deficiency of \$1,678,112 as at that date, as disclosed in the statement of profit or loss and statement of financial position, respectively. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful with respect to the following factors:

- a) The ability of the Group to raise additional funds from shareholders and new investors. The Group has successfully conducted a small equity placement of \$122,500 post year end and has received ASX approval to raise an additional \$456,000.

The Group intends to raise additional funds of \$18.5 million under a public offering to sophisticated investors in order to provide working capital and build a 200 tonne per day end of life waste plastics to fuel facility in the ACT utilising the non-recyclable waste plastics to fuel technology being acquired through the IGE transaction.

- b) Completion of the ACT Facility commissioning and the acquisition of all permits and licenses required to run the ACT end of life waste plastics to fuel facility.
- c) Successful implementation, development, expansion of the ACT facility to 200 tonnes per day.
- d) The conversion of existing debt finance to equity.

The above factors give rise to material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

However, the Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2016. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of FOY Group Limited ('Company or parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. FOY Group Limited and its subsidiaries together are referred to in this financial report as the 'consolidated entity' or the 'Group'.

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

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.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 1. Statement of Significant Accounting Policies (continued)

Foreign currency translation

The functional and presentation currency of the Group is Australian dollars. 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods are recognised when goods are delivered and title has passed. Service revenue is recognised by reference to the stage of completion of the transaction at balance date. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective rate applicable.

Other revenue is recognised when it is received or when the right to receive payment is established.

Financial Assets

Financial Instruments

Financial Instruments are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified at fair value through the profit or loss.

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 subsequently measured at amortised cost using the effective interest rate method.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or a shorter period where appropriate.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired when there is no objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Reversal of impairment

If in a subsequent accounting 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.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities are recognised initially at fair value at the trade date at which the Group becomes party to the contractual provisions of the instrument. The Groups financial liabilities include trade and other payables.

Derecognition of financial liabilities

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies (continued)

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Investments

Investments are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset is defined as the higher of its fair value less costs to sell and value in use.

Farm-In Arrangements

A "farm out" or "farm in" occurs when the Group assigns an interest in an exploration asset to another party (the "farmee"). This is often in exchange for an agreement by the farmee to pay for a defined amount of exploration costs to earn-in a defined interest in an exploration project or asset. This typically occurs during the exploration or development stage and is a common method entities use to share the cost and risk of developing properties.

The Group's policy in respect of farm-in arrangements during the earn-in period (i.e. the period during which the farmee is spending the agreed amount of exploration costs, before it has earned an interest in the project) is to recognise the exploration costs incurred by the farmee as an exploration and evaluation asset on its balance sheet. These costs are still subject to AASB 6 Exploration for Evaluation of Mineral Resource. At the same time the Group recognises a non-financial liability on its balance sheet representing the obligation that the Group has to spend the contributions on the exploration project or asset, or return the farmee. This liability is measured based on the amount that has been contributed by the farmee and is not subsequently remeasured. Given the short term nature of the liability, the contribution value is deemed to approximate the fair value of the liability. The financial liability is removed from the balance sheet once the farmee has earned an interest and the Group has legally transferred the relevant interest to the farmee.

The Group has adopted a policy of partial de-recognition of a farm-out arrangement in that, once the farmee has earned an interest in the project and the Group has legally transferred the relevant interest, the percentage of the project or asset cost now owned by the farmee is de-recognised from the balance sheet of the Group. Any difference between the contributions received and the asset value at the date of transfer is recognised as a gain or loss on disposal in the statement of profit or loss of the Group.

Exploration and evaluation assets and mineral rights

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current
 - at least one of the following conditions is also met
 - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (ii) exploration and evaluation activities in the area have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.
-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies (continued)

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured.

Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except those that are incurred as part of the construction of a qualifying asset, which are capitalised. Finance costs include interest on short and long term borrowings.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Intangible Assets

Patents are recorded at cost and are amortised over a period of 20 years, being the period in which their benefits are expected to be realised

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Plant and equipment is depreciated at rates of between 11.25% and 40.00%.

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

Income tax

The income tax expense or benefit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses where applicable.

Income tax credits, such as the R&D tax concession, are recognised as an income tax benefit in the statement of profit or loss when the right to receive payment is established.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company is the head entity in a tax-consolidated group comprising the Company and all of its Australian wholly owned subsidiaries. The implementation date of the tax consolidated system of the tax consolidated group was 1 July 2003. The members of the tax consolidated group have not entered into any tax funding arrangements or a tax sharing agreement dealing with the allocation of income tax liabilities should the head entity default on its obligations. Tax funding or sharing agreements are not considered to be currently relevant to the operations of the tax consolidated group given the tax losses available for use.

Cash and cash equivalents

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and 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.

Trade and other receivables

All trade and other receivables are recognised at the amounts receivable as they are generally due for settlement by no more than 30 days. Terms of settlement vary depending on seasonality and the type of product sold.

Collectability of trade and other debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 1. Statement of Significant Accounting Policies (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in trade and other receivables or trade and other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Foreign currencies translations and balances

Transactions and balances

Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues or expenses for the financial year.

Issued capital

Ordinary share 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.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon would be recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in the statement of comprehensive income as accrued.

Parent entity financial information

The financial information for the parent entity, FOY Group Limited, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements.

Convertible notes

On issuance of convertible notes, an assessment is made to determine whether the convertible notes contain an equity instrument or whether the whole instrument should be classified as a financial liability.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 2. Critical Accounting Estimates and Judgements

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

Share-based payments

Share-based compensation benefits are provided to Directors and employees. The fair value of options granted is recognised as an expense with a corresponding increase in the options reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated group successfully recovers the related exploration and evaluation asset through sale of the asset. Factors that could impact the future recoverability include but not limited to the level of reserves and resources, technological changes, changes in the legal and political environment, costs of exploration and production, environmental restoration obligations and changes in commodity prices.

Note 3: Other income

Research and Development Rebate
Finance Income
Total other income

Consolidated	
30/06/2016	30/06/2015
\$	\$
49,652	147,764
471	4,628
50,123	152,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 4: Income tax

a) Income tax benefit

Current tax

Deferred tax

Income tax benefit

b) Reconciliation of income tax benefit to pre-tax accounting loss

Loss before income tax

Tax at the Australian tax rate 30%

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Research and development claim

Other permanent differences

Movement in timing differences

Income tax expense not recognised

Income tax benefit

c) Deferred tax

Deferred tax relates to the following:

Deferred tax assets - timing

The balance comprises:

Tax losses carried forward

Timing differences

Non-recognition of deferred tax asset

Total deferred tax assets

Deferred tax assets - recognised in equity

Section 40-880 costs

d) Deferred tax liabilities

Consolidated	
30/06/2016	30/06/2015
\$	\$
-	-
-	-
(1,340,554)	(2,160,450)
(402,166)	(648,135)
-	(39,457)
-	130,471
-	14,999
402,166	542,122
-	-
27,483,808	27,483,808
-	94,349
(27,483,808)	(27,578,157)
-	-
-	16,598
-	-

The movement in the deferred tax liabilities has arisen from the impairment of exploration assets and mineral rights during the prior period. Following Shareholder approval of the IGE transaction at the EGM held on 30 July 2015, due to the change in the nature of the Groups business and issue of equity to the IGE shareholders, it is anticipated that the carried forward tax losses will no longer be able to be utilised.

Note 5: Cash and cash equivalents

Cash at bank

Rental bond

Consolidated	
30/06/2016	30/06/2015
\$	\$
25,356	287,878
17,286	17,286
42,642	305,164

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 6: Trade and other receivables

Trade receivables
Less: Provision for impairment of receivables

Other receivables

Consolidated	
30/06/2016	30/06/2015
\$	\$
50,000	50,000
(50,000)	(50,000)
-	-
17,394	56,002
17,394	56,002

Note 7: Other current assets

Prepayments

Consolidated	
30/06/2016	30/06/2015
\$	\$
47,363	42,675
47,363	42,675

Note 8: Property, plant and equipment

Plant and equipment - at cost
Less: Accumulated depreciation

Leasehold improvements - at cost
Less: Accumulated amortisation

Consolidated	
30/06/2016	30/06/2015
\$	\$
33,494	33,494
(31,567)	(23,928)
4,500	4,500
(4,500)	(4,500)
1,927	9,566

Reconciliations

Reconciliations of the net book values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment	Motor vehicles	Leasehold improvements	Total
	\$	\$	\$	\$
Consolidated				
Balance 1 July 2014	18,894	7,643	988	27,525
Additions	1,362	-	-	1,362
Disposals	(858)	(3,892)	-	(4,750)
FX Movements	39	213	-	252
Depreciation expense (a)	(9,871)	(3,964)	(988)	(14,823)
Balance 30 June 2015	9,566	-	-	9,566
Balance 1 July 2015	9,566	-	-	9,566
Depreciation expense (a)	(7,639)	-	-	(7,639)
Balance at 30 June 2016	1,927	-	-	1,927

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 9: Intangible Assets

Patents

Consolidated	
30/06/2016	30/06/2015
\$	\$
16,115	-
16,115	-

Note 10: Mineral Rights

Mineral rights

Consolidated	
30/06/2016	30/06/2015
\$	\$
12,924,467	12,924,467
12,924,467	12,924,467

Reconciliations

Movement of mineral rights expenditure at the beginning and end of the current and previous financial year is set out below:

	Consolidated	
	30/06/2016	30/06/2015
	\$	\$
Balance at beginning of financial period	12,924,467	12,924,467
Movement in foreign currency reserve	-	-
Impairment of mineral rights	-	-
Balance at the end of the financial period	12,924,467	12,924,467

The Directors have assessed the Group's carrying value of the capitalised mineral rights and note that the future recoverability subject to the successful development and exploitation of the exploration assets or sale of those assets and the ability of the Group to successfully implement the Bio-mass to Electricity technology acquired from Integrated Green Energy at Amazon Bay

This assessment is supported by an independent valuation conducted by Terence Willstedt, in accordance with the relevant requirements and listing rules of the Australian Securities Exchange Limited, the Australian Securities and Investment Commission and the VALMIN Code of the Australasian Institute of Mining and Metallurgy. The VALMIN Code sets out the principles and matters, which should be taken into account in preparation of a technical expert report concerned with mining assets.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 25-year period. The cash flows are subject to a 25% discount rate from the beginning of the budget period.

The following key assumptions were used in the value-in-use calculations:

Discount rate	25%
Average inflation rate over life of project	2.75%
Average iron ore price over life of project	\$60
Average AUD/US exchange rate over life of project	\$0.80

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 11: Exploration and evaluation expenditure

Exploration expenditure

Consolidated	
30/06/2016	30/06/2015
\$	\$
2,441,851	2,839,847
2,441,851	2,839,847

Reconciliations

Movement of exploration and evaluation expenditure at the beginning and end of the current and previous financial year is set out below:

Balance at beginning of financial period
Exploration and evaluation capitalised in current period
Movement in foreign currency reserve
Impairment of tenements
Refund of government grants

Consolidated	
30/06/2016	30/06/2015
\$	\$
2,839,847	3,068,881
59,675	220,855
(399,547)	139,569
-	(403,919)
(58,124)	(185,539)
2,441,851	2,839,847

The Directors have assessed the Group's carrying value of the capitalised exploration assets and note that the future recoverability is subject to the successful development and exploitation of the exploration assets or sale of those assets and the ability of the Group to successfully implement the Bio-mass to Electricity technology acquired from Integrated Green Energy at Amazon Bay.

Note 12: Trade and other payables

Trade payables
Accrued expenses and sundry creditors
Share Subscriptions Received in Advance

Consolidated	
30/06/2016	30/06/2015
\$	\$
1,212,602	718,264
174,478	313,519
50,000	-
1,437,080	1,031,783

Note 13: Loans and other borrowings

Loan from IGE
Loan and interest payable to TVI Pacific Inc.
Capital promissory notes and interest payable

Consolidated	
30/06/2016	30/06/2015
\$	\$
292,277	-
24,081	211,314
32,075	446,709
348,432	658,023

Loan and Interest - TVI Pacific Inc.
Loan and Interest - capital promissory notes

30/06/2015	Interest Accrued	Share Issue	30/06/2016
\$	\$	\$	\$
211,314	1,239	(188,472)	24,081
446,709	5,895	(420,529)	32,075
658,023	7,134	(609,001)	56,156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 13: Loans and other borrowings (continued)

Loan and interest payable to TVI Pacific Inc.

After issuing shares to the value of \$211,528 in the year to 30 June 2015 to satisfy part of the \$400,000 loan from TVI, FOY was left with a balance of \$211,314 including interest. The principal of this loan was satisfied with the issue of a further 3,015,550 ordinary shares each with an attaching unlisted option at a conversion price of \$0.0625. The remaining balance represents interest on the loan, which stopped accruing on 30 July 2015 when the final tranche of shares was issued. The interest is payable as cash.

Capital promissory notes and interest payable

After issuing shares to the value of \$579,471 in the year to 30 June 2015 to satisfy part of the \$1,000,000 in debt securities, FOY was left with a balance of \$446,709 including interest. The principal of these Notes was satisfied with the issue of a further 5,800,403 ordinary shares each with an attaching unlisted option at a conversion price of \$0.0725. The remaining balance represents interest on the Notes, which stopped accruing on 30 July 2015 when the final tranche of shares was issued. The interest is payable as cash.

Loan from Integrated Green Energy Limited

During the period FOY and IGE received a loan of \$750,000 from IGE shareholders, of which \$292,277 was transferred to FOY. Subject to shareholder approval and the completion of the IGE transaction, this loan shall be repaid via the issue of securities. Interest payable shall be the Reuters Bank Bill Swap Bid Rate plus 3%, with the share price used for the calculation being the 30 day volume weighted average price of FOY at the date of conversion.

Note 14: Equity - issued capital and reserves

	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	Shares	Shares	\$	\$
<i>Ordinary shares</i>				
Ordinary shares - authorised and fully paid	64,592,882	53,433,599	109,809,427	108,850,995
	64,592,882	53,433,599	109,809,427	108,850,995

Movements in ordinary share capital

Opening balance 1 July 2015
Share placement - issue on placement to sophisticated investors
Share placement - Issue on conversion of Debt to TVI Pacific Inc.
Share placement - Issue on conversion of Capital Promissory Notes
Transaction costs
Balance at 30 June 2016

No. of shares	\$
53,433,599	108,850,995
2,343,333	351,500
3,015,549	188,472
5,800,400	420,529
-	(2,069)
64,592,882	109,809,427

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 14: Equity - issued capital and reserves (continued)

	Consolidated	
	30/06/2016	30/06/2015
	\$	\$
<i>Share reserve</i>		
(i) Nature and purpose of reserve		
This reserve is used to record the fair value of converting redeemable preference shares and options		
Balance at beginning of year	2,101,201	2,088,906
Share compensation expense	-	12,295
Balance at end of year	2,101,201	2,101,201
<i>Foreign currency reserve</i>		
(i) Nature and purpose of reserve		
This reserve is used to record the exchange differences arising on translation of a foreign entity		
Balance at beginning of year	692,401	552,580
Foreign currency movements	(399,547)	139,821
Balance at end of year	292,854	692,401
<i>Acquisition reserve</i>		
(i) Nature and purpose of reserve		
This reserve is used to record the value of payments made in consideration of the option to acquire the remaining shares in Titan Mines Limited.		
Balance at beginning of year	-	(600,000)
Amazon Bay acquisition payment	-	(150,000)
Elimination of reserve on acquisition of Titan Mines Limited	-	750,000
Amazon Bay option payment	-	-
Balance at end of year	-	-

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 15: Financial risk management

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments

- credit risk
- liquidity risk
- market risk

This note presents information about the Company and consolidated entity's exposure to each of the above risks, the objective, policies and processes for measuring and managing the risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future exploration and evaluation of its tenements.

The consolidated entity defines capital as the equity as shown on the consolidated balance sheet.

There were no changes in the consolidated entity's approach to capital management during the year. Neither the Company nor subsidiaries are subject to externally imposed capital requirements.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers. For the Company it arises from receivables due from subsidiaries and associates.

The consolidated entity mitigates credit risk through a review of each potential customer. The maximum exposure to credit risk at the reporting date is disclosed in Note 7.

The consolidated entity is also indirectly affected by credit risk through its cash balances. The consolidated entity mitigates its risk through investment in triple rated financial institutions.

FOY Group Limited undertakes a review of all loans and receivables periodically and assesses the recoverability of the asset against analysis of estimated future cash flows from future operations. Where the estimated future cash flows do not support recoverability of the loan balance, an allowance for impairment is recognised in the consolidated statement of comprehensive income.

Liquidity risk

Liquidity risk is the risk that the Company or consolidated entity will not be able to meet its financial obligations as they fall due. Refer Note 1: Going concern basis of accounting. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The cash facilities are continually monitored matching forecast cash flows with the maturity profile of financial assets and liabilities.

The following table shows the contractual maturities of financial liabilities.

	Consolidated			
	Carrying Amount	Contractual Cash Flows	6 months or less	Between 6 and 12 months
	\$	\$	\$	\$
Trade and other payables	1,437,080	1,437,080	1,437,080	-
Loans and other borrowings	348,432	56,156	56,156	292,276
	1,785,512	1,493,236	1,493,236	292,276

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 15: Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the consolidated entity's income or the value of its exploration tenements. The objective of market risk is to manage and control the market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity undertakes transactions in foreign currencies. The consolidated entity manages foreign exchange exposure by constantly monitoring and analysing exchange risks and currency used within its operations.

At 30 June 2016, the consolidated entity had payables in foreign currency of K95,037 relating to transactions for which the consolidated entity had firm commitments.

Based on the foreign currency payables at 30 June 2016 of K95,037, an official decrease in exchange rates of one percentage point would have a positive effect on profitability and equity of approximately \$410 per annum.

Conversely an official increase in exchange rates of one percentage point would have an adverse effect on profitability and equity of approximately \$410 per annum.

There were no forward exchange contracts in place at 30 June 2016.

Price risk

The consolidated entity is indirectly affected by price risk, through variances in commodity prices which in turn could affect the valuation of its exploration tenements.

Interest rate risk

The consolidated entity manages interest rate risk by constantly monitoring its interest rate sensitive assets and liabilities.

The consolidated entity has undertaken a sensitivity analysis on interest rate risk and has determined a one percentage point movement over the last twelve months is consistent with current market trends.

	Consolidated			
	Floating	Fixed Interest	Non Interest	Total
	\$	\$	\$	\$
30 June 2016				
<i>Financial assets</i>				
Cash at bank	42,642	-	-	42,642
Trade and other receivables	-	-	17,394	17,394
Total financial assets	42,642	-	17,394	60,036
Weighted average interest rate	2.85%			
<i>Financial liabilities</i>				
Trade and other payables	-	-	1,437,080	1,437,080
Loans and other borrowings	292,277	-	56,155	348,432
	292,277	-	1,493,235	1,785,512
Weighted average interest rate	4.80%			

Based on cash at hand of \$42,642 as at 30 June 2016, a increase in interest rates of one percentage point would have a positive effect on profitability and equity of approximately \$426 per annum. Conversely, a decrease in interest rates of one percentage point would have an adverse effect on profitability and equity of approximately \$426 per annum.

The following tables detail the consolidated entity's exposure to interest rate risk at the end of the current and previous financial year:

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 15: Financial risk management (continued)

	Consolidated			
	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
	\$	\$	\$	\$
30 June 2015				
<i>Financial assets</i>				
Cash at bank	305,164	-	-	305,164
Trade and other receivables	-	-	56,002	56,002
Total financial assets	305,164	-	56,002	361,166
Weighted average interest rate	2.85%			
<i>Financial liabilities</i>				
Trade and other payables			1,031,783	1,031,783
Loans from related parties		658,023	-	658,023
	-	658,023	1,031,783	1,689,806
Weighted average interest rate	4.80%			

Fair value of financial instruments

The carrying amount of financial instruments are deemed to reflect their fair value given their short term nature.

Note 16: Key management personnel disclosures

Compensation

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

	Consolidated	
	30/06/2016	30/06/2015
	\$	\$
Short-term employee benefits	109,091	81,500
Post-employment benefits	-	3,376
Share-based payments	-	12,295
	109,091	97,171

Detailed remuneration disclosures are contained in the remuneration report on page 16 to 19.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 17. Related party transactions

Paul Dickson participated directly in the company's fundraising activities during the year. On 23 October 2014, the Company raised \$337,500 through the issue of 5,400,000 Ordinary Shares at an issue price of \$0.0625. As a result of the placement Paul Dickson was issued with 5,400,000 Unlisted Options with an exercise price of \$0.20 and an expiry date of 31 December 2019 following Shareholder approval at the EGM held on 30 July 2015.

Cliff James is a Director of TVI Pacific Inc. and TVI Pacific Inc. participated in the Company's fundraising activities during the year. On 30 July 2015, 200,000 Capital Promissory Notes with a face value of \$200,000 were converted into 2,758,621 Ordinary Shares and 2,758,621 Unlisted Options with an exercise price of \$0.20 per share.

Cliff James participated directly in the company's fundraising activities during the year. On 30 July 2015, 20,529 Capital Promissory Notes with a face value of \$20,529 were converted into 283,159 Ordinary Shares and 283,159 Unlisted Options with an exercise price of \$0.20 per share.

The Company was bound by sec 611 of the Corporations Act which restricted TVI increasing its voting power in the Company by more than three percentage points higher than its voting power six months before the acquisition. Shareholders approved the issue of the remaining 3,015,550 ordinary shares and 3,015,550 unlisted options at the EGM held on 30 July 2015.

David McIntosh is an associate of McIntosh & Associates Pty Ltd <David McIntosh Family A/c>. This associate of David McIntosh participated in the Group's fundraising activities during the year. On 30 July 2015, 100,000 Capital Promissory Notes with a face value of \$100,000 were converted into 1,379,311 Ordinary Shares and 1,379,311 Unlisted Options with an exercise price of \$0.20 per share.

David McIntosh is also a Director of McIntosh & Associates Pty Ltd. McIntosh & Associates Pty Ltd has received payments for consulting services rendered during the year. These fees are included in the Remuneration Report in the Directors' Report.

Mike Palmer is an associate of M & C Palmer Investments Pty Ltd <M & C Palmer Super Fund A/c> and Coralie Palmer. These associates of Mike Palmer participated in the Company's fundraising activities during the year. On 30 July 2015, 50,000 Capital Promissory Notes with a face value of \$50,000 were converted into 689,656 Ordinary Shares and Unlisted Options with an exercise price of \$0.20 per share.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 18. Auditors remuneration

On 30 November 2015 at the Annual General Meeting of Shareholders the Company's auditors BDO East Coast Partnership were formally removed and Hall Chadwick were appointed as the Company's auditors. BDO provided R&D, tax and other advisory services relating to the IGE transaction during the period.

The following outlines the fees paid or payable for services provided by the auditors during the financial year.

Audit services

Audit fees paid or payable to BDO East Coast Partnership

Audit fees paid or payable to Hall Chadwick

Non-audit services

Amounts received or due and receivable by BDO East Coast Partnership

- Taxation services

- Corporate advisory services

Consolidated	
30/06/2016	30/06/2015
\$	\$
83,477	46,500
34,000	-
9,152	59,952
-	-
126,629	106,452

Note 19: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policies described in Note 1:

Name of entity	Country of Incorporation	Equity holding %	
		30/06/2016	30/06/2015
New Guinea Iron Pty Limited	Australia	100	100
GAMAS Magnesium Technology Pty Limited	Australia	100	100
Titan Metals Limited	Australia	100	100
Magnesium Holdings Pty Ltd	Australia	100	100
Magnesium Developments Pty Limited	Australia	100	100
Magnesium International (No.1) Pty Limited	Australia	100	100
Magnesium International (No.2) Pty Limited	Australia	100	100
SAMAG Pty Limited	Australia	100	100
FOY Australia Pty Ltd	Australia	100	100
FOY Technology Pty Ltd	Australia	100	100
Titan Metals Limited	PNG	100	100
Titan Mines Limited	PNG	100	100
Fairway Resources Limited	PNG	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 20. Reconciliation of loss after income tax to net cash flows from operating activities

	Consolidated	
	30/06/2016	30/06/2015
	\$	\$
Loss after income tax	(1,340,554)	(2,160,450)
Depreciation and amortisation	7,638	10,063
Impairment expense	-	403,919
Interest expense	-	55,339
Loss on disposal of fixed assets	-	858
Share-based payments expense	-	12,295
Reduction in exploration assets due to grants received	-	185,539
Changes in operating assets and liabilities:		
Decrease in trade and other receivables	38,608	376,263
(Decrease)/increase' in other assets	(4,688)	37,067
Increase in trade and other payables	413,420	408,865
(Decrease) in provisions	-	(26,466)
Net cash outflow from operating activities	(885,576)	(696,708)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Note 21. Earnings per share

Profit attributable to ordinary shareholders

Net profit / (loss) attributable to ordinary shareholders

Weighted average number of ordinary shares

(on a post-consolidation basis)

Issued ordinary shares at beginning of year

Effect of shares issued

Weighted average number of shares on issue at reporting date

Basic and dilutive loss per share

Options and converting redeemable preference shares are not dilutive

Consolidated	
30/06/2016	30/06/2015
\$	\$
(1,340,554)	(2,160,450)
2016	2015
No.	No.
53,433,599	36,656,439
8,905,737	4,351,056
62,339,336	41,007,495
(0.02)	(0.05)

Note 22: Operating segments

FOY Group Limited has two operating and geographical segments. For management reporting purposes, the Group is organised into business units based on its activities and has identified its business segments as follows:

- The exploration areas segment undertakes exploration and evaluation activities. Exploration and evaluation activities are currently being undertaken in the geographical segment of Papua New Guinea.
- The Corporate activities which incorporates the corporate functions of the parent entity including regulatory activities and the development of new markets and business opportunities. It is based in the geographical segment of Australia.

Management monitors the operating results of its operating segments separately for the purpose of making decisions on resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the consolidated financial statements. Transfer prices between operating segments are on an arms length basis in a manner similar to transactions between third parties.

30 June 2016

Revenue

Cost of sales

Gross Profit

Other Income

Finance income

Other income

Research and development claim

Expenses

Loss before income tax

Income tax benefit

Net loss for the year

Other comprehensive income

Exchange differences arising in translation of foreign operations

Total comprehensive income, net of tax

Total assets

Total liabilities

Geographical Segments		
Papua New Guinea	Australia	Total
Operational Segments		
Exploration	Corporate	Total
-	-	-
-	-	-
-	-	-
3	468	471
-	-	-
-	107,776	107,776
(743,571)	(647,106)	(1,390,677)
(743,568)	(538,862)	(1,282,430)
-	-	-
(743,568)	(538,862)	(1,282,430)
-	-	-
-	(399,547)	(399,547)
(743,568)	(938,409)	(1,681,977)
15,374,857	116,902	15,491,759
(102,866)	(1,682,646)	(1,785,512)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 22: Operating segments (continued)

30 June 2015

Revenue

Cost of sales

Gross Profit

Other Income

Finance income

Other income

Research and development claim

Expenses

Loss before income tax

Income tax benefit

Net loss for the year

Other comprehensive income

Exchange differences arising in translation of foreign operation

Total comprehensive income, net of tax

Total assets

Total liabilities

Geographical Segments		
Papua New Guinea	Australia	Total
Operational Segments		
Exploration	Corporate	Total
-	-	-
-	-	-
-	-	-
-	4,628	4,628
17,100	-	17,100
-	131,522	131,522
(414,234)	(1,899,466)	(2,313,700)
(397,134)	(1,763,316)	(2,160,450)
-	-	-
(397,134)	(1,763,316)	(2,160,450)
-	139,821	139,821
(397,134)	(1,623,495)	(2,020,629)
15,932,475	245,246	16,177,721
(113,754)	(1,576,052)	(1,689,806)

Note 24: Share-based payments

Options on issue at reporting date

Post- consolidation basis	
Parent	
30/06/2016 Options	30/06/2015 Options
28,925,568	12,566,284

<i>Movement in Options</i>	Number of options	Weighted average exercise price \$
<i>Unlisted options</i>		
Opening balance at 1 July 2015	12,566,284	0.336
Options issued during the year	16,559,284	0.200
Options exercised during the year	-	-
Options lapsed during the year	(200,000)	3.000
Balance at 30 June 2016	28,925,568	0.240

Options hold no voting or dividend rights and are not transferable.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 23: Share-based payments (continued)

The Group has the following unlisted share options on issue at reporting date:

Number of options	Exercise Price	Issue Date	Expiry Date	Vesting Date	Vesting Conditions
260,000	\$ 1.500	03/11/2011	30/09/2016	03/11/2011	None
182,281	\$ 1.000	22/11/2012	30/06/2017	30/06/2014	None
182,281	\$ 1.250	22/11/2012	30/06/2017	30/06/2014	None
182,281	\$ 1.250	22/11/2012	30/06/2018	30/06/2015	None
182,281	\$ 1.750	22/11/2012	30/06/2018	30/06/2015	None
3,384,451	\$ 0.200	22/04/2015	31/12/2019	22/04/2015	None
7,992,709	\$ 0.200	30/06/2015	31/12/2019	30/06/2015	None
14,215,953	\$ 0.200	04/08/2015	31/12/2019	04/08/2015	None
2,343,331	\$ 0.200	24/09/2015	31/12/2019	24/09/2015	None
28,925,568					

The weighted average contractual life of the options are 3.42 years.

The following movements occurred during the year:

Paul Dickson participated directly in the company's fundraising activities during the year. On 23 October 2014, the Company raised \$337,500 through the issue of 5,400,000 Ordinary Shares at an issue price of \$0.0625. As a result of the placement Paul Dickson was issued with 5,400,000 Unlisted Options with an exercise price of \$0.20 and an expiry date of 31 December 2019 following

On 30 July 2015, 420,529 Capital Promissory Notes with a face value of \$420,429 were converted into 5,800,400 Ordinary Shares and 5,800,400 Unlisted Options with an exercise price of \$0.20 per share.

During the year the Company completed a Debt Conversion Deed with TVI Pacific Inc. to extend the maturity date \$400,000 convertible loan to 31 December 2015 and to convert the loan to equity. Shareholder approval was granted at the EGM held on 3 March 2015;

On 24 April 2015, the Company issued TVI with 3,384,451 ordinary shares and 3,384,451 unlisted options reducing the loan from \$400,000 to \$188,472. On 4 August 2015, the Company issued TVI with 3,015,549 ordinary shares and 3,015,549 unlisted options, reducing the loan from \$188,472 to nil.

On 24 September 2015, 2,343,331 unlisted options were issued sophisticated investors who took part in a placement. Each share was issued at a price of \$0.15. Each share had an attaching option with an exercise price of \$0.20 and expiry date of 31 December 2019.

The fair value at grant date of the options was determined independently using a Black-Scholes option pricing model.

The Board considered that as the options were free attaching options, the value of the options was embedded in the underlying debt conversion and did not need a separate valuation.

Note 24: Parent entity disclosures

The ultimate parent entity within the group is FOY Group Limited. The balances and transaction between the Company and its subsidiaries which are related to the Company have been eliminated on consolidation and are not disclosed within this note.

Results of the parent entity

Profit / (Loss) for the period
Total comprehensive income for the period

Company	
30/06/2016	30/06/2015
\$	\$
(1,268,973)	(1,763,316)
(1,268,973)	(1,763,316)

Financial position of parent entity at year end

Current assets
Total assets
Current liabilities
Total liabilities

98,860	370,062
15,267,523	15,471,471
1,682,645	840,302
1,682,645	840,302
Total equity of the parent comprising of:	
Share capital	109,809,427
Reserves	2,101,201
Accumulated losses	(98,325,750)
Total equity of the parent	13,584,878
	13,375,498

Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments as at 30 June 2016 or 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2016**

Note 25: Commitments

Commitments in relation to expenditure contracted for at reporting date but not recognised as liabilities, payable;

Within one year

Later than one year but not later than five year

Later than five years

Consolidated	
30/06/2016	30/06/2015
\$	\$
60,581	16,020
40,550	1,705
-	-
101,132	17,725

Commitments of \$14,640 (2015: \$14,160) relate to a short term residential lease.

Commitments of \$84,787 relate to a lease for FOY's leased corporate premise. This lease expires in May 2018.

Commitments of \$1,705 (2015: \$3,565) relate to the provision of data and print services.

Note 26: After balance date events

On 11 August 2016, the Company executed a contract to enter a 99 year lease for 36 Cauranga Crescent in Hume, ACT. The purchase price was \$3,108,500, of which a 5% deposit totalling \$155,425 was paid upon execution of the contract.

On 25 August 2016, Stuart Clark was appointed Managing Director and David McIntosh stood down as Interim Managing Director.

On 8 September 2016, the Company announced entered into a Deed of Variation for the Business Sale Agreement executed with Integrated Green Energy Limited announced on 9 February 2016.

Shareholders of IGE will now receive:

- 209,700,000 in consideration shares
- 148,000,000 in consideration options
- 23,200,000 in milestone shares, subject to meeting previously announced performance targets
- 112,900,000 in milestone options, subject to the same performance targets

Attaching options on the securities will now have an exercise price of \$0.40 with an expiry date of 31 December 2020.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

The Directors of FOY Group Limited declare that:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- (c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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.



Paul Dickson
Executive Chairman

Dated this 30 September 2016

**FOY GROUP LIMITED
ABN 23 003 669 163
AND ITS CONTROLLED ENTITIES****INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF FOY GROUP LIMITED****SYDNEY**

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Sydney NSW 2001

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Report on the Financial Report

We have audited the accompanying financial report of Foy Group Limited, which comprises the consolidated statement of financial position as at 30 June 2016, 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

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

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

Independence

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

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**FOY GROUP LIMITED
ABN 23 003 669 163
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF FOY GROUP LIMITED**

Auditor's Opinion

- a) In our opinion, the financial report of Foy Group Limited is in accordance with Corporations Act 2001, including:
- i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Group has incurred a net loss after tax of \$1,340,554 during the year ended 30 June 2016 and as of that date the Group's current liabilities exceed its current assets by \$1,678,112. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Foy Group Limited for the year ended 30 June 2016 complies with s 300A of the Corporations Act 2001.



HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000



DREW TOWNSEND

Partner

Dated: 30 September 2016

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange Limited Listing Rules and not disclosed anywhere else in this Annual Report.

1. SHAREHOLDING

All shareholding details are in accordance with the Company's shareholder register as at 23 September 2016.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Category (Size of Holding)	Number of Shareholders	% Holding	Number of Ordinary	% Holding
1 - 1,000	852	51.98	168,873	0.26
1,001 - 5,000	363	22.15	923,283	1.43
5,001 - 10,000	112	6.83	858,747	1.33
10,001 - 100,000	243	14.83	7,776,241	12.04
100,001 and over	69	4.21	54,865,739	84.94
	1,639	100.00	64,592,883	100.00

Holding less than a marketable parcel 1,120

(b) Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name of Shareholder	Ordinary Shares Held	
	Number	Percentage
TVI PACIFIC INC	17,592,908	27.24%
MR PAUL GREGORY DICKSON	6,779,311	10.50%
NEEMS HOLDINGS PTY LTD <NEEMS FAMILY A/C>	3,460,000	5.36%
CHAVOO PTY LTD <MIDHURST SUPER FUND A/C>	2,369,656	3.67%
MCINTOSH & ASSOCIATES PTY LTD <DAVID MCINTOSH FAMILY A/C>	1,668,288	2.58%
ISAWILL PTY LTD	1,485,434	2.30%
M & C PALMER INVESTMENTS PTY LTD <M & C PALMER SUPER FUND A/C>	1,413,795	2.19%
BDIC PTY LTD <DOOLEY SUPER FUND A/C>	1,379,311	2.14%
EAGLE 1620 PTY LTD	1,379,311	2.14%
REBELLY HEALTHCARE (SHANGHAI) LIMITED	1,379,311	2.14%
CORMI HOLDINGS PTY LTD <PALMER FAMILY A/C>	1,254,651	1.94%
MS CORALIE PALMER	965,518	1.49%
DONNACHAIDH INVESTMENTS PTY LTD <BANNOCKBURN DISCRETIONARY A/C>	859,599	1.33%
J P MORGAN NOMINEES AUSTRALIA LIMITED	804,756	1.25%
MR LUIGI REGHELIN <REGHELIN FAMILY A/C>	800,000	1.24%
MR CLIFFORD M JAMES	689,656	1.07%
CHAD JANKLOWITZ	689,656	1.07%
ZERO NOMINEES PTY LTD	544,332	0.84%
MR JOE GUTIERREZ	506,370	0.78%
MR IAN JAMES CAMERON	448,000	0.69%
	46,469,863	71.94%

(c) Substantial holders

The names of the substantial shareholders listed in the Company's register are:

Name of Shareholder	Number of Ordinary Shares
TVI PACIFIC INC	17,592,908
MR PAUL GREGORY DICKSON	6,779,311
NEEMS HOLDINGS PTY LTD <NEEMS FAMILY A/C>	3,460,000

ADDITIONAL ASX INFORMATION

(d) Unquoted equity holdings

	Number on issue	Number of holders
Options over ordinary shares issued	28,925,568	28

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Holders of ordinary shares carry the same voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Converting redeemable preference shareholders and Option holders have no voting rights.

There are no other classes of equity securities.