Rule 4.3A

Appendix 4E

Preliminary final report for the year ended 30 June 2016

Name of entity:

Avexa Limited

ABN:

53 108 150 750

Results for announcement to the market

	$
Total Revenue:	Decrease of 5.0% to 303,374
Loss from ordinary activities after tax attributable to members:	Increase of 2.6% to (6,782,938)
Net loss for the year attributable to members:	Increase of 2.6% to (6,782,938)

Dividends

It is not proposed to pay dividends.

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 30 June 2016.

No explanation considered necessary to explain any of the above other than as provided within this report.

Commentary on results for the year and significant information

Principal activities

The principal activity of the Group during the course of the financial year was health and medical including the research and development for commercialisation of medical technology having ceased all drug development activities. The core activity of the Group this year has been the acquisition and development of the TALI Technology. TALI is a tablet based software application that has been clinically proven to assess and alleviate childhood attention difficulties which are common in children with development delay.

The Company is a public company listed on the ASX, incorporated and domiciled in Australia, and with a registered office and principal place of business located at Suite 8, Level 1, 61-63 Camberwell Road, Hawthorn East, VIC 3123. Except as disclosed elsewhere in this Report, there have been no significant changes in the nature of these activities during the year.

Review and results of operations

The Company reported a net loss of $6,782,938 for the 2016 financial year; this was 2.6% more than the $6,610,135 loss of 2015. The net loss of $6,782,938 was largely a result of the decision by directors to write down the value of its investment in and loan to the North Pratt coal mine by $5,741,559 (refer section below 'Investment').

Net cash utilised through operating activities for the 2016 financial year was $1,386,619, a 30% decrease on the $2,034,525 spent in the prior year.

On January 29th 2016 and on March 20th 2016, the Company issued 12,250,000 new shares raised from professional and sophisticated investors and 11,583,735 new shares under the Share Purchase Plan (SPP) respectively. Contributed equity increased by a total of $802,083 (net of costs).

On February 15th 2016, the Group announced that the acquisition of TALI was finalised. The acquisition was settled through the issue of 27,584,420 ordinary shares to the TALI shareholders which were valued at $1,103,376. There was no cash consideration paid.

Key matters impacting the result for Avexa this year were:

1. TALI Health Pty Ltd

In February 2016, Avexa acquired the TALI Health Pty Ltd Company and its breakthrough Technology. TALI is a tablet based software application designed by Professor Kim Cornish, Head of the School of Psychological Sciences, and her team at Monash University to assess and treat childhood attention difficulties in a bid to improve academic skills. The software was developed by Melbourne based engineering company Grey Innovation and professional game developers, Torus Games. For the six months to June 2016, Avexa has focused on the development of the TALI Technology for commercial release. This development has involved engineering activities, game development activities and both clinical and scientific research.

2. Investment

CHUSA (North Pratt Coal Mine)

For the six months to December 2015, Avexa continued to pursue its investment in the North Pratt coal mine, the proceeds from which were to be used to finance the development of Avexa's research programmes, in particular its late stage HIV drug ATC. The North Pratt coal mine of Alabama has not realised the projected returns which would have funded the final development of ATC. Following a review of the forecast cash flows to be generated by the coal mine, the current financial performance and position of CHUSA and the continuing depressed state of the local coal market, the directors have unanimously decided to cease any future funding of the CHUSA interest, rather concentrating the Company's strategy on TALI's breakthrough technology for the assessment and treatment of children with developmental delay (and associated symptoms such as inattention). As a consequence, Avexa's investment in and loan to CHUSA has been fully provided for.

Likely developments, outlook and risks

Avexa's primary goal now is to develop and commercialise the TALI technology. The lead product, TALI Train^{TM} is a computerised cognitive training program planned for an initial limited release in Q4 2016 and a wider commercial release in Q1-Q2 2017. The medical claims of this product are underpinned by completed clinical trials. These clinical trials demonstrated that the product was successful in promoting improvements in both attention (in particular the ability to selectively attend to certain items) and academic skills (specifically numeracy abilities) in young children with cognitive difficulties as a result of developmental disability, e.g. autism spectrum disorder. An independent market report conducted by Monash University indicated that currently there are no other products on the market that compare to the TALI Technology. Less than 1% of current software applications have any evidence to substantiate their medical claims. Avexa understands the importance of strong scientific evidence and is dedicated to conducting and collaborating on further research trials to strengthen the market position of this technology.

The ability of the consolidated entity to meet operating cash requirements for the next 12 months and beyond is dependent on cash flows being generated from the successful execution of the TALI commercialisation strategy. The TALI commercialisation strategy is dependent on a number of factors including, among others, assumptions relating to development and marketing expenditure, market demand, sales volume and pricing, working capital requirements and regulatory compliance.

Actions subsequent to year end

On July 27th 2016 the Group announced a 1 for 1 Non-Renounceable Rights Issue ("Entitlement offer") to all eligible shareholders raising up to $2.2 million (before costs). The Entitlement offer was supported by an underwriting commitment totalling $1.8 million.

On August 23rd 2016 the Entitlement offer closed and the gross amount raised by the Company was $2.2 million (before costs), through the issuance of 104,379,302 new shares including the shares issued to the underwriter.

In the interval between the end of the financial year and the date of this report no other item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the directors' of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Statement of comprehensive income
For the year ended 30 June 2016

	Note	**Current period $**	Previous corresponding period $
Revenue from operating activities		303,374	289,450
Other income from ordinary activities		-	30,420
Total revenue	1(a)	**303,374**	**319,870**
Contract research and development costs	1(c)	(421,436)	(397,841)
Employee expenses		(532,374)	(892,765)
Share-based payment expense		-	-
Depreciation and amortisation expense	1(b)	(68,661)	(8,347)
Occupancy		(116,429)	(85,628)
Consulting		(39,390)	(84,332)
Professional costs		(290,828)	(180,545)
Travel and accommodation		(12,660)	(34,537)
Asset management expenses		(21,397)	(22,306)
Insurance		(59,490)	(81,352)
Corporate administration		(123,424)	(104,139)
Intellectual property		(87,969)	(317,444)
Other expenses from ordinary activities	1(b)	(45,880)	(86,423)
Share of net loss of equity accounted associate	23	-	(1,312,376)
Impairment of equity accounted investment		(1,015)	(3,635,655)
Impairment of loan to equity accounted associate		(5,740,545)	(1,364,345)
Results from operating activities		**(7,258,124)**	**(8,288,165)**
FX Gains/(losses)		328,829	1,126,030
Net finance income/(expense)		146,357	552,000
Profit / (loss) from ordinary activities before related income tax expense		**(6,782,938)**	**(6,610,135)**
Income tax expense		-	-
Net (loss) / profit attributable to owners of the Company		**(6,782,938)**	**(6,610,135)**
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Foreign Currency Translation Reserve		**(1,594)**	**763,210**
Total comprehensive (loss)/income for the period attributed to owners of the Company		**(6,784,532)**	**(5,846,925)**
Basic earnings per share (cents per share)		**(10.17)**	**(13.86)**
Diluted earnings per share (cents per share)		**(10.17)**	**(13.86)**

Statement of changes in equity for the year ended 30 June 2016

	Issued capital $	Accumulated losses $	Foreign currency translation reserve $	Total Equity $
Opening balance as at 1 July 2015	**184,232,523**	**(178,397,684)**	**538,722**	**6,373,561**
Comprehensive income/(loss) for the period				
Loss	-	(6,782,938)	-	(6,782,938)
Total other comprehensive income	-	-	(1,594)	(1,594)
Total comprehensive income for the period	**-**	**(6,782,938)**	**(1,594)**	**(6,784,532)**
Issue of ordinary shares upon a business acquisition	1,103,376	-	-	1,103,376
Issue of ordinary shares pursuant to Private Placement	490,000	-	-	490,000
Issue of ordinary shares pursuant to Share Purchase Plan	384,014	-	-	384,014
Transaction costs relating to issue of ordinary shares	(71,931)	-	-	(71,931)
Equity settled share-based payment transactions	-	-	-	-
Total transactions with owners	**1,905,459**	**-**	**-**	**1,905,459**
Closing balance as at 30 June 2016	**186,137,982**	**(185,180,622)**	**537,128**	**(1,494,488)**

Statement of changes in equity for the year ended 30 June 2015

	Issued capital $	Accumulated losses $	Foreign currency translation reserve $	Total Equity $
Opening balance as at 1 July 2014	**183,482,691**	**(171,787,549)**	**(224,488)**	**11,470,654**
Comprehensive income/(loss) for the period				
Loss	-	(6,610,135)	-	(6,610,135)
Total other comprehensive income	-	-	763,210	763,210
Total comprehensive income for the period	**-**	**(6,610,135)**	**763,210**	**(5,846,925)**
Issue of ordinary shares pursuant to Share Purchase Plan	795,640	-	-	795,640
Transaction costs relating to issue of ordinary shares	(45,808)	-	-	(45,808)
Equity settled share-based payment transactions	-	-	-	-
Total transactions with owners	**749,832**	**-**	**-**	**749,832**
Closing balance as at 30 June 2015	**184,232,523**	**(178,397,684)**	**538,722**	**6,373,561**

Statement of financial position
As at 30 June 2016

	Note	Current period $	Previous corresponding period $
Current assets			
Cash assets	3	388,374	1,024,568
Receivables	4	322,264	408,029
Investments	7	52,800	110,400
Other	8	15,946	40,490
Total current assets		**779,384**	**1,583,487**
Non-current assets			
Intangible assets	5	1,035,518	-
Investment in Coal Holding USA, LLC	23	-	1,000
Loans to associates	4	-	5,049,078
Plant and equipment	6	10,384	16,938
Total non-current assets		**1,045,902**	**5,067,016**
Total assets		**1,825,286**	**6,650,503**
Current liabilities			
Trade and other payables	9	253,323	198,834
Employee benefits provisions	10	77,475	78,108
Total current liabilities		**330,798**	**276,942**
Non-current liabilities			
Employee benefits	10	-	-
Total non-current liabilities		**-**	**-**
Total liabilities		**330,798**	**276,942**
Net assets		**1,494,488**	**6,373,561**
Equity			
Issued capital	11	186,137,982	184,232,523
Fair Value Reserve		-	-
Foreign Currency Translation Reserve		537,128	538,722
Accumulated losses	2	(185,180,622)	(178,397,684)
Total equity		**1,494,488**	**6,373,561**

Statement of cash flows
For the year ended 30 June 2016

	Note	Current period $	Previous corresponding period $
Cash flows from operating activities			
Cash receipts in the course of operations		-	30,420
Cash payments in the course of operations		(1,687,040)	(2,420,357)
R&D Incentive		289,473	295,429
Interest received		10,948	59,983
Net cash used in operating activities	22	**(1,386,619)**	**(2,034,525)**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,552)	(2,342)
Payments for equity investments		20,239	-
Proceeds from disposal of listed equity investments		-	231,701
Working capital loan to Coal Holdings USA,LLC		(69,591)	(1,275,995)
Proceeds from disposal of assets		-	-
Net cash used in investing activities		**(50,904)**	**(1,046,636)**
Cash flows from financing activities			
Proceeds from issue of shares pursuant to private placement		490,000	-
Proceeds from issue of shares pursuant to share purchase plan		384,014	795,640
Share issue costs		(71,931)	(45,808)
Net cash used in financing activities		802,083	749,832
Net (decrease) / increase in cash held		**(635,440)**	**(2,331,329)**
Cash at the beginning of the financial year		**1,024,568**	**3,361,977**
Effect of exchange rate fluctuations on cash held		**(754)**	**(6,080)**
Cash at the end of the financial year	21	**388,374**	**1,024,568**

Notes to the Statement of financial performance

1 Revenue and expenses from ordinary activities

(a) Revenues	**Current period $**	Previous corresponding period $
R&D Incentive	303,374	289,450
Other income	-	30,420
Total revenue from ordinary activities	**303,374**	**319,870**

(b) Expenses		
Depreciation of plant and equipment	(8,106)	(8,347)
Amortisation of intangible assets	(60,555)	-
Amounts recognised in provisions for:		
- Employee benefits	(25,622)	(39,146)
Superannuation payments to defined contribution plans	(68,391)	(105,850)
Other expenses:		
Advertising and promotion	(25,832)	(45,642)
Workplace administration	(16,908)	(22,456)
Other expenses	(3,140)	(18,325)
Total Other expenses	**(45,880)**	**(86,423)**

(c) Research and Development (R&D)

Contract research and development expenditure	(421,436)	(397,841)
Direct research and development expenditure	(298,833)	(679,848)
Total R&D expenditure for the year	**(720,269)**	**(1,077,689)**

Notes to the Statements of changes in equity, financial position and cash flows

2 Accumulated losses

Accumulated losses at the beginning of the financial year	(178,397,684)	(171,787,549)
Net loss attributable to owners of the company	(6,782,938)	(6,610,135)
Share-based payment expense	-	-
Accumulated losses at the end of the financial year	**(185,180,622)**	**(178,397,684)**

3 Cash assets

	Current period $	Previous corresponding period $
Cash at bank and on hand	95,690	387,338
Bank short term deposits	292,684	637,230
Cash assets	**388,374**	**1,024,568**

Interest on cash at bank is credited at prevailing market rates. The weighted average interest rate at reporting date was 1.5% (2015:1.5%).

4 Receivables

Current		
Trade and other receivables	**18,913**	118,579
R&D Incentives and other tax receivables	**303,351**	289,450
Total Current Receivables	**322,264**	408,029
Non-Current		
Working Capital loan – Coal Holdings USA, LLC (1)	**6,993,749**	6,413,423
Non-Current receivables	**111,141**	-
Less impairment provision	**(7,104,890)**	(1,364,345)
Total Non-Current Receivables	**-**	5,049,078

An impairment charge of $5,740,545 has been recorded against the loan to CHUSA and other receivables payable by CHUSA following a review of future cash flows at 31 December and more recently the decision by the CHUSA board to cease operations at the coal mine in light of the continued depressed state of the coal market.

5 Intangibles

TALI Health license – at cost	**375,000**	-
Less: Accumulated amortisation	**(6,967)**	-
Total TALI Health license	**368,033**	-
Intellectual property: TALI technology	**721,074**	-
Less: Accumulated amortisation	**(53,589)**	-
Total intellectual property – TALI	**667,485**	-

On the acquisition of TALI Health Pty Ltd announced on February 15th 2016, Avexa recognised intellectual property (including licenses) at a fair value of $1,096,074. Intangibles are initially recognised at cost and amortised on a straight line basis over the period of expected benefit, less any adjustments for impairment losses. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

6 Plant and equipment

	Current period $	Previous corresponding period $
Plant and equipment - at cost	439,735	438,183
Less: Accumulated depreciation	(429,351)	(421,245)
Property, plant and equipment	**10,384**	**16,938**

7 Investments

Financial assets classified as available for sale	52,800	110,400
Total Current Investments	**52,800**	**110,400**

8 Other assets

Prepayments	**15,946**	**40,490**

9 Trade and other payables

Trade creditors and accruals	**253,323**	**198,834**

10 Employee benefits

Current		
Employee benefits	**77,475**	**78,108**
Non-current		
Employee benefits	**-**	**-**

11 Issued Capital

Issued and paid up capital	**2016**		2015	
	$	**Number**	**$**	**Number**
100,459,128 (2015:49,040,973) ordinary shares, fully paid	186,137,982	100,459,128	184,232,523	49,040,973

Movements in issued capital during the year were as follows:

Balance at the beginning of the financial year	184,232,523	49,040,973	183,482,691	46,284,441
Issue of shares upon a business acquisition	1,103,376	27,584,420	-	-
Issue of shares pursuant to a Share Purchase Plan	384,014	11,583,735	795,640	2,756,532
Issue of shares pursuant to placement	490,000	12,250,000	-	-
Transaction costs relating to Rights Issue and placements	(71,931)	-	(45,808)	-
Issued capital at the end of the financial year	**186,137,982**	**100,459,128**	**184,232,523**	**49,040,973**

The Group completed its one for twenty share consolidation in December 2015 following approval by shareholders in November 2015. The share consolidation involved the conversion of every 20 fully paid ordinary shares on issue into one fully paid ordinary share. Where the share consolidation resulted in a shareholder having a fractional entitlement to a share, the entitlement was rounded up to the next whole number of shares. Upon the completion of the share consolidation in December 2015, the number of Avexa Limited shares on issue reduced from 980,778,925 shares to 49,040,973 as at that date.

The issued and paid up capital for 2015 has been restated for the one for twenty share consolidation.

Options to acquire ordinary shares

During the financial year nil (2015: nil) options were issued to employees under the Avexa Employee Share Option Plan. Nil (2015: nil) options were issued to directors. Nil (2015: nil) options held by employees or directors lapsed or were forfeited and nil (2015: nil) were exercised. Movements in options for the 2016 financial year comprise the following:

2016 Options
No options were held or issued for the year ended 2016.

2015 Options
No options were held or issued for the year ended 2015.

12 Net tangible assets per ordinary security

	Current period $	Previous corresponding period $
Net tangible assets	458,970	6,373,561
Issued share capital at reporting date	Shares 100,459,128	Shares 49,040,973
Net tangible assets per ordinary security	**0.01 cents**	**0.13 cents**

13 Earnings per share (EPS)

	Current period $	Previous corresponding period $
a) Earnings reconciliation		
Basic earnings per share (cents per share)	**(10.17)**	**(13.86)**
Diluted earnings per share (cents per share)	**(10.17)**	**(13.86)**
Net loss:		
Basic earnings	**(6,782,938)**	**(6,610,135)**
Diluted earnings	**(6,782,938)**	**(6,610,135)**
b) Weighted average number of shares	**Number**	**Number**
Number for basic earnings per share:		
Ordinary shares	**66,685,808**	**47,704,244**
Number for diluted earnings per share:		
Ordinary shares	**66,685,808**	**47,704,244**
Effect of share options on issue	**-**	**-**
	66,685,808	**47,704,244**

The weighted average number of shares for 30 June 2015 has been restated for the one for twenty share consolidation. Refer to Note 11 for further details.

14 Returns to shareholders

There have been no returns to shareholders during the financial year.

15 Control gained over entities having material effect

On November 26th 2015 at the 2015 AGM, shareholders unanimously voted in favour of acquiring TALI Health Pty Ltd (TALI). On February 15th 2016, the Group announced that the acquisition of TALI was finalised. The acquisition was settled through the issue of 27,584,420 ordinary shares which were valued at $1,103,376. There was no cash consideration. TALI is a revolutionary platform, clinically proven to measure and improve childhood attention. Childhood attention difficulties have a lifelong impact on education, social skills, relationships, mental health and employment opportunities.

There are no other entities having material effect over which the Company gained control during or subsequent to the financial year ended 30 June 2016.

16 Loss of control of entities having material effect

There are no entities over which the Company lost control during or subsequent to the financial year ended 30 June 2016.

17 Non-cash financing and investing activities

There have been no non-cash financing and investing transactions during the 2016 financial year (2015: nil) which have had a material effect on assets and liabilities of the Company, other than the acquisition of TALI.

18 Segment reporting

The Company operates within two business segments health and medical research and development and investments. All activities were controlled from Australia.

Information about reportable segments

	Research & Development		Investments		Total	
	2016	2015	**2016**	2015	**2016**	2015
	$	$	**$**	$	**$**	$
External revenues	**303,374**	319,870	**-**	-	**303,374**	319,870
Inter-segment revenue	**-**	-	**-**	-	**-**	-
Interest revenue	**11,590**	47,866	**192,367**	315,784	**203,957**	363,650
Finance Expense	**-**	-	**-**	-	**-**	-
Impairment of equity accounted investment and loan to associate	**-**	-	**(5,741,560)**	(5,000,000)	**(5,741,560)**	(5,000,000)
Share of net profit/(loss) of associate accounted for using the equity method	**-**	-	**-**	(1,312,376)	**-**	(1,312,376)
Depreciation and amortisation	**68,661**	8,347	**-**	-	**68,661**	8,347
Reportable segment profit/(loss)before tax	**(1,500,508)**	(1,902,911)	**(5,282,430)**	(4,707,224)	**(6,782,938)**	(6,610,135)
Reportable segment total assets	**1,746,004**	1,490,025	**79,282**	5,160,478	**1,825,286**	6,650,503
Investment accounted for using the equity method	**-**	-	**-**	1,000	**-**	1,000
Reportable segment total liabilities	**309,525**	256,373	**21,273**	20,569	**330,798**	276,942

The aggregate of the assets, liabilities and profits for each segment is the Group total

19 Factors affecting the results in the future

In the interval between the end of the financial year and the date of this report no item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, with the following exception:

The ability of the consolidated entity to meet operating cash requirements for the next 12 months and beyond is dependent on cash flows being generated from the successful execution of the business plan of TALI Health which is dependent on a number of factors that may or may not occur as expected including assumptions relating to development and marketing expenditure, market demand, sales volumes and pricing, working capital requirements, and regulatory compliance. In addition, in order to meet forecast operating cash requirements, the Company may need to raise funds from other sources which may include the completion of corporate transactions, raising capital, securing debt facilities or monetising the Group's existing portfolio of intangible assets.

As a result of these factors, there exists a material uncertainty regarding the ability of the consolidated entity to continue as a going concern. However after making enquiries, and considering the uncertainties described, the Directors have a reasonable expectation that the consolidated entity will have adequate resources to continue to meet its obligations as and when they fall due.

20 Franking credits available

There are no franking credits available at reporting date.

21 Reconciliation of cash

Reconciliation of cash at the end of the financial year (as shown in the statement of cash flows) to the related items in the accounts is shown in the following table.

	Current period **$**	Previous corresponding period $
Cash on hand and at bank	95,690	387,338
Bank short term deposits	292,684	637,230
Total cash assets	**388,374**	**1,024,568**

22 Reconciliation of loss from ordinary activities after related income tax to net cash used in operating activities

	Current period **$**	Previous corresponding period $
Loss from ordinary activities after income tax	(6,782,938)	(6,610,135)
Add / (less) non-cash items:		
- Depreciation and loss on disposal of equipment	68,661	8,347
- Share-based payment expense	-	-
- Foreign exchange gains	(328,829)	(1,126,030)
- Investment gain on revaluation	57,600	(188,350)
- Accrued Interest	(316,899)	(281,324)
- Impairment of equity accounted investment and loan	5,741,560	5,000,000
- Impairment charge	-	-
- Share of net loss of investment in associate	-	1,312,376
Change in assets and liabilities:		
- (Increase) / decrease in Receivables	95,826	20,745
- (Increase) / decrease in Other assets	24,544	5,175
- Increase / (decrease) in Employee benefits	(633)	(119,805)
- Increase / (decrease) in Deferred Income	-	-
- Increase / (decrease) in Payables	54,489	(55,524)
- Increase / (decrease) in Other liabilities	-	-
Net cash used in operating activities	**(1,386,619)**	**(2,034,525)**

23 Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest		Contribution to Net Loss	
			2016	2015	**2016** **$**	2015 $
Coal Holdings USA LLC (CHUSA)	Coal Mining Operations	USA	**30%**	30%	**-**	**(1,312,376)**

	2016	2015
Movements in carrying amounts of investments		
Balance at 1 July	**1,000**	**4,157,639**
Investments in associates acquired during the year	**-**	**-**
Share of new profit/(loss) of associate accounted for using the equity method [1]	**-**	**(1,312,376)**
Movement in foreign currency translation	**15**	**791,391**
Less distributions from associate	**-**	**-**
Impairment of investment	**(1,015)**	**(3,635,654)**
Balance at 30 June	**-**	**1,000**

[1] Avexa has ceased equity accounting of its notional share of current year associates losses, as the carrying amount has been written down to nil and there is no legal or constructive obligation to provide any further funding to the Company.

24 Compliance statement

This report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

This report is based on accounts that have been audited. The audit report contains an emphasis of matter highlighting the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Sign here: Date: 30 August 2016

Print name:

Iain Kirkwood
Executive Chairman