SYNTONIC

Worldwide Leader in Sponsored Content Services

2016 ANNUAL **REPORT**

Syntonic Limited
ABN 68 123 876 765

CORPORATE DIRECTORY

DIRECTORS:	Dr Gary Greenbaum – Managing Director and CEO Mr Rahul Agarwal – Executive Director and CTO Mr Ian Middlemas – Non-Executive Chairman Mr Mark Pearce – Non-Executive Director
COMPANY SECRETARY:	Mr Greg Swan
OFFICES:	***United States:*** 119 First Avenue, Suite 100, Seattle WA 98104, USA Tel: +1 206 408 8072 ***Australia:*** Level 9, 28 The Esplanade, Perth WA 6000, Australia Tel: +61 8 9322 6322
STOCK EXCHANGE LISTING:	Australian Securities Exchange (ASX Code: **SYT**) Level 40, 152-158 St Georges Terrace, Perth WA 6000, Australia
SHARE REGISTER:	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace, Perth WA 6000, Australia Tel: +61 3 9415 4000
BANKERS:	***United States:*** Wells Fargo & Company ***Australia:*** Australia and New Zealand Banking Group Limited
SOLICITORS:	***United States:*** Wilson Sonsini Goodrich & Rosati ***Australia:*** DLA Piper
AUDITOR:	HLB Mann Judd

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DIRECTORS' REPORT

The Directors of Syntonic Limited present their report on the Consolidated Entity consisting of Syntonic Limited (“**Company**” or “**Syntonic**”) and the entities it controlled at the end of, or during, the year ended 30 June 2016 (“**Consolidated Entity**” or “**Group**”).

PLEASE NOTE THAT THE COMPANY COMPLETED ITS ACQUISITION OF SYNTONIC WIRELESS, INC. AFTER YEAR-END ON 8 JULY 2016. AS A CONSEQUENCE, NO PART OF THE SYNTONIC WIRELESS, INC. BUSINESS IS INCLUDED IN THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2016.

DIRECTORS

The names and details of the Company's directors in office at any time during the financial year or since the end of the financial year are:

Dr Gary Greenbaum	Managing Director and Chief Executive Officer *(appointed 8 July 2016)*
Mr Rahul Agarwal	Executive Director, President and Chief Technology Officer *(appointed 8 July 2016)*
Mr Ian Middlemas	Non-Executive Chairman
Mr Mark Pearce	Non-Executive Director
Mr David Parker	Non-Executive Director *(resigned 8 July 2016)*

Unless otherwise stated, Directors held their office from 1 July 2015 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Dr Gary S. Greenbaum *Ph.D*
Managing Director and Chief Executive Officer

Dr Greenbaum is the CEO and Managing Director of Syntonic and co-founder of Syntonic Wireless, Inc. Dr Greenbaum has been a thought leader and technology pioneer in two of the most significant technology revolutions of the past 20 years: digital media and mobile computing. Dr Greenbaum’s unique balance of business acumen and technical expertise has enabled him to make seminal contributions at every stage in his professional career from co-founding a highly successful Silicon Valley start-up to leading international teams at large multinational corporations.

Dr Greenbaum has previously held a number of executive positions at Microsoft and Hutchison Whampoa Ltd. Previously to these appointments, Dr Greenbaum founded an IP-based video conferencing company that was acquired by RealNetworks, where he led the development of the award winning and ubiquitously used RealVideo streaming technology. Dr Greenbaum is the author of 8 patents granted for Microsoft and RealNetworks, and several Syntonic pending patents. Dr Greenbaum received his Ph.D. in high energy particle physics at the University of California and was a visiting scholar at the Stanford Linear Accelerator Centre.

Dr Greenbaum was appointed a Director of the Company on 8 July 2016. During the three year period to the end of the financial year, Dr Greenbaum has not held any other directorship in listed companies.

Mr Rahul Agarwal
Executive Director, President and Chief Technology Officer

Rahul Agarwal is the CTO and President of Syntonic and co-founder of Syntonic Wireless, Inc. Mr Agarwal is a qualified computer engineer and tech entrepreneur with over 20 years in the sector and is an expert in architecting large-scale multi-platform client-server solutions, instituting development and quality processes and managing technical teams.

Mr Agarwal has previously held senior roles at RealNetworks including: Director of Engineering, where he was responsible for striking numerous technology partnerships with mobile operators and mobile handset manufacturers; and Chief Architect for RealNetworks’ second-generation Helix media consumption platform. Mr Agarwal also founded Adroit Business Solutions, a technology solutions provider that developed numerous high-tech mobile and security solutions for several Fortune 100 companies, mid-sized and early stage companies. Mr Agarwal earned his Master’s in Computer Science from West Virginia University.

Mr Agarwal was appointed a Director of the Company on 8 July 2016. During the three year period to the end of the financial year, Mr Agarwal has not held any other directorship in listed companies.

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Ian Middlemas *B.Com, CA*
Non-Executive Chairman

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 19 April 2010. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Papillon Resources Limited (May 2011 – October 2014), Sierra Mining Limited (January 2006 – June 2014) and Decimal Software Limited (July 2013 – April 2014).

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*
Non-Executive Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and Administrators and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 19 April 2010. During the three year period to the end of the financial year, Mr Pearce has held directorships in Salt Lake Potash Limited (August 2014 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), and Decimal Software Limited (July 2013 – April 2014).

Mr Greg Swan *B.Com, CA, ACIS, AFin*
Company Secretary

Mr Swan is a Chartered Accountant and Chartered Secretary. He commenced his career at a large international Chartered Accounting firm and has since worked in the corporate office of a number of listed companies that operate in the resources sector.

Mr Swan was Company Secretary of the Company from 19 April 2010 to 28 January 2011 and was re-appointed Company Secretary on 29 July 2011.

PRINCIPAL ACTIVITIES

Subsequent to the end of the financial year, the Company completed its acquisition of 100% of the issued capital of Syntonic Wireless, Inc., a Seattle-based software company (“Acquisition”). From 8 July 2016, the principal activity of the Consolidated Entity has been the provision of mobile technology services to businesses and consumers.

Prior to 8 July 2016, the principal activities of the Consolidated Entity consisted of mineral exploration and the identification and acquisition of new business opportunities in the resource and other sectors. The Acquisition resulted in a change to the nature of the Company’s activities from a mineral exploration company to a technology company. Shareholders approved this change at a General Meeting on 23 May 2016.

SYNTONIC

OPERATING AND FINANCIAL REVIEW

Operations

Subsequent to the end of the financial year, Syntonic re-listed on the Australian Securities Exchange ("ASX") under the code "SYT" and commenced trading on 20 July 2016, after completing the Acquisition and successfully raising A$2.2 million through its public offer.

For Consumers

Freeway

Freeway by Syntonic® **gives consumers sponsored access to mobile applications and content,** providing a new way for content providers, sponsors, and operators to reach, acquire, engage, and monetize customers.

For Businesses

SYNTONIC DataFlex

Syntonic DataFlex® is a **mobile split billing solution** that works across all mobile operators, and helps companies reduce the costs of BYOD programs, boost productivity, advance business intelligence, and enhance network security.

Highlights

Highlights during, and subsequent to the end of, the year were as follows:

- Syntonic re-listed on the Australian Securities Exchange ("ASX") under the code "SYT" and commenced trading on 20 July 2016, after successfully raising A$2.2 million through its public offer;

- Syntonic is a leader in sponsored content services and is transforming how consumers and businesses access applications and content across the mobile Internet. Syntonic has created the Connected Services Platform™, which supports two technologies, Freeway by Syntonic® and Syntonic DataFlex®;

- Syntonic plans to aggressively expand its Syntonic DataFlex solution in the U.S. and its Freeway by Syntonic solution in Southeast Asia, Latin America and the United States. Substantial news flow is expected over the next several months as Syntonic expands its worldwide operations and captures its growing sales pipeline in key markets;

- In January 2016, Syntonic announced that AT&T customers will have free mobile data access to the Consumer Electronics Show ("CES") conference site using Freeway by Syntonic, the Company's sponsored data application. CES is an internationally renowned electronics and technology trade show that takes place every year in Las Vegas and provides a unique opportunity to showcase the power of Syntonic's sponsored data solution;

- In February 2016, Syntonic announced that it had entered into an agreement with Tata Communications Inc. ("Tata Communications") to license Syntonic's platform services for deployment across their worldwide network of mobile operator partners. Tata Communications is the world's largest wholesale voice carrier connecting more than 70% of the world's mobile carriers and handles more than 24% of the world's internet traffic;

- In February 2016, Syntonic announced that its Freeway by Syntonic application will be made available in Southeast Asia. Southeast Asia represents the world's highest concentration of smartphones as well as prepaid data plans, making it the most attractive market for sponsored data services. The market expansion will enable leading mobile operators the opportunity to offer subscribers in the region with free mobile access to an inaugural list of popular messaging and social media applications including Clash of Clans, WhatsApp, BBM, WeChat, and Twitter;

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights (Continued)

- In March 2016, Syntonic appointed Mr. John Landau, former Senior Vice President of Technology and Services Evolution at Tata Communications, to its Advisory Board. Mr. Landau will work with existing advisory board members Mr. Bill Richter, former President at EMC, Mr. Rudy Gadre, former VP and General Counsel at Facebook, and Mr. Steve Elfman, former President at Sprint;

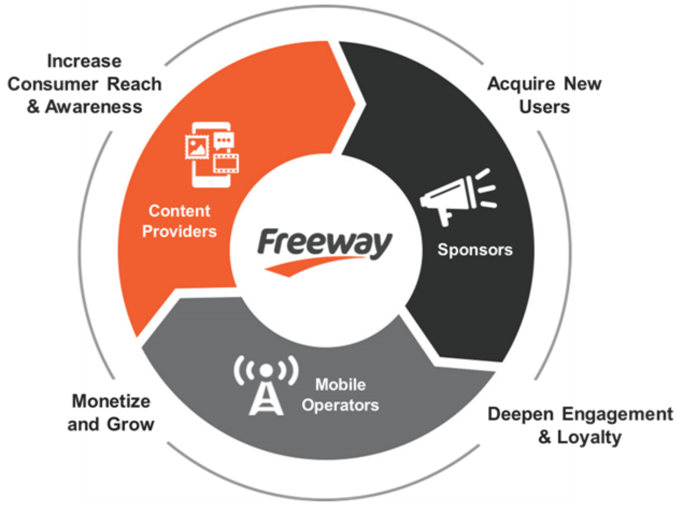
- In April 2016, Syntonic unveiled Freeway by Syntonic 2.0, a major update of its Freeway by Syntonic 1.0 solution that was first introduced on the AT&T network as the world's first sponsored content store. In addition to sponsored data, Freeway by Syntonic 2.0 offers "data rewards" where sponsors can provide data credits to the consumer as a reward for taking some action such as installing an application, subscribing to a music service, or purchasing a product;

- In July 2016, Syntonic launched a Freeway by Syntonic® pilot in Malaysia to be followed by deployments in other geographies in Southeast Asia and Latin America where over 80% of users ration their mobile data;

- In July 2016, Syntonic enabled sponsored access to the massively successful game, Pokémon GO through Freeway by Syntonic® on the AT&T network in the Unites States, validating the market demand for sponsored data;

- In July 2016, the Company completed its acquisition of Syntonic Wireless, Inc. and completed its public share offer pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016 after successfully raising the maximum amount of $2,200,000; and

- In July 2016, the Company appointed Dr Gary Greenbaum as Managing Director and CEO and Mr Rahul Agarwal as Executive Director, President and CTO.



Freeway by Syntonic

Freeway by Syntonic allows consumers the ability to connect to the mobile Internet free of charge on their mobile phone. Brands, application developers, content providers, and advertisers are the ones paying for consumers' mobile data usage to increase consumer awareness, acquire new users, enhance engagement, and monetize their products.

Freeway by Syntonic targets the 3.7 billion consumers that don't have the financial means to connect to the Internet, and the 2 billion prepaid mobile subscribers that ration their data usage. In post-paid markets, such as the U.S., where data is relatively inexpensive, the demand for augmented reality, video and music still outstrips the limits of consumer data plans and creates an additional market opportunity for Freeway by Syntonic.

The market for sponsored data is estimated to grow to nearly US$23 billion by 2019, fuelled by major carriers and brands exploring new engagement models paired with the ever-increasing consumer demand for mobile content.

Following Freeway's commercial launch in the U.S., a pilot was recently deployed in Malaysia and Indonesia and will be followed by expansion to other geographies in Southeast Asia and Latin America, where over 80% of users ration their mobile data.

Syntonic DataFlex

Syntonic DataFlex provides a cost effective mobile split billing solution to separate personal from business use on employee smartphones. Syntonic DataFlex can save employers up to 50% of their Bring Your Own Device ("BYOD") expenses and increase workforce productivity by 10%.

Syntonic recently commissioned a research study from Information Solutions Group ("ISG") on employee smartphone trends within small and medium businesses and large enterprises in the U.S. The full results of this study, which validates the Syntonic DataFlex market opportunity, will be published later this year.

The research indicates that employers are overspending on BYOD reimbursements by over US$275/year per employee. The research also notes that 81% of companies are supporting BYOD programs today or are planning to support them within the next 12 months. This represents an addressable U.S. market for Syntonic DataFlex of more than 100,000 companies representing over 76 million employees.

Other assets

During the financial year, the Company was granted an exploration tenement (E59/2138) in Western Australia, located approximately 270 kilometres northeast of Perth. Subsequent to the end of the financial year, this tenement was relinquished following completion of the Acquisition and a review of exploration results to-date.

During the financial year, the Company and its joint venture partner decided not to renew the Perinvale North Tenement (E57/818) in Western Australia, located approximately 550 kilometres northeast of Perth, following a review of exploration results to-date.

In consideration for the sale of the Company's BioHeap™ technology business and associated entities to Western Areas Limited in 2009, the Company is entitled to a 2% net royalty on revenues (net of costs) attributable to ore processed using the BioHeap™ bacterial leaching technology. No ore was processed using this technology during the year, and consequently no royalty has been earned by the Company.

The Company retains an investment in Jayride Technology Pty Ltd ("Jayride"), a private unlisted Australian start-up company that owns proprietary technology for an e-commerce platform to book passenger transport. The investment comprises 75,284 unlisted shares in Jayride.

Results of Operations

The net loss of the Group attributable to members of the Company for the year ended 30 June 2016 was $659,618 (2015: $210,846).

This loss is largely attributable to business development expenses of $429,667 (2015: $62,400) relating to the Group's business development activities associated with the Acquisition, including the identification, assessment, and progression of the Acquisition, which was announced on 10 December 2015 and completed after year end on 8 July 2016.

DIRECTORS' REPORT
(Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Financial Position

At 30 June 2016, the Group had cash reserves of $3.8 million (2015: $2.1 million) (not including any cash acquired after year end as part of the Acquisition), leaving Syntonic fully funded to execute on its aggressive business expansion plans.

At 30 June 2016, the Company had net assets of $2.2 million (2015: $2.2 million).

Business Strategies and Prospects for Future Financial Years

Following completion of the Acquisition, the principal activity of the Group has been the provision of mobile technology services to businesses and consumers.

The objective of the Group is to create long-term shareholder value through the development and commercialization of Syntonic's proprietary software technology, comprising the Connected Services Platform™, which supports two technologies, Freeway by Syntonic® and Syntonic DataFlex®.

Syntonic intends to continue to actively grow its global business by capturing the demand from operator customers and content sponsors for Freeway by Syntonic in South East Asia and Latin America and Syntonic DataFlex in North America and Europe.

The commercialisation process will require additional investment in operational support staff, customer support staff, and sales and marketing staff.

As with the acquisition of any business that does not have a meaningful track record of revenue and profitability, all of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved.

The key factors that Syntonic will depend on to meet its objectives are:

- the continuing ability of the Company to attract customers to its technology services;
- the continuing ability of the Company to retain existing customers; and
- the continuing ability of the Company to provide superior functionality and service to its customers.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations.

LOSS PER SHARE

	2016 Cents	2015 Cents
Basic and diluted loss per share	**(0.11)**	(0.04)

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

EMPLOYEES

The Group has no employees at 30 June 2016 (2015: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

(i) On 10 December 2015, the Company announced that it had entered into a conditional agreement for the Acquisition, completion of which was conditional upon completion of a public share offering and approval from ASX to reinstate the Company's shares to trading on ASX;

(ii) On 17 March 2016, the Company exercised its option to acquire 100% of the issued share capital of Syntonic Wireless, Inc. following completion of due diligence by the Company and Syntonic Wireless, Inc. on the other party's business and operations;

(iii) On 23 May 2016, Shareholders approved the proposed Acquisition, which included (amongst other things) a significant change to the nature and activities of the Company, the issue of consideration securities to the vendors, a change of company name, and the election of new directors; and

(iv) On 30 June 2016, the Company closed its public share offer ("Public Offer") pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016 after raising the maximum amount of $2,200,000.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

(i) On 8 July 2016, the Company completed its acquisition of 100% of the issued shares of Syntonic Wireless, Inc. ("Acquisition") after issuing 1,200,000,000 ordinary shares and 500,000,000 performance shares ("Consideration Securities") to the vendors, following shareholder approval received at the Company's general meeting held on 23 May 2016;

(ii) On 8 July 2016, the Company completed its public share offer ("Public Offer") pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016 after issuing 100,000,000 ordinary shares at an issue price of $0.022 per share to raise the maximum amount of A$2,200,000, following shareholder approval received at the Company's general meeting held on 23 May 2016;

(iii) On 8 July 2016, the Company appointed Dr Gary Greenbaum as Managing Director and Chief Executive Officer ("CEO") and Mr Rahul Agarwal as Executive Director, President and Chief Technology Officer ("CTO"), following shareholder approval received at the Company's general meeting held on 23 May 2016. Mr David Parker resigned as Director;

(iv) On 8 July 2016, the Company the Company issued 60,000,000 Ordinary Shares and 25,000,000 unlisted options (each exercisable at $0.02 each on or before 8 July 2019) to advisors in connection with the Acquisition and Public Offer;

(v) On 12 July 2016, the Company changed its name from "Pacific Ore Limited" to "Syntonic Limited" following shareholder approval received at the Company's general meeting held on 23 May 2016;

(vi) On 20 July 2016, the Company was reinstated to official quotation on the ASX under the new ASX ticker "SYT" following the Company's compliance with listing rule 11.1.3 and chapters 1 and 2 of the ASX Listing Rules;

(vii) On 1 August 2016, the Company announced that it had extended its strategic software licensing agreement with Tata Communications, a leading provider of a new world of communications. The two companies have agreed to enhance their partnership with a perpetual license of Syntonic's technologies to more effectively capture the estimated US$23 billion sponsored data market opportunity, including expanding sponsored content services into Southeast Asia, U.S., and Latin America; and

(viii) On 12 September 2016, the Company announced that it had signed a partnership agreement with Verizon Wireless, the United States' largest mobile carrier, to enable Syntonic's cross-carrier application, Freeway by Syntonic, on Verizon's FreeBee Perks platform. FreeBee Perks allows brands to reward customers with mobile data after an action is completed such as a mobile download, a transaction, or registration.

Other than as outlined above, there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Group.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Interest in securities at the date of the report	
	Ordinary Shares[1]	Performance Shares[2]
Gary Greenbaum	385,861,395 [3]	250,000,000 [3]
Rahul Agarwal	385,861,395 [3]	250,000,000 [3]
Ian Middlemas	40,000,000	-
Mark Pearce	12,000,000	-

Notes:

[1] "Ordinary Shares" means fully paid ordinary shares in the capital of the Company.

[2] "Performance Shares" means an unlisted performance share that converts into one Ordinary Share in the capital of the Company upon the satisfaction of the various performance milestones.

[3] These Ordinary Shares and Performance Shares are subject to ASX escrow until 20 July 2018.

SHARE OPTIONS

At the date of this report there were 25,000,000 unlisted advisor options ("Advisor Options") issued over unissued capital of the Company, each exercisable into one Ordinary Share of the Company. The exercise price of each Advisor Option is A$0.02 and the expiry date of the Advisor Options is 8 July 2019.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities.

During the financial year, no insurance premiums were paid by the Group (2015: $nil) to insure against a liability incurred by a person who is or has been a director or officer of the Company or Group.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors	
Dr Gary Greenbaum	Managing Director and Chief Executive Officer *(appointed 8 July 2016)*
Mr Rahul Agarwal	Executive Director, President and Chief Technology Officer *(appointed 8 July 2016)*
Mr Ian Middlemas	Non-Executive Chairman
Mr Mark Pearce	Non-Executive Director
Mr David Parker	Non-Executive Director *(resigned 8 July 2016)*
Other KMP	
Mr Benjamin Rotholtz	Chief Marketing Officer *(appointed 8 July 2016)*
Mr Gregory Swan	Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2015 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

The Group did not have any employees during the 2016 financial year.

Performance Based Remuneration – Short Term Incentive

Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. When determining the measures for KPI's, the Board will have regard to the current size, nature and opportunities of the Company. Prior to the end of each financial year, the Board assesses performance against these criteria.

The Group did not pay any cash bonuses in respect to the 2016 financial year (2015: Nil).

REMUNERATION REPORT (AUDITED) (Continued)

Executive Remuneration (Continued)

Performance Based Remuneration – Long Term Incentive

The Board has previously chosen to issue Incentive Options (where appropriate) to some executives as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company. The Board considers that each executive's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects.

The Board may grant Incentive Options to executives with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions, there are no additional performance criteria on the Incentive Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

No Incentive Options were issued or are issuable in relation to the 2016 financial year.

Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Incentive Options have also been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive Incentive Options in order to secure their services.

Fees for the Chairman are presently set at $36,000 (2015: $24,000) per annum plus superannuation and fees for Non-Executive Directors' are presently set at $20,000 (2015: $20,000) per annum plus superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's commercialisation phase of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the commercialisation of its proprietary technologies. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. However, as noted above, a number of KMP have previously received Incentive Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Options.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until after the successful commercialisation of its technologies. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year. However, as noted above, a number of KMP have previously received Incentive Options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Options granted.

Emoluments of Directors and Other KMP

Details of the nature and amount of each element of the emoluments of each of the Key Management Personnel of Syntonic Limited are as follows:

2016	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payments $	Total $	Percentage performance related %
Directors						
Gary Greenbaum [1]	-	-	-	-	-	-
Rahul Agarwal [1]	-	-	-	-	-	-
Ian Middlemas	**36,000**	**3,420**	-	-	**39,420**	-
David Parker	**20,000**	**1,900**	-	-	**21,900**	-
Mark Pearce	**20,000**	**1,900**	-	-	**21,900**	-
Other KMP						
Benjamin Rotholtz [1]	-	-	-	-	-	-
Gregory Swan [2]	-	-	-	-	-	-
Total	**76,000**	**7,220**	-	-	**83,220**	-

Notes:

[1] Appointed after year end on 8 July 2016.

[2] Mr Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd. During the year, Apollo Group Pty Ltd was paid $220,000 for the provision of administrative, accounting and company secretarial services to the Company, including services provided in relation to the Acquisition. Apollo Group Pty Ltd is a company controlled by Mr Pearce.

2015	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payments $	Total $	Percentage performance related %
Directors						
Ian Middlemas[1]	24,000	-	-	-	24,000	-
David Parker	20,000	1,900	-	-	21,900	-
Mark Pearce	20,000	1,900	-	-	21,900	
Other KMP						
Gregory Swan[2]	-	-	-	-	-	-
Total	64,000	3,800	-	-	67,800	-

Notes:

[1] Given recent market conditions and the status of the Company's operations, Mr Middlemas elected to only receive fees of $24,000 for the 2015 financial year.

[2] Mr Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd. During the year, Apollo Group Pty Ltd was paid $208,000 for the provision of administrative, accounting and company secretarial services to the Company. Apollo Group Pty Ltd is a company controlled by Mr Pearce.

Options Granted to Key Management Personnel

There were no Unlisted Options granted by the Company to KMP of the Group during the financial year.

REMUNERATION REPORT (AUDITED) (Continued)

Employment Contracts with Directors and Key Management Personnel

Dr Greenbaum, Managing Director and CEO, has an employment agreement with the Group dated 8 July 2016. Dr Greenbaum is an at-will employee and the employment agreement may be terminated by either party at any time for any or no reason. No amount is payable in the event of termination by the Company for cause, including Dr Greenbaum's wilful or negligent failure to perform his duties, or in the event of termination caused by Dr Greenbaum's death or disability. In the event of termination by the Company without cause, Dr Greenbaum is entitled to receive his salary and benefits for a period of 6 months. Dr Greenbaum receives a fixed remuneration component of US$250,000 per annum and a discretionary annual bonus of up to US$150,000 to be paid upon the successful completion of KPI's as determined by agreement between Dr Greenbaum and the Board.

Mr Agarwal, Executive Director, President and CTO, has an employment agreement with the Group dated 8 July 2016. Mr Agarwal is an at-will employee and the employment agreement may be terminated by either party at any time for any or no reason. No amount is payable in the event of termination by the Company for cause, including Mr Agarwal's wilful or negligent failure to perform his duties, or in the event of termination caused by Mr Agarwal's death or disability. In the event of termination by the Company without cause, Mr Agarwal is entitled to receive his salary and benefits for a period of 6 months. Mr Agarwal receives a fixed remuneration component of US$250,000 per annum and a discretionary annual bonus of up to US$150,000 to be paid upon the successful completion of KPI's as determined by agreement between Mr Agarwal and the Board.

Mr Rotholtz, CMO, has an employment agreement with the Group effective from 8 July 2016 (being the date of completion of the Acquisition). Mr Rotholtz is an at-will employee and the employment agreement may be terminated by either party at any time for any or no reason and no amount is payable in the event of termination. Mr Rotholtz receives a fixed remuneration component of US$150,000 per annum and is entitled to a bonus of US$40,000 upon completion of the Acquisition.

Other Transactions

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a director and beneficial shareholder, was paid $180,000 for the provision of serviced office facilities and administration services (2015: $208,000), based on a monthly retainer of $15,000 due and payable in advance, with no fixed term. In addition, Apollo Group Pty Ltd, was paid $40,000 for additional services provided in relation to the Acquisition (2015: Nil). These amounts have been recognised as expenses in the Consolidated Statement of Profit or Loss and other Comprehensive Income.

Option holdings of Key Management Personnel

No options were held by Key Management Personnel of the Group during, or subsequent to the end of, the financial year.

Shareholdings of Key Management Personnel

2016	Held at 1 July 2015	Net Change Other	Held at 30 June 2016
Directors			
Gary Greenbaum [1]	-	-	-
Rahul Agarwal [1]	-	-	-
Ian Middlemas	**40,000,000**	-	**40,000,000**
David Parker	**2,800,001**	**(800,000)**	**2,000,001**
Mark Pearce	**12,000,000**	-	**12,000,000**
Other KMP			
Benjamin Rotholtz [1]	-	-	-
Greg Swan	**7,000,000**	**(2,000,000)**	**5,000,000**

Notes:
[1] Appointed after year end on 8 July 2016.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Gary Greenbaum	-	-
Rahul Agarwal	-	-
Ian Middlemas	2	2
David Parker	2	2
Mark Pearce	2	2

The Board considers that the Group is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. As the Group's activities increase in size, scope and/or nature the Board will review this position.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 20 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors set by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditors independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in the code of conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 14 of the Directors' Report.

Signed in accordance with a resolution of the directors.

GARY GREENBAUM
Managing Director and CEO

21 September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Syntonic Limited (formerly Pacific Ore Limited) for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**M R W Ohm**
21 September 2016	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Continuing operations			
Revenue	2(a)	**47,950**	67,358
Other income	2(b)	**-**	66,119
Business development expenses		**(429,667)**	(62,400)
Corporate and administrative expenses		**(268,134)**	(270,880)
Exploration expenses		**(9,767)**	(11,043)
Loss before income tax		**(659,618)**	(210,846)
Income tax expense	4	**-**	-
Net loss for the year		**(659,618)**	(210,846)
Net loss attributable to members of the Company		**(659,618)**	(210,846)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets		**18,582**	-
Exchange differences on translation of foreign operations		**47**	(47)
Total other comprehensive income/(loss), net of tax		**18,629**	(47)
Total comprehensive loss for the year, net of tax		**(640,989)**	(210,893)
Total comprehensive loss attributable to members of the Company		**(640,989)**	(210,893)
Loss per Share			
Basic and diluted loss per share (cents per share)	15	**(0.11)**	(0.04)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

	Notes	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**3,820,812**	2,083,036
Trade and other receivables	7	**35,316**	14,797
Other financial assets	8	**250,000**	-
TOTAL CURRENT ASSETS		**4,106,128**	2,097,833
NON-CURRENT ASSETS			
Other financial assets	8	**468,582**	100,000
TOTAL NON-CURRENT ASSETS		**468,582**	100,000
TOTAL ASSETS		**4,574,710**	2,197,833
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**135,718**	31,756
Unissued share subscriptions	11	**2,200,000**	-
TOTAL CURRENT LIABILITIES		**2,335,718**	31,756
TOTAL LIABILITIES		**2,335,718**	31,756
NET ASSETS		**2,238,992**	2,166,077
EQUITY			
Contributed equity	11	**25,153,554**	24,439,650
Reserves	12	**63,111**	44,482
Accumulated losses	13	**(22,977,673)**	(22,318,055)
TOTAL EQUITY		**2,238,992**	2,166,077

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Contributed Equity $	Investments Available For Sale Reserve $	Option Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2015	**24,439,650**	**-**	**-**	**44,482**	**(22,318,055)**	**2,166,077**
Net loss for the year	**-**	**-**	**-**	**-**	**(659,618)**	**(659,618)**
Other comprehensive income, net of tax	**-**	**18,582**	**-**	**47**	**-**	**18,629**
Total comprehensive income/(loss) for the year	**-**	**18,582**	**-**	**47**	**(659,618)**	**(640,989)**
Transactions with owners recorded directly in equity						
Issue of shares	**770,000**	**-**	**-**	**-**	**-**	**770,000**
Share issue costs	**(56,096)**	**-**	**-**	**-**	**-**	**(56,096)**
Balance at 30 June 2016	**25,153,554**	**18,582**	**-**	**44,529**	**(22,977,673)**	**2,238,992**
Balance at 1 July 2014	24,439,650	-	34,001	44,529	(22,141,210)	2,376,970
Net loss for the year	-	-	-	-	(210,846)	(210,846)
Other comprehensive income, net of tax	-	-	-	(47)	-	(47)
Total comprehensive income/(loss) for the year	-	-	-	(47)	(210,846)	(210,893)
Transactions with owners recorded directly in equity						
Expiry of incentive options	-	-	(34,001)	-	34,001	-
Balance at 30 June 2015	24,439,650	-	-	44,482	(22,318,055)	2,166,077

The accompanying notes form part of these financial statements.

SYNTONIC

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

	Notes	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(625,101)**	(356,267)
Interest received		**48,973**	69,075
NET CASH FLOWS USED IN OPERATING ACTIVITIES	14(a)	**(576,128)**	(287,192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of option fee to Syntonic Wireless, Inc.		**(250,000)**	-
Loan to Syntonic Wireless, Inc.		**(250,000)**	-
Purchase of available-for-sale financial assets		**(100,000)**	(100,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(600,000)**	(100,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**770,000**	-
Share issue costs		**(56,096)**	-
Proceeds from unissued share subscriptions		**2,200,000**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**2,913,904**	-
Net increase/(decrease) in cash and cash equivalents		**1,737,776**	(387,192)
Cash and cash equivalents at beginning of year		**2,083,036**	2,470,228
CASH AND CASH EQUIVALENTS AT END OF YEAR	14(b)	**3,820,812**	2,083,036

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Syntonic Limited ("Syntonic" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2016 are stated to assist in a general understanding of the financial report.

Syntonic is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The financial report of the Group for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 21 September 2016.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars, unless otherwise stated.

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* which completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that standard to be effectively withdrawn.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. Those which may be relevant to the Group are set out below

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2016. Those which may be relevant to the Group are set out in the table below, none of which are expected to have any significant impact on the Group's financial statements:

Title	Summary	Application Date of Standard	Application Date for Group
AASB 9 *Financial Instruments*	AASB 9 is a new standard which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 incorporates a simplified model for classifying and recognising financial instruments, a new impairment model, and a substantially-reformed approach to hedge accounting.	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*	AASB 15 is a new standard which replace AASB 118 (which covers contracts for goods and services) and AASB 111 (which covers construction contracts). AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.	1 January 2018	1 July 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of Compliance (Continued)

Title	Summary	Application Date of Standard	Application Date for Group
AASB 16 *Leases*	AASB 16 is a new standard which replaces AASB 117 *Leases*. AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts.	1 January 2019	1 July 2019
AASB 2015-1 *Annual Improvements to Australian Accounting Standards 2012– 2014 Cycle*	Amendments to clarify minor points in various accounting standards, including AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, AASB 7 *Financial Instruments: Disclosures*, AASB 119 *Employee Benefits* and AASB 134 *Interim Financial Reporting*.	1 January 2016	1 July 2016
AASB 2015-2 *Disclosure Initiative: Amendments to AASB 101*	Amends AASB 101 *Presentation of Financial Statements* to clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.	1 January 2016	1 July 2016
AASB 2016-1 *Recognition of Deferred Tax Assets for Unrealised Losses*	Amends AASB 112 *Income Taxes* to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2 *Disclosure Initiative: Amendments to AASB 107*	Amends AASB 107 *Statement of Cash Flows* to introduce additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
AASB 1057 *Application of Australian Accounting Standards* (as amended by AASB 2015-9 *Scope and Application Paragraphs*)	This Standard effectively moves Australian specific application paragraphs from each Standard into a combined Standard. The Standard has no impact on the application of individual standards.	1 January 2016	1 July 2016

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2016 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Non-controlling interests are allocated their share of net profit after tax in the consolidated statement of profit or loss and other comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

(d) Foreign Currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- items of equity are translated at the historical exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investments and Other Financial Assets

(i) Classification

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value though profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of 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. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are indeed to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the investments available for sale reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the statement of comprehensive income as gains and losses on disposal of investment securities.

(iv) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is transferred from equity to the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as held for sale are not reversed through the statement of comprehensive income.

(h) Interests in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the Group's interests in joint ventures are shown at Note 10.

(i) Parent entity financial information

The financial information for the parent entity, Syntonic Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries, associates and joint venture entities which are accounted for at cost in the financial statements of Syntonic Limited.

(j) Property, Plant and Equipment

(i) Cost and valuation

Plant and equipment is measured at cost less accumulated depreciation and impairment losses.

(ii) Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2016	2015
Major depreciation periods are:		
Plant and equipment	2 – 5 years	2 – 5 years

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent of IFRS 6.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred, up to costs associated with the preparation of a feasibility study.

Acquisition costs are accumulated for each area of interest and recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
    - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and/or
    - exploration and evaluation activities in the area of interest have not at the 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.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs 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.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(l) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Revenue Recognition

Revenues are recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(o) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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 for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(p) Employee Entitlements

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(q) Earnings per Share

Basic earnings per share (“EPS”) is calculated by dividing the net profit/loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Use and Revision of Accounting Estimates

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 8 – Available-for-sale financial assets
- Note 8 – Financial assets at fair value through profit or loss

(t) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The chief operating decision maker has been identified as the Board of Directors, taken as a whole. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board of Directors.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

(u) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(v) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(w) Issued Capital

Ordinary Shares and Performance Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the year but not distributed at balance date.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Black Scholes option pricing model. Further details on how the fair value of equity-settled share based payments has been determined can be found in Note 19.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the option reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

2. REVENUE AND OTHER INCOME

	2016 $	2015 $
(a) Revenue		
Interest revenue	**47,950**	67,358
	47,950	67,358
(b) Other income		
Write-off of trade and other payables	**-**	66,119
	-	66,119

3. OTHER EXPENSES

	2016 $	2015 $
(a) Employee Benefits Expense (including Directors)		
Wages and salaries	**76,000**	64,000
Defined contribution plans	**7,220**	3,800
	83,220	67,800

4. INCOME TAX

	2016 $	2015 $
(a) Recognised in Profit or Loss		
Current income tax		
Current income tax in respect of the current year	**-**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**(90,573)**	(63,254)
Adjustments in respect of deferred income tax of previous years	**-**	98,439
Deferred tax assets not previously brought to account	**-**	(35,185)
Deferred tax assets not brought to account	**90,573**	-
Income tax expense reported in profit or loss	**-**	-
(b) Recognised in Other Comprehensive Income		
Deferred income tax		
Unrealised gain/(loss) on available-for-sale investments	**5,575**	-
Deferred tax assets not previously brought to account	**(5,575)**	-
Income tax expense reported in other comprehensive income	**-**	-
(c) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	**(659,618)**	(210,846)
At the domestic income tax rate of 30% (2015: 30%)	**(197,885)**	(63,254)
Expenditure not allowable for income tax purposes	**107,312**	-
Adjustments in respect of deferred income tax of previous years	**-**	98,439
Deferred tax assets not previously brought to account	**-**	(35,185)
Deferred tax assets not brought to account	**90,573**	-
Income tax expense attributable to loss	**-**	-
(d) Deferred Tax Assets and Liabilities		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Accrued interest	**866**	1,174
Available-for-sale financial assets	**5,575**	-
Deferred tax assets used to offset deferred tax liabilities	**(6,441)**	(1,174)
	-	-
Deferred Tax Assets		
Accrued expenditure	**7,200**	8,400
Capital allowances	**9,148**	14,019
Tax losses available to offset against future taxable income	**2,307,554**	2,211,218
Deferred tax assets used to offset deferred tax liabilities	**(6,441)**	(1,174)
Deferred tax assets not brought to account	**(2,317,461)**	(2,232,463)
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

4. INCOME TAX (Continued)

(d) Deferred Tax Assets and Liabilities (Continued)

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

(d) Tax Consolidation

The Company and its wholly-owned Australian resident entities have implemented the tax consolidation legislation.

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2016 (2015: Nil). The balance of the franking account as at 30 June 2016 is nil (2015: Nil).

6. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank and on hand	**3,820,812**	2,083,036
Short term deposits	**-**	-
	3,820,812	2,083,036

7. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Interest receivable	**2,889**	3,912
GST and other receivables	**30,007**	10,885
Prepaid share issue costs	**2,420**	-
	35,316	14,797

8. OTHER FINANCIAL ASSETS

	2016 $	2015 $
Current		
Loans to other entities:		
Loan to Syntonic Wireless, Inc. [1]	**250,000**	-
Total Current	**250,000**	-
Non-Current		
Financial assets at fair value through profit or loss :		
Option over shares in Syntonic Wireless, Inc. [2]	**250,000**	-
Available for sale financial assets:		
Shares in Jayride Technology Pty Ltd [3]	**218,582**	100,000
Total Non-Current	**468,582**	100,000
Total Other Financial Assets	**718,582**	100,000

Notes:

[1] Upon exercise of the Company's option to acquire Syntonic Wireless, Inc. on 17 March 2016, the Company made a loan of $250,000 to Syntonic Wireless, Inc. to fund their interim activities. The loan is repayable by 31 December 2016 and interest on the loan will accrue daily from 1 July 2016 at a rate of 6% per annum (calculated on a monthly basis).

[2] Investment relates to an exclusive option to purchase 100% of the issued capital in Syntonic Wireless, Inc., a private unlisted U.S. start-up company that is a leader in mobile connected services with market leading solutions, including: Freeway by Syntonic® and Syntonic DataFlex®. The Company exercised its option to acquire Syntonic Wireless, Inc. on 17 March 2016, and the acquisition was completed after year end on 8 July 2016.

[3] Investment relates to 75,284 unlisted shares (2015: 40,842 unlisted shares) in Jayride Technology Pty Ltd, a private unlisted Australian start-up company that owns proprietary technology for an e-commerce platform to book passenger transport. The fair market value has been determined based on the most recent arm's length placement price of its shares.

9. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	**106,243**	1,348
Accrued expenses	**29,475**	30,408
	135,718	31,756

10. INTERESTS IN JOINTLY CONTROLLED OPERATIONS AND FARM-IN AGREEMENTS

At 30 June 2016, the Group had no interests in any jointly controlled operations or farm-in agreements (2015: Nil). During the year the Company and its previous joint venture partner, Central Iron Ore Limited, decided not to renew the Perinvale North Tenement (E57/818), located approximately 550km northeast of Perth in the Southern Cross Domain of the Yilgarn Craton, after a review of exploration results to-date.

11. CONTRIBUTED EQUITY

	Notes	2016 $	2015 $
(a) Issued Capital			
656,776,880 (2015: 546,776,880) Ordinary Shares[1]	11(b)	**25,153,554**	24,439,650
		25,153,554	24,439,650

Notes:

[1] At 30 June 2016, the Company had received share subscriptions of A$2,200,000 in respect of 100,000,000 ordinary shares under its public share offer ("Public Offer"). The issue of shares under the Public Offer was contingent upon completion of the Acquisition, which did not occur until after the end of the 2016 financial year (on 8 July 2016). As a result, the Company has recognised a liability of A$2,200,000 at 30 June 2016 in respect of these unissued share subscriptions.

(b) Movements in Ordinary Shares During the Past Two Years Were as Follows:

Date	Details	Number of Ordinary Shares	Issue Price $	$
01-Jul-15	**Opening Balance**	**546,776,880**	**-**	**24,439,650**
Nov-15	Share placement	**110,000,000**	**0.007**	**770,000**
30-Jun-16	Share issue costs	**-**	**-**	**(56,096)**
30-Jun-16	**Closing Balance**	**656,776,880**		**25,153,554**
01-Jul-14	**Opening Balance**	546,776,880	-	24,439,650
30-Jun-15	**Closing Balance**	546,776,880		24,439,650

(c) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares ("**Ordinary Shares**") arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders.

(iii) *Voting*

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) *Changes to the Constitution*

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) *Listing Rules*

Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

12. RESERVES

	Note	2016 $	2015 $
(a) Reserves			
Investments available-for-sale reserve	12(c)	**18,582**	-
Foreign currency translation reserve	12(d)	**44,529**	44,482
Option reserve	12(e)	**-**	-
		63,111	44,482

(b) Nature and Purpose of Reserves

(i) *Investments Available-For-Sale Reserve*

Changes in the fair value and exchange differences arising on translation of investments classified as available-for-sale financial assets are taken to the investments available-for-sale reserve as described in Note 1(g). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(ii) *Option Reserve*

The option reserve is used to record the fair value of options issued by the Group.

(iii) *Foreign Currency Translation Reserve*

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
(Continued)

12. RESERVES (Continued)

(c) Movements in the Investments Available-For-Sale Reserve During the Past Two Years

	2016 $	2015 $
Balance at 1 July	**-**	-
Fair value gain on available-for-sale financial assets	**18,582**	-
Balance at 30 June	**18,582**	-

(d) Movements in the Foreign Currency Translation Reserve During the Past Two Years

	2016 $	2015 $
Balance at 1 July	**44,482**	44,529
Exchange differences	**47**	(47)
Balance at 30 June	**44,529**	44,482

(e) Movements in the Option Reserve During the Past Two Years

Date	Details	Number of Incentive Options	$
01-Jul-15	**Opening Balance**	**-**	**-**
30-Jun-16	**Closing Balance**	**-**	**-**
01-Jul-14	**Opening Balance**	1,000,000	34,001
31-Dec-14	Expiry of incentive options	(1,000,000)	(34,001)
30-Jun-15	**Closing Balance**	-	-

(f) Terms and Conditions of Incentive Options

As at 30 June 2016, there are no Incentive Options on issue (2015: Nil).

13. ACCUMULATED LOSSES

	2016 $	2015 $
Balance at 1 July	**(22,318,055)**	(22,141,210)
Transfer of expired option balance	**-**	34,001
Net loss for the year attributable to members of the Company	**(659,618)**	(210,846)
Balance at 30 June	**(22,977,673)**	(22,318,055)

14. STATEMENT OF CASH FLOWS

	2016 $	2015 $
(a) Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations		
Loss for the year	**(659,618)**	(210,846)
Adjustment for non-cash income and expense items		
Net foreign exchange (gain)/loss	**47**	(47)
Write-off of trade and other payables	**-**	(66,119)
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(20,519)**	6,891
Increase/(decrease) in trade and other payables	**103,962**	(17,071)
Net cash outflow from operating activities	**(576,128)**	(287,192)
(b) Reconciliation of Cash		
Cash at bank and on hand	**3,820,812**	2,083,036
Short term deposits	**-**	-
Balance at 30 June	**3,820,812**	2,083,036

(c) Non-cash Financing and Investing Activities

There were no non-cash financing and investing activities during the year ended 30 June 2016 or 30 June 2015.

15. EARNINGS PER SHARE

	2016 Cents	2015 cents
(a) Basic and Diluted Profit/(Loss) per Share		
From continuing operations	**(0.11)**	(0.04)
Total basic and diluted loss per share	**(0.11)**	(0.04)

	2016 $	2015 $
The following reflects the income and share data used in the calculations of basic earnings per share:		
Net loss attributable to members of the Company	**(659,618)**	(210,846)
Earnings used in calculating basic and diluted earnings per share from continuing operations	**(659,618)**	(210,846)

	Number of Ordinary Shares 2016	Number of Ordinary Shares 2015
Weighted average number of Ordinary Shares used in calculating basic and diluted earnings per share	**616,393,318**	546,776,880

15. EARNINGS PER SHARE (Continued)

(b) Non-Dilutive Securities

As at balance date, there were no non-dilutive securities (2015: nil).

(c) Conversions, Calls, Subscriptions or Issues after 30 June 2016

Since 30 June 2016, the Company has issued the following Ordinary Shares or potential Ordinary Shares:

(i) On 8 July 2016, the Company issued 100,000,000 Ordinary Shares pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016;

(ii) On 8 July 2016, the Company issued 1,200,000,000 Ordinary Shares and 500,000,000 performance shares as consideration for the Acquisition; and

(iii) On 8 July 2016, the Company issued 60,000,000 Ordinary Shares and 25,000,000 unlisted options (each exercisable at $0.02 each on or before 8 July 2019) to advisors.

16. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest 2016 %	% Equity Interest 2015 %
Subsidiaries of Syntonic Limited:			
PSF Merger Subsidiary, Inc.	United States	100	-
Pacific Ore (UK) Limited	United Kingdom	100	100
Pacific Ore Mining Pty Ltd	Australia	100	100
Syntonic Holdings Pty Ltd (formerly Pacific Ore Holdings Pty Ltd)	Australia	100	100
Pacific Ore (WA) Pty Ltd	Australia	100	100
Pacific Ore Exploration Pty Ltd	Australia	100	100

(b) Ultimate Parent

Syntonic Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key Management Personnel

Transactions with Key Management Personnel, including remuneration, are included at note 17.

(d) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

17. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors

Dr Gary Greenbaum	Managing Director and Chief Executive Officer *(appointed 8 July 2016)*
Mr Rahul Agarwal	Executive Director, President and Chief Technology Officer *(appointed 8 July 2016)*
Mr Ian Middlemas	Non-Executive Chairman
Mr Mark Pearce	Non-Executive Director
Mr David Parker	Non-Executive Director *(resigned 8 July 2016)*

Other KMP

Mr Benjamin Rotholtz	Chief Marketing Officer *(appointed 8 July 2016)*
Mr Gregory Swan	Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2015 until the date of this report.

	2016 $	2015 $
(b) Key Management Personnel Compensation		
Short-term employee benefits	**76,000**	64,000
Post-employment benefits	**7,220**	3,800
Share-based payments	**-**	-
Total compensation	**83,220**	67,800

(c) Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2016 (2015: Nil).

(d) Other Transactions

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a director and beneficial shareholder, was paid $180,000 for the provision of serviced office facilities and administration services (2015: $208,000), based on a monthly retainer of $15,000 due and payable in advance, with no fixed term. In addition, Apollo Group Pty Ltd was paid $40,000 for additional services provided in relation to the Acquisition. These amounts have been recognised as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. At 30 June 2016, nil (2015: nil) was included as a current liability in the Statement of Financial Position.

18. PARENT ENTITY DISCLOSURES

	2016 $	2015 $
(a) Financial Position		
Assets		
Current Assets	**4,106,111**	2,097,816
Non-Current Assets	**468,584**	100,002
Total Assets	**4,574,695**	2,197,818
Liabilities		
Current Liabilities	**2,335,379**	31,370
Total Liabilities	**2,335,379**	31,370
Equity		
Contributed equity	**28,785,294**	28,071,390
Accumulated losses	**(26,564,560)**	(25,904,942)
Reserves	**18,582**	-
Total Equity	**2,239,316**	2,166,448
(b) Financial Performance		
Loss for the year	**(659,618)**	(210,846)
Other comprehensive income	**18,582**	-
Total comprehensive loss	**(641,036)**	(210,846)

(c) Other

No guarantees have been entered into by the parent entity in relation to its subsidiaries.

19. SHARE-BASED PAYMENTS

From time to time, the Group provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, no Incentive Options were granted as share-based payments.

20. AUDITORS' REMUNERATION

	2016 $	2015 $
Amounts received or due and receivable by HLB Mann Judd for:		
• an audit or review of the financial report of the entity and any other entity in the consolidated group	**21,000**	20,000
• other services in relation to the entity and any other entity in the consolidated group	**12,500**	-
	33,500	20,000

21. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

During the 2016 financial year, the Consolidated Entity operated in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

After the end of the financial year, on 8 July 2016, the Company completed the Acquisition which resulted in a change to the nature of the Company's activities from a mineral exploration company to a technology company. Shareholders approved this change at a General Meeting on 26 May 2016. From 8 July 2016, the Consolidated Entity operates in one segment, being the provision of mobile technology services.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, loans, available-for-sale financial assets, other financial assets at fair value through profit or loss, payables, cash and short-term deposits. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, trade and other receivables, and loans to other entities.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2016 $	2015 $
Cash and cash equivalents	**3,820,812**	2,083,036
Trade and other receivables	**35,316**	14,797
Loans to other entities	**250,000**	-
	4,106,128	2,097,833

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit Risk (Continued)

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Trade and other receivables are comprised primarily of interest receivable and GST refunds due. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Loans to other entities comprise a loan of $250,000 to Syntonic Wireless, Inc. The loan is repayable by 31 December 2016 and interest on the loan will accrue daily from 1 July 2016 at a rate of 6% per annum (calculated on a monthly basis). The Company acquired 100% of Syntonic Wireless, Inc. after year end, on 8 July 2016.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2016, the Group had sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2016 Group	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Assets					
Cash and cash equivalents	3,820,812	-	-	-	3,820,812
Trade and other receivables	35,316	-	-	-	35,316
Loans to other entities	-	250,000	-	-	250,000
Financial assets at fair value through profit or loss	-	-	-	250,000	250,000
Available for sale financial assets	-	-	218,582	-	218,582
	3,856,128	250,000	218,582	250,000	4,574,710
Financial Liabilities					
Trade and other payables	135,718	-	-	-	135,718
Unissued share subscriptions	2,200,000	-	-	-	2,200,000
	2,335,718	-	-	-	2,335,718

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. Loans to other entities are at a fixed interest rate and all other financial assets and liabilities, in the form of receivables, investments and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2016 $	2015 $
Interest-bearing financial instruments		
Cash at bank and on hand	**3,820,812**	2,083,036
Loans to other entities	**250,000**	-
	4,070,812	2,083,036

The Group's cash at bank and on hand and short term deposits had a weighted average interest rate at year end of 0.87% (2015: 2.24%).

The Group's loans to Syntonic Wireless, Inc. has a weighted average interest rate at year end of 0%. Interest on the loan will start accruing daily from 1 July 2016 at a rate of 6% per annum (calculated on a monthly basis).

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015.

	Profit or loss		Other Comprehensive Income	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
2016				
Group				
Cash and cash equivalents	**38,208**	**(38,208)**	**38,208**	**(38,208)**
Loans to other entities	**-**	**-**	**-**	**-**
	38,208	**(38,208)**	**38,208**	**(38,208)**
2015				
Group				
Cash and cash equivalents	20,830	(20,830)	20,830	(20,830)

(e) Equity Price Risk

The Group is exposed to equity price risk arising from its equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments and no hedging or derivative transactions have been used to manage equity price risk.

With respect to equity price risk arising from the Group's equity investments, the maximum exposure is equal to the carrying amount of the Group's equity investments.

The Company's investment in shares is classified as available-for-sale and is carried at fair value. The Directors have determined the fair value of the shares to be $218,582 (2015: $100,000) based on the most recent arm's length placement price of its shares. During the year, a fair value movement of $18,582 (2015: nil) has been recognised in the investments available-for-sale reserve.

Equity price sensitivity

A sensitivity of 20% has been selected as this is considered reasonable given the current status of global equity markets. The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. At reporting date, if the equity prices had been 20% higher or lower:

- Equity reserves at 30 June 2016 would increase/decrease by $43,716 for the Group (2015: $20,000); and
- Net loss for the year ended 30 June 2016 would not change as the gain during the year is taken to the reserve.

The Group's sensitivity to equity prices has not changed significantly from prior years.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Foreign Currency Risk

As a result of activities overseas, the Group's statement of financial position can be affected by movements in exchange rates. The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group's exposure to foreign currency risk throughout the current and prior year primarily arose from controlled entities of the Company whose functional currency is the British Pound. Foreign currency risk arises on translation of the net assets of these controlled entities to Australian dollars.

The Group does not have any material exposure to financial instruments denominated in foreign currencies at year end.

Following completion of the acquisition of Syntonic Wireless, Inc. after year end on 8 July 2016, the Group's exposure to foreign currency risk will primarily arise from Syntonic Wireless, Inc. (a controlled entity of the Company) whose functional currency is US dollars. Foreign currency risk arises on translation of the net assets of Syntonic Wireless, Inc. to Australian dollars.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk, however this policy is being reviewed following completion of the acquisition of Syntonic Wireless, Inc. after year end on 8 July 2016.

(g) Commodity Price Risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group is currently examining new business opportunities where acquisition/working capital requirements of a new project may involve additional funding in some format (which may include debt where appropriate).

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

(i) Fair Value

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

23. EVENTS SUBSEQUENT TO BALANCE DATE

(i) On 8 July 2016, the Company completed its acquisition of 100% of the issued shares of Syntonic Wireless, Inc. ("Acquisition") after issuing 1,200,000,000 ordinary shares and 500,000,000 performance shares ("Consideration Securities") to the vendors, following shareholder approval received at the Company's general meeting held on 23 May 2016;

(ii) For accounting purposes, the Acquisition will be accounted for as a reverse acquisition under AASB 3 *Business Combinations* in the 2017 financial year because, as a result of the Acquisition, the former owners of the legal subsidiary (i.e. Syntonic Wireless, Inc.) obtained accounting control of the legal parent (i.e. the Company). Whilst the Acquisition does not meet the definition of a business combination in accordance with AASB 3 *Business Combinations* (as the Company is deemed for accounting purposes not to be a business), the Acquisition will be accounted for as a share-based payment transaction using the principles of AASB 3 *Business Combinations* and AASB 2 *Share-Based Payment*. Accordingly, the 2017 financial year consolidated financial statements will be issued under the name of the legal parent (i.e. the Company) but will be a continuation of the financial statements of the legal subsidiary (i.e. Syntonic Wireless, Inc.), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values. Consequently, in the 2017 financial year, the Group will recognise an expense of approximately A$7,095,473 in its statement of comprehensive income, effectively representing the cost of the listing. This cost is calculated as the difference in the fair value of the equity instruments that Syntonic Wireless, Inc. is deemed to have issued to acquire the Company and the fair value of the Company's identifiable net assets, as follows:

	Fair Value A$
Fair value of consideration:	
Equity	**11,165,207**
Fair value of consideration	**11,165,207**
Fair value of net assets acquired:	
Cash and cash equivalents	**3,778,729**
Trade and other receivables	**38,075**
Other financial assets	**468,582**
Trade and other payables	**(215,652)**
Fair value of net assets acquired	**4,069,734**
Cost of listing	**7,095,473**

(iii) On 8 July 2016, the Company completed its public share offer ("Public Offer") pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016 after issuing 100,000,000 ordinary shares at an issue price of $0.022 per share to raise the maximum amount of A$2,200,000, following shareholder approval received at the Company's general meeting held on 23 May 2016;

(iv) On 8 July 2016, the Company appointed Dr Gary Greenbaum as Managing Director and Chief Executive Officer ("CEO") and Mr Rahul Agarwal as Executive Director, President and Chief Technology Officer ("CTO"), following shareholder approval received at the Company's general meeting held on 23 May 2016. Mr David Parker resigned as Director;

(v) On 8 July 2016, the Company the Company issued 60,000,000 Ordinary Shares and 25,000,000 unlisted options (each exercisable at $0.02 each on or before 8 July 2019) to advisors in connection with the Acquisition and Public Offer;

(vi) On 12 July 2016, the Company changed its name from "Pacific Ore Limited" to "Syntonic Limited" following shareholder approval received at the Company's general meeting held on 23 May 2016;

(vii) On 20 July 2016, the Company was reinstated to official quotation on the ASX under the new ASX ticker "SYT" following the Company's compliance with listing rule 11.1.3 and chapters 1 and 2 of the ASX Listing Rules;

(viii) On 1 August 2016, the Company announced that it had extended its strategic software licensing agreement with Tata Communications, a leading provider of a new world of communications. The two companies have agreed to enhance their partnership with a perpetual license of Syntonic's technologies to more effectively capture the estimated US$23 billion sponsored data market opportunity, including expanding sponsored content services into Southeast Asia, U.S., and Latin America; and

(ix) On 12 September 2016, the Company announced that it had signed a partnership agreement with Verizon Wireless, the United States' largest mobile carrier, to enable Syntonic's cross-carrier application, Freeway by Syntonic, on Verizon's FreeBee Perks platform. FreeBee Perks allows brands to reward customers with mobile data after an action is completed such as a mobile download, a transaction, or registration.

Other than as outlined above, there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Syntonic Limited:

1. In the opinion of the directors:

   (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and

      (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Group); and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 1(b) to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board

GARY GREENBAUM
Managing Director and CEO

21 September 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Syntonic Limited

Report on the Financial Report

We have audited the accompanying financial report of Syntonic Limited (formerly Pacific Ore Limited) ("the company"), 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 Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entities' 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Auditor's opinion

In our opinion:

(a) the financial report of Syntonic Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and 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(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in 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 section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Syntonic Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
21 September 2016

ASX ADDITIONAL INFORMATION

1. CORPORATE GOVERNANCE

Syntonic Limited ("Syntonic" or "Company") and the entities it controls believe corporate governance is a critical pillar on which business objectives and, in turn, shareholder value must be built.

The Board of Syntonic has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company's website, www.syntonic.com. These documents are reviewed annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2016, which explains how Syntonic complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' in relation to the year ended 30 June 2016, is available in the Corporate Governance section of the Company's website, www.syntonic.com and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

ASX ADDITIONAL INFORMATION
(Continued)

2. TWENTY LARGEST SHAREHOLDERS

As at 31 August 2016, the names of the twenty largest shareholders are listed below.

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
Lindfield Nominee Services Pty Ltd <Gary Greenbaum A/C>	373,740,888	18.53
Lindfield Nominee Services Pty Ltd <Rahul Agarwal A/C>	373,740,888	18.53
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	45,022,517	2.23
Mr Jason Peterson + Mrs Lisa Peterson <J & L Peterson S/F A/C>	41,633,766	2.06
Arredo Pty Ltd	40,000,000	1.98
Cityscape Asset Pty Ltd <Cityscape Family A/C>	30,000,000	1.49
Propel Holding Pty Ltd	30,000,000	1.49
Citicorp Nominees Pty Limited	26,122,853	1.30
RAH STC Pty Ltd <MEH Retirement Fund A/C>	17,817,150	0.88
Mr Ben Rotholtz	16,881,436	0.84
Mr Laxmi C Gupta	16,646,617	0.83
Mr Manish Gupta + Ms Anjula Gupta <Gupta Family A/C>	16,646,617	0.83
Mr Sandeep Gupta	16,646,617	0.83
Mr Shalesh Gupta	16,646,617	0.83
Mr Deepak Mittal	16,646,617	0.83
StartItLabs LLC	16,195,805	0.80
Mr John Charles Vassallo + Mr Sean James Vassallo <Vassallo Family S/F A/C>	15,285,900	0.76
Zero Nominees Pty Ltd	14,800,000	0.73
WS Investment Company LLC	13,919,671	0.69
Mr Damien Michael Hudson	13,000,000	0.64
Total Top 20	**1,151,393,959**	**57.09**
Others	865,382,921	42.91
Total Ordinary Shares on Issue	**2,016,776,880**	**100.00**

3. DISTRIBUTION OF EQUITY SECURITIES

As at 31 August 2016, an analysis of numbers of holders by size of holding is listed below.

Distribution	Number of Shareholders	Number of Ordinary Shares
1 – 1,000	88	14,960
1,001 – 5,000	38	123,651
5,001 – 10,000	71	582,056
10,001 – 100,000	894	46,160,757
More than 100,000	1,018	1,969,895,456
Totals	**2,109**	**2,016,776,880**

As at 31 August 2016, there were 291 holders of less than a marketable parcel of ordinary shares.

4. VOTING RIGHTS

See Note 11(c) of the Notes to the Financial Statements.

5. SUBSTANTIAL SHAREHOLDERS

As at 31 August 2016, substantial shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
Dr Gary Greenbaum	385,861,395
Mr Rahul Agarwal	385,861,395
Lindfield Nominee Services Pty Ltd	747,481,776

6. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Syntonic Limited's listed securities.

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Level 9, BGC Center
28 The Esplanade
Perth, Western Australia 6000

Syntonic Wireless Inc.
119 First Avenue South, Suite 100
Seattle, Washington USA 98104