EPAT TECHNOLOGIES LIMITED
(FORMERLY MINQUEST LIMITED)
ABN 21 146 035 127

2016 ANNUAL REPORT

Corporate Directory

Board of Directors
John Murray
Non-Executive Chairman

Philip Daffas
Managing Director

Ross Harricks
Non-executive Director

Adam Davey
Non-executive Director

Ian Hobson
Company Secretary

Share Register
Automic Registry Services
Suite 1A, Level 1, 7 Ventnor Avenue
West Perth WA 6005

Telephone +61 8 9324 2099
Facsimile +61 8 9321 2337

Auditor
BDO Audit Pty Ltd
12 Creek Street
BRISBANE QLD 4000

Securities Exchange
ePAT Technologies Limited shares are listed on the Australian Securities Exchange

ASX Code: EPT

Registered Office in Australia
Suite 5, 95 Hay Street
Subiaco WA 6008
Telephone: +61 8 9388 8290

Principal Place of Business in Australia
Suite 401, 35 Lime Street
Sydney NSW 2000

Website: www.epattechnologies.com

Banker
Westpac Banking Corporation Limited
Sydney, NSW

ePAT

Improving the quality of life for people in pain through novel, cost effective pain assessment tools

ePAT Technologies Limited
ABN 21 146 035 127
Suite 5, 95 Hay Street Subiaco WA 6008
Phone **+61 8 9388 8290**

Dear Shareholders,

It is with great pleasure that I present ePAT Technologies Limited's (formerly Minquest Ltd) Annual Report for 2016.

The 2016 Financial Year was pivotal for the Company, as the former Board of Directors decided to change the strategy and business of Minquest Ltd, and acquire ePAT Technologies Pty Ltd ("ePAT"). ePAT is an innovative medical device technology company, that is developing mobile pain assessment applications to improve the quality of life of people in pain.

The ePAT acquisition was completed on 26 September 2016, and a new Board of Directors was appointed on 30 September 2016. Further detail about the business of ePAT and the transaction can be found in the prospectus on the ASX website.

The financial results of the Company for the year ended 30 June 2016 contained in this annual report reflect the financial position of the Company prior to the acquisition of ePAT together with certain costs associated with preparing for the transaction.

On behalf of the new Board of Directors, I would like to welcome both existing and new shareholders to ePAT Technologies Ltd. We have an exciting market opportunity in health care, and look forward to increasing shareholder value by commercialising ePAT's innovative technology for this market.

Yours sincerely,

John Murray

Chairman

EPAT Technologies Ltd

(formerly MinQuest Limited)

(ACN 146 035 127)

Annual Financial Statements

For the Financial Year Ended 30 June 2016

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CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Paul Niardone

NON-EXECUTIVE DIRECTOR
Adam Davey

MANAGING DIRECTOR
Jeremy Read

COMPANY SECRETARY
Stephen Kelly

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SECURITIES EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Sydney, New South Wales)
Code: MNQ

DIRECTORS' REPORT

The Directors of EPAT Technologies Ltd (formerly MinQuest Limited and referred to in these financial statements as "MinQuest" or the "Company") submit herewith the financial report of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The names of Directors who held office at any time during the financial year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Officer Name	Position	Date of Appointment	Date of Cessation
Paul Niardone	Non-Executive Director	12/11/2015	-
Jeremy James Read	Managing Director	30/09/2015	-
Adam Stuart Davey	Non- Executive Director	30/09/2015	-
Frank Terranova	Non-Executive Chairman	20/01/2016	2/09/2016
David Ross DeLoub	Non-Executive Chairman	09/09/2011	20/01/2016

Names, Qualifications, Experience and Special Responsibilities of Directors

Paul Niardone - Non-Executive Chairman

Mr Niardone is currently the CEO of the Ausnet Group, a real estate and financial services group of companies. Paul was also the Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in Western Australia, and the founding Chairman of Bellevue Resources Limited.

Mr Niardone has experience in marketing, investor relations and strategic planning in both the public and private sectors. He has been a member of the Australian Marketing Institute, the Institute of Management Consultants and the Institute of Company Directors.

Mr Niardone is formerly a Non-Executive Director of Avalon Minerals Limited.

Jeremy Read – Managing Director**,** B.Sc (Hons)

Mr Read has 26 years domestic and international minerals exploration experience and was previously the Manager of BHP's Australian Exploration Team. He has extensive exploration experience for copper, nickel and gold mineral deposits having played a critical role in the discovery of Cairn Hill Cu-Fe deposit in South Australia and the Kabanga North Ni deposit in Tanzania.

Mr Read was the founding managing director of Discovery Metals Limited (Discovery) from its incorporation in May 2003, until his appointment as a non-executive director on 1 February 2008. Mr Read secured the Boseto Copper Project for the Discovery Metals and was responsible for all Discovery Metals' fund raising activities and for listing Discovery Metals on the Australian Securities Exchange, Botswana Stock Exchange and the Alternative Investment Market in London.

Mr Read was also the founding managing director of Meridian Minerals Limited, obtained the Lennard Shelf Zn-Pb Project for Meridian and led the company until its takeover by the Chinese mining company NWME.

In the past three years Mr Read has served as a Director of Discovery Metals Limited, Avalon Minerals Limited and Oresearch Limited.

Adam Davey – Non-Executive Director

Mr Davey's expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties. Adam has been involved in significantly growing businesses in both the industrial and mining sector. This has been achieved through holding various roles within different organisations, including chairman, managing director, non-executive director, major shareholder and corporate adviser to the board.

Mr Davey is a non-executive director of Ensurance Limited.

David DeLoub B.Ec (Hons), BA, Grad. Dip. Bus, Grad. Dip. FINSIA – Non-Executive Chairman

Mr DeLoub has over 22 years of experience in the finance and corporate sectors and holds a degree in economics and post graduate qualifications in banking and finance.

Prior to joining MinQuest, Mr DeLoub was the Chief Financial Officer at the ASX listed Company, Neptune Marine Services Limited. He was also a director of Patersons Capital Partners, a boutique advisory firm focused on providing strategic and financial advice to ASX listed small cap companies. Mr DeLoub also has considerable finance and business development experience both in Australia and abroad where he has held senior finance positions at Alinta Limited domestically and at Alcoa Inc, based in New York.

Mr Frank Terranova

Mr. Terranova is a senior executive with extensive experience in corporate finance and company management across sectors including mining, agriculture and manufacturing. Mr. Terranova is a Chartered Accountant and his most recent position was as Managing Director and CEO of Polymetals Mining Limited ("Polymetals") (ASX:PLY) where he was instrumental in the successful merger of Polymetals and Southern Cross Goldfields Limited (ASX:SXG). In addition, Mr. Terranova was formerly the Managing Director and CEO of Allied Gold Mining PLC, where he presided over its successful +$500 million M & A transaction with St Barbara Mines (ASX:SBM). Mr. Terranova had a major role in the strategic and operational development of Allied Gold.

Company Secretary

Mr Stephen Kelly was appointed to the positions of Company Secretary and Chief Financial Officer on 1 June 2015.

A qualified Australian Chartered Accountant, Mr Kelly previously has more than 25 years' international experience in the areas of external and internal audit, risk management and compliance, treasury and corporate finance across a range of industry sectors including mining, infrastructure, property development and banking and finance. Mr Kelly is a Member of Chartered Accountants in Australia and New Zealand. Mr Kelly is a Director of Chesser Resources Limited.

OPERATIONS REPORT

Results of Operations
The Group's loss after providing for income tax amounted to $5,047,449 (2015: Loss $1,703,733).

Principal Activities
In the period 1 July 2015 to 14 April 2016, the principal activity of the Company was undertaking exploration and development activities in relation to the Company's mineral exploration projects in Canada and Australia pursuant to earn-in joint venture agreements entered into by the Company.

In January 2016, the Company announced that considering the continued uncertainty regarding the outlook for the mining and metals sector, and what was expected to remain a challenging financing environment for resource companies in the short term, the Board of the Company was undertaking a wide ranging review of the Company's business so as to maximise the returns for shareholders, including the consideration of opportunities outside the resources sector.

On 14 April 2016, the Company announced that it had entered into a Binding Heads of Agreement to acquire all of the issued capital of Electronic Pain Assessment Technology (ePAT) Pty Ltd ("ePAT"). ePAT is developing mobile medical applications that provide pain assessment for individuals that are unable to communicate with their carers.

Further information in relation to the Company's principal activities is summarised below.

Exploration and development activities

Marg Project, Yukon Canada

MinQuest announced on 17 March 2015 that it had entered into a farm-in joint venture agreement to earn up to a 75% interest in the Marg VMS Project in the Yukon Territory.

Below is a summary of the key developments in relation to the Marg Project during the year:

- An updated mineral resource estimate was completed for the Marg Project resulting in the grade of the Marg mineral resource increasing by 10%.
- A Scoping Study was completed for the Marg Project confirming the potential for an economically viable project.

On 22 April 2016, the Company notified Golden Predator Mining Corporation that it did not intend to exercise its further option under the farm in joint venture agreement for the Marg Project, and consequently was withdrawing from that agreement.

Fyre Lake Project, Yukon Canada

The Fyre Lake project is located in the Finlayson Lake District, south east Yukon Territory, Canada. The project contains the Kona Mineral Resource, a Volcanogenic Massive Sulphide deposit and over nine kilometres of favourable host rocks with geochemical and geophysical targets indicative of VMS mineralization. MinQuest had entered into an agreement to earn up to an eighty per cent interest in the Fyre Lake Project.

Below is a summary of the key developments in relation to the Marg Project during the year:

- MinQuest was a stakeholder in the Companies Creditor Arrangement Act ('CCAA') process for Yukon Zinc Corporation ('Yukon Zinc'), through its bid for the Wolverine Zinc mine, adjacent to the Fyre Lake project.
- On 5 October 2015, Yukon Zinc paid their creditors and consequently, MinQuest's bid for the Wolverine Zinc mine lapsed.
- MinQuest's opinion is that for a viable long-term operation to be sustained at Wolverine, an integrated project combining the copper mineral resource on the Fyre Lake project and the remaining zinc mineral resources at Wolverine is required.

On 14 July 2016, the Company elected not to make ownership payments that were due under the Fyre Lake farm in joint venture agreement effectively bringing that agreement to an end.

Coober Pedy Project, South Australia

The Coober Pedy Project is 100% owned by Teck Australia Pty Ltd (Teck) and comprises three exploration licenses in the Gawler Craton, South Australia. Under the terms of a joint venture agreement with Teck, MinQuest had the ability to earn up to a 100% interest in the Coober Pedy Project.

An exploration drilling program was completed at the Cyclops Target in May and June 2015. Two drill holes were completed to test gravity and magnetic anomalies.

On 9 September 2016, the Company notified Teck that it did not intend to exercise its further option under the farm in joint venture agreement for the Coober Pedy and consequently was withdrawing from that agreement.

Proposed acquisition of ePAT

On 14 April 2016, the Company announced to ASX that it had entered into a conditional binding term sheet to acquire the entire issued capital of ePAT. ePAT is developing revolutionary mobile medical applications that use facial recognition software to facilitate and improve pain assessment in patients that are unable to communicate ("App"). The App is being developed and rolled out in two phases; one for patients with dementia who have lost the ability to communicate with their carers and the second for young children who have not yet learnt to speak.

Further information in relation to the proposed acquisition of ePAT is provided in the section of this Directors' Report titled 'Subsequent Events'.

Operating and Financial Review

For the year ended 30 June 2016, the Group's Statement of Profit and Loss and Other Comprehensive Income reports a loss $5,047,449 (2015: $1,703,733). This loss was principally attributable to the following matters:

- Losses of $3,366,653 attributable to the Group's discontinued exploration and evaluation activities including impairments of capitalised exploration and evaluation expenditure amounting to $3,112,215.
- Financing charges incurred under the convertible loan facility with Magna Equities II LLC
- Costs associated with the Company's acquisition of ePAT.

The Group's total assets as reported in the Statement of Financial Position as at 30 June 2016 was $114,685 (2015: $2,336,883). The reduction in total assets during the financial year was principally due to the impairment of capitalised exploration and evaluation expenditure as a consequence of the Group undertaking to divest its exploration projects as a condition of the proposed acquisition of ePAT.

The Group's Statement of Cash Flows for the year ended 30 June 2016 discloses that the Group raised $2,205,060 through the issue of convertibles notes to raise $1,381,107 and the issue of shares to raise $1,459,315. The funds raised were applied for the principal purposes of funding:

- exploration and evaluation expenditure in the amount of $1,261,430.
- partial repayment of the Magna Equities II LLC convertible loan.
- Payments to suppliers and employees including costs associated with the proposed acquisition of ePAT.

Corporate

On 24 July 2015, the Company received funds of $450,000 via a placement of new fully paid ordinary shares to prominent junior resource industry investor Mr. Robert Healy. In conjunction with the placement to Mr. Healy an additional placement of $50,000 of new fully paid ordinary shares was completed.

On 11 August, the Company completed a capital raising of up to $2.29 million through a combination of a $936,315 share placement and an issue of convertible notes with a face value of up to US$1 million to Magna Equities II LLC ("Magna").

On 16 November 2015, the Company announced that it had renegotiated the terms of the Convertible Loan Facility with Magna to better reflect the Group's short-term financing requirements such that the Company would draw down convertible notes with a maximum face value of US$420,000 through a series of monthly drawdowns.

On 20 January 2016, Mr David DeLoub resigned as a Director of the Company and Mr Frank Terranova was appointed as the Company's Non-Executive Chairman.

On 22 April 2016, the Company announced that it had completed an interim capital raising via an issue of convertible notes to raise $750,000.

SUBSEQUENT EVENTS

Other than as described below, no matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the Group's operations, the results of those operations of the Group's state of affairs:

- On 18 July 2016, the Company announced that it had completed an issue of 300,000 convertible notes to raise $300,000 to assist in meeting the costs of the proposed acquisition of ePAT and to provide working capital. The convertible notes were converted to ordinary shares at a conversion price of $0.02 per share on 26 September 2016.

- On 18 July 2016, the Company advised Pacific Ridge Exploration that it had elected to not make any further ownership payments under the Fyre Lake farm in joint venture agreement, effectively bringing that agreement to an end. The Company fully impaired all capitalised exploration expenditure relating to the Fyre Lake Project in the year ended 30 June 2016.

- On 25 July 2016 the Company executed a share purchase agreement for the acquisition of one hundred percent of the issued capital of ePAT. The significant terms of the agreement were:

  - Completion of the sale and purchase of 100% of the issued capital of ePAT is to occur on a date and time agreed by the parties, following the satisfaction or waiver of the latest condition precedent to be satisfied or waived. The conditions precedents were:

    - the Company obtaining all necessary Shareholder approvals;

  - the Company obtaining conditional approval for the re-quotation of the Company's Shares following Completion of the Acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules;
  - the Company divesting its entire legal and beneficial interests in its mineral projects;
  - completion of a capital consolidation by the Company on terms to be mutually agreed;
  - the Company completing a capital raising of at least $4,000,000;
  - Curtin University selling all of its ePAT shares; and
  - to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such restrictions as mandated by the Listing Rules in respect of any other securities to be issued in relation to the transaction.

- In exchange for the Company acquiring ePAT, the Company agreed to issue the following consideration to ePAT shareholders:

  (i) 213,219,616 shares to be issued at completion; and

  (ii) $1,000,000 worth of shares to be issued if the Company announces that either of the following milestones have been met within 12 months from the date of completion of the acquisition:

    (A) Regulatory approval having been received to enable commercial use of the ePAT App in Australia, the United States of America or Europe. (In this context, "Regulatory Approval" means approval by the Therapeutic Goods Administration of Australia, Food and Drug Administration of the United States, or a CE mark from the relevant authority in Europe); or

    (B) the execution of a binding licence agreement to licence the ePAT App to:

      - one or more residential aged care facility owners managing in total in excess of 150 beds;
      - one or more medical clinics which service in total in excess of 2,000 patients per year;
      - a metropolitan hospital with in excess of 200 beds;

      (each an "End User") or

      - a global distribution partner with multiple End Users as existing customers.

- On 25 August 2016, the Company issued a Prospectus for the purposes of raising between $4,000,000 and $5,750,000 through the issue of up to 287,500,000 fully paid ordinary shares at an issue price of $0.02 per share and satisfying the requirements of Chapters 1 and 2 of the ASX Listing Rules. The offer under the Prospectus was underwritten to the amount of $4,500,000.

- On 31 August 2016, an Extraordinary General Meeting of the Company's shareholders approved a number of resolutions relating to the proposed acquisition of ePAT and related matters as summarised below:

  - the Company changing the nature and scale of its activities as a result of the acquisition. Upon completion of the acquisition, the Company will effectively change from a mineral explorer to a health and technology company.
  - the Company issuing the consideration shares to the ePAT shareholders in consideration for the acquisition of 100% of the shares of ePAT.

- the Company issuing up to 287,500,000 shares to the public under a Prospectus to raise up to $5,750,000.
- the Company changing its name from "MinQuest Limited" to "ePAT Technologies Limited", with effect from the date that ASIC alters the details of the Company's registration.
- the Company consolidating its shares on the basis of every seven shares being consolidated into four Shares.
- the Company issuing up to 45,000,000 Underwriter Options to the Underwriters (or their nominees).
- the election of Mr John Murray, Mr Ross Harricks and Mr Philip Daffas as Directors of the Company subject to the completion of the acquisition.

- On 5 September 2016 Mr Frank Terranova resigned as director of the Company and Mr Paul Niardone assumed the role of Non-Executive Chairman.
- On 6 September 2016 the Company announced that the consolidation of the Company's capital on the basis of every seven shares being consolidated into four shares had been completed.
- On 16 September 2016 the Company was advised by the ASX that the Company's application for relisting of the Company's shares had been conditionally approved.
- On 16 September 2016 the offer under the Prospectus dated 25 August 2016 closed with the Company receiving applications for 236,625,000 shares to raise $4,732,500 before transaction costs.
- On 23 September 2016, the Company was advised that Curtin University had completed the sale of its shareholding in ePAT. This represented the fulfilment of the final condition precedent under the share purchase agreement dated 25 July 2016.
- On 23 September 2016 and 26 September 2016, the Company completed the allotment of the various equity securities required as a consequence of the acquisition of ePAT.
- On 27 September 2106, the company changed its name to EPAT Technologies Ltd.
- The table below summarises the effect of the various matters described above on the Company's issued shares and options :

	Number of fully paid ordinary shares	**Number of options**
Shares and options on issue at 30 June 2016	296,805,545	88,436,522
Consolidation of capital	(127,202,112)	(37,901,343)
Shares and options on issue after consolidation of capital	**169,603,433**	**50,535,179**
Issue of shares and options to convertible note holders	52,500,000	52,500,000
Issue of shares to ePAT vendors	213,219,616	-
Issue of shares pursuant to offer under Prospectus	236,625,000	-
Issue of options to Underwriters	-	45,000,000
Shares and options on issue adjusted for subsequent events	**671,948,049**	**148,035,179**

LIKELY DEVELOPMENTS

Subsequent to 30 June 2016, all conditions precedent for the completion of the acquisition of ePAT were satisfied and on 23 September the acquisition of ePAT was completed.

Following Completion of the acquisition of ePAT, the Company's strategy is to progress the development and commercialisation of the ePAT App for Dementia by:

- completing commercial versions of the ePAT App, both for Android and iOS.
- completing validation studies of the commercial versions of the ePAT App for Dementia in partnership with Mercy Care and commencing implementation studies with industry partners, including Bupa, in the second half of 2016.
- applying for registration of the ePAT App as a medical device with the TGA in Australia, CE mark for the European Union and FDA once the validation studies are complete. It is intended that the ePAT App for Dementia will be registered with the CE mark and TGA during the third quarter of 2017.
- completing and implementing cohesive pricing and marketing strategy based on the results of the implementation studies and in consultation with industry partners.

A similar process is intended to be followed with the development and evaluation and registration of the ePAT App for Children.

ENVIRONMENTAL REGULATIONS AND PROCEEDINGS

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors of the Company are not aware of any breach of environmental regulations for the year under review.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the "NGER Act") which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The remuneration policy of the Group has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors to run and manage the Company, as well as create goal congruence between Directors and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for the executive Directors and other senior staff members, was developed and approved by the Board.

- In determining competitive remuneration rates, the Board considers local and international trends among comparative companies and the industry generally so that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.

Performance Based Remuneration

The Company was an exploration entity and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, Directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and equity based performance incentives have been and may be further issued to provide a performance-linked incentive component in the remuneration package for the Directors and for the future performance by the Directors and key management personnel in managing the operations and strategic direction of the Company. All remuneration paid to Directors is valued at the cost to the Company and expensed. Options are valued using an appropriate valuation methodology. For details of Directors' and executives' interests in options and performance rights at year end, refer to section (d) of this remuneration report.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to align the strategic goals of the Company to create value for shareholders, Directors and executives. The Company believes the policy has been effective in in aligning the interests of the Company's key management personnel with the interests of its shareholders. For details of Directors' and executives' interests in equity securities at year end, refer to section (c) of this remuneration report.

	2012	2013	2014	2015	2016
Share price at 30 June	$0.10	$0.10	$0.02	$0.02	$0.01
Loss for the year (continuing and discontinued operations)	($405,639)	($1,099,373)	($792,267)	($1,703,733)	($5,047,449)
Loss for the year (continuing operations)	($405,639)	($1,099,373)	($792,267)	($911,349)	($1,680,796)
EPS for the year (continuing and discontinued operations)	(2.8) cents	(4.2) cents	(2.9) cents	(2.4) cents	(2.1) cents
EPS for the year (continuing operations)	(2.8) cents	(4.2) cents	(2.9) cents	(1.3) cents	(0.7) cents

Performance Income as a Proportion of total compensation

Discretionary performance based bonuses totaling $37,500 were paid to Mr Jeremy Read, the Company's managing director during the financial year (2015: $Nil).

Remuneration Policy of Key Management Personnel

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced Directors and senior executives. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Non-executive Directors

The Board's policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting and is currently set at $250,000. Fees for non-executive Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

As at 30 June 2016, Non-Executive Directors fees were payable as follows:

- Non-Executive Chairman receives a fee of $60,000 per annum excluding superannuation.
- Non-Executive Directors receive a fee of $30,000 per annum excluding superannuation.

Directors' Fees

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for reasonable out of pocket expenses incurred as a result of their Directorship or any special duties.

Service Agreements

David DeLoub, Non-Executive Director (resigned 20 January 2016)

On 5 September 2011, the Company entered into an Employment Agreement ("Agreement") with Mr David DeLoub pursuant to which Mr DeLoub was appointed as Managing Director of the Company. The terms of the Agreement provided that Mr DeLoub was to be paid an amount of $200,000 per annum plus statutory superannuation to be reviewed annually. The Agreement was for a term of 2 years, where either Mr DeLoub or the Company may terminate at any time on the giving of not less than three (3) months' notice in writing.

On 6 September 2013, Mr DeLoub's executive service agreement was renewed for a further 2-year term on the same terms as stated above. On 30 April 2014, Mr DeLoub's position was amended to Executive Chairman.

On 30 September 2014, Mr DeLoub's employment contract was terminated and his position was amended to Non-Executive Chairman. Mr DeLoub resigned as a Director on 20 January 2016.

Jeremy Read, Managing Director
The Company entered into an Employment Agreement ("Agreement") with Mr Jeremy Read pursuant to which Mr Read was appointed as Managing Director of the Company effective 1 October 2014. The key terms of the Agreement are:

- The Agreement has a fixed term of three years.
- Mr Read is to be paid a salary of $20,830 per month, exclusive of superannuation from 1 January 2015.
- The Agreement may be terminated by either party at any time on the giving of not less than three (3) months' notice in writing.

Chris Doornbos, Exploration Manager
The Company entered into an Employment Agreement ("Agreement") with Mr Chris Doornbos pursuant to which Mr Doornbos was appointed as Exploration Manager effective 15 December 2014. The key terms of the Agreement are:

- The Agreement has a fixed term of two years.
- Mr Doornbos is to be paid a salary of $15,000 per month, exclusive of superannuation.
- The Agreement may be terminated by either party at any time on the giving of not less than three (3) months' notice in writing.

Mr Doornbos resigned on 30 October 2015.

Stephen Kelly, Company Secretary and Chief Financial Officer
The Company entered into a Consultancy Agreement ("Agreement") with KCG Advisors Pty Ltd pursuant to which Mr Kelly was engaged to provide Company Secretarial and Chief Financial Officer services to the Company effective from 1 June 2015. The key terms of the Agreement are:

- KCG Advisors Pty Ltd is to receive $225 per hour, exclusive of GST, for services provided by Mr Kelly.
- Unless otherwise agreed between the parties, a monthly cap of $15,000 exclusive of GST, will apply to payments to KCG Advisors Pty Ltd.
- The Agreement may be terminated by either party at any time on the giving of not less than one (1) months' notice in writing.

Retirement Benefits
Other retirement benefits may be provided directly by the Company if approved by shareholders. However, no retirement benefits other than statutory superannuation are currently paid.

DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

(a) Details of Key Management Personnel

Directors

Paul Niardone	Non-Executive Chairman *(Appointed Non-Executive Chairman 2 September 2016)*
Jeremy Read	Managing Director
Adam Davey	Non-Executive Director
Frank Terranova	Non-Executive Director (*Appointed Non-Executive Chairman 20 January 2016, resigned 2 September 2016)*
David DeLoub	Non-Executive Chairman *(Resigned 20 January 2016)*

Other Key Management Personnel

Chris Doornbos	Vice –President Exploration *(Resigned 30 October 2015)*
Stephen Kelly	Chief Financial Officer and Company Secretary (*Appointed 1 June 2015)*

Except as detailed in Notes (b) – (d) to the Remuneration Report, no key management personnel have received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with key management personnel, a firm of which a member of key management personnel is a member or an entity in which a member of key management has a substantial financial interest.

(b) Compensation of Key Management Personnel

Remuneration Policy

The Board of Directors, comprising a majority of Non-Executive Directors, is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Remuneration of Directors is set out below.

The value of remuneration received, or receivable, by key management personnel for the financial year to 30 June 2016 is as follows:

2016	**Primary**		**Equity Compensation**		**Post-employment**		**Performance related %**
Directors	**Base Salary and Fees (i, ii, iii,iv, v,vi) $**	**Bonus $**	**Value of Options $**	**Performance Rights (d) $**	**Superannuation Contributions $**	**Total $**	
Paul Niardone[4]	30,000	-	-	-	-	30,000	-
Jeremy Read [2]	250,000	37,500	-	-	23,750	311,250	12%
Adam Davey[3]	30,000	-	-	-	-	30,000	-
Frank Terranova[8]	27,500	-	-	-	-	27,500	-
David DeLoub[1]	35,000	-	-	-	3,325	38,325	-
Total Directors	**372,500**	**37,500**	**-**	**-**	**27,075**	**437,075**	
Chris Doornbos[6]	56,627	-	-	-	4,670	61,297	-
Stephen Kelly[7]	180,000	-	-	-	-	180,000	-
Total	**609,127**	**37,500**	**-**	**-**	**31,745**	**678,372**	

2015	**Primary**		**Equity Compensation**		**Post-employment**		**Performance related %**
Directors	**Base Salary and Fees (i, ii, iii,iv, v,vi) $**	**Termination Benefits $**	**Value of Options $**	**Performance Rights (d) $**	**Superannuation Contributions $**	**Total $**	
David DeLoub[1]	95,000	71,530	-		11,070	177,600	-
Jeremy Read [2]	100,817	-	-	-	14,844	115,661	-
Adam Davey[3]	40,000	-	-	-	-	40,000	-
Paul Niardone[4]	17,500	-	-	-	-	17,500	-
Ian Prentice[5]	2,500	-	-	-	238	2,738	-
Total Directors	**255,817**	**71,530**	**-**	**-**	**26,152**	**353,499**	
Chris Doornbos[6]	104,999	-	-	-	9,975	114,974	-
Stephen Kelly[7]	10,000	-	-	-	-	10,000	-
Total	**370,816**	**71,530**	**-**	**-**	**36,127**	**478,473**	

(1) Appointed Executive Chairman 30 April 2014, appointed Non-Executive Chairman on 30 September 2014, resigned 20 January 2016.
(2) Appointed Managing Director on 30 September 2014.
(3) Appointed Non-Executive Director 30 September 2014
(4) Appointed Non-Executive Director 12 November 2014, appointed Non-Executive Chairman 2 September 2016.
(5) Resigned 31 October 2014.
(6) Appointed Exploration Manager 30 September 2014. Resigned 30 October 2015.
(7) Appointed Company Secretary and Chief Financial Officer 1 June 2015.
(8) Appointed Non-Executive Chairman 20 January 2016, resigned 2 September 2016.

In the prior period ended 30 June 2015 the following amounts were paid to key management personnel or their related parties. All transactions were entered into on normal commercial terms and conditions. No such transaction were entered into with key management personnel or their related parties in the year ended 30 June 2016.

(i) During the year ended 30 June 2015 Zephyr Consulting Group Pty Ltd, an entity in which Mr Ian Prentice is a major shareholder, received $15,551 exclusive of GST for the provision of office space and administration support services to the Company. Zephyr was formerly engaged to provide ongoing office and administrative support services to the Company. These amounts are not included in remuneration above as they were outside of the terms of the service contracts with the Company.

(ii) During the year ended 30 June 2015, Mr Ian Prentice received $25,636 for the provision of geological services to the Company.

(iii) During the year ended 30 June 2015, Adam Davey received $20,000 for the provision of financial advisory services to the Company, these are included in his remuneration above.

(c) Shares Held by Key Management Personnel

2016	Balance at 1 July 2015	Bought & (Sold)	Shares issued in lieu of cash*	Other+	Balance at 30 June 2016
Directors					
David DeLoub	1,458,334	-	-	(1,458,334)	-
Jeremy Read#	2,525,253	-	10,067,181	-	12,592,434
Adam Davey#	1,212,120	-	4,984,216	-	6,196,336
Paul Niardone#	3,620,722	-	10,067,181	-	13,687,903
Frank Terranova	-	-	-	-	-
	8,816,429	**-**	**25,118,578**	**(1,458,334)**	**32,476,673**
Other key management personnel					
Chris Doornbos#	1,348,788	-	4,984,217	(6,333,005)	-
Stephen Kelly#	666,667	1,300,000	-	-	1,966,667
	10,831,884	**1,300,000**	**30,102,795**	**(7,791,339)**	**34,443,340**

+ On Appointment/ Resignation
# Director / Key Management Personnel was appointed and / or resigned during the financial year ended 30 June 2016 or 30 June 2015. Refer notes (1) to (8) to the Remuneration Table.
* During the year share were issued to settle existing liabilities. These shares were issued on an arm's length basis.

(d) Options Held by Key Management Personnel

2016	Balance at 1 July 2015	Received as Remuneration	Exercise of Options	Other +	Balance at 30 June 2016	Total Vested	Total Exercisable
Directors							
David DeLoub	-	-	-	-	-	-	-
Jeremy Read#	-	-	-	-	-	-	-
Adam Davey#	-	-	-	-	-	-	-
Paul Niardone#	-	-	-	-	-	-	-
Frank Terranova#	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other key management personnel							
Chris Doornbos#	-	-	-	-	-	-	-
Stephen Kelly#	666,667	-	-	410,000	1,076,667	1,076,667	1,076,667
	666,667	-	-	410,000	**1,076,667**	**1,076,667**	**1,076,667**

+ On Appointment/ Resignation/ Granted in conjunction with capital raising.
# Director / Key Management Personnel was appointed and / or resigned during the financial year ended 30 June 2016 or 30 June 2015. Refer notes (1) to (8) to the Remuneration Table.

Share and Option Holdings
All equity dealings with Directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

(e) Compensation Options

During and since the financial year ended 30 June 2016 (2015: nil), no options were granted by the Company to Directors or Key Management Personnel (2015: nil).

END REMUNERATION REPORT

MEETINGS OF DIRECTORS

The number of Directors' meetings held during the financial year each director held office and the number of meetings attended by each director are:

Director	Directors Meetings: Meetings Attended	Directors Meetings: Number Eligible to Attend
Frank Terranova	6	6
Jeremy Read	11	11
Adam Davey	10	11
Paul Niardone	10	11
David DeLoub	5	5

The full Board currently fulfils the duties of the Remuneration Committee and the Audit Committee.

OPTIONS

At the date of this report, the following options over new ordinary shares in the Company were on issue.

Type	Date of Expiry	Exercise Price	Number under Option
Unlisted Options	11 February 2017	$0.07875	4,527,487
Listed Options	11 May 2017	$0.07875	41,609,545
Unlisted options	23 July 2017	$0.07875	3,428,572
Unlisted Options	10 August 2018	$0.175	969,575

The number of options and the exercise price in the above is stated after the consolidation of capital that occurred on 7 September 2016 whereby shareholders received 4 post consolidation shares every seven shares held immediately prior to the consolidation.

No ordinary shares were issued as a result of the exercise of options during or since the financial year ended 30 June 2016.

EQUITY HOLDINGS

The relevant interests of each director in the Company's share capital, options and performance rights at the date of this report are as follows:

Directors	Number of Shares	Number of Options	Number of Performance Rights
Jeremy Read	7,195,678	-	-
Adam Davey	3,540,764	-	-
Paul Niardone	7,821,660	-	-
	18,558,102	**-**	**-**

The number of shares in the above is stated after the consolidation of capital that occurred on 7 September 2016 whereby shareholders received 4 post consolidation shares every seven shares held immediately prior to the consolidation.

Insurance of officers

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Group
The Group is not aware that any person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings in which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the court under section 237 of the Corporations Act 2001.

Non-audit Services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group and/or the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Details of the amounts paid or payable to the auditor, BDO Audit Pty Ltd (2015: HLB Mann Judd) for audit services provided during the year are set out in note 19 to the financial report.

Non-audit services	2016 $	2015 $
BDO Audit Pty Ltd		
Tax advice services	-	-
Tax compliance services	5,000	-
Investigating Accountant Report for Prospectus	25,000	-
Total remuneration for non-audit services	**30,000**	**-**

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this report.

This report is made in accordance with a resolution of directors.

Jeremy Read, **Managing Director**
Brisbane, 29 September 2016

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's compliance with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory, however the Company is required to provide this statement disclosing the extent to which it has followed the recommendations contained in the ASX Principles and Recommendations. This corporate governance statement is current as at 30 June 2016 and has been approved by the Board of the Company (Board).

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
1. Lay solid foundations for management and oversight		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	 Yes Yes	The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management. Under the Charter the Board is responsible for: • appointment of the Chief Executive Officer / Managing Director/ Executive Director and other senior executives; • approving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance; • reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance; • approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures; • approving and monitoring the budget and the adequacy and integrity of financial and other reporting; • approving the annual, half yearly and quarterly accounts; • approving significant changes to the organisational structure; • approving the issue of any shares, options, equity instruments or other securities in the Company; • ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making; • recommending to shareholders the appointment of the external auditor; and • meeting with the external auditor, at their request, without management being present. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer / Managing Director.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes Yes	The Company undertakes appropriate checks before appointing a person as a Director of the Company. When the election of Directors is put to security holders at a meeting of members, all material information relevant to the vote are incorporated in the meeting documents, which includes their relevant professional history and qualifications.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements in place with each of its Directors and senior executives.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the Chair on all matters to do with the proper functioning of the Board.	Yes	The Company Secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.
1.5 A listed entity should: (a) have a diversity policy which includes the requirement for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions across the whole organisation; or (2) if the entity is a "relative employer" under the Workplace Gender Equality Act, the entity's most recent Gender Equality Indicators as defined and published under that Act.	Yes	The board has adopted a diversity policy that applies to all directors and officers of the Company. The Company is committed to diversity across the organisation. Diversity includes, but is not limited to, gender, age, experience, ethnicity and cultural background. To the extent practicable and appropriate, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Board has not yet set measurable objectives for achieving gender diversity. The Board is committed to actively supporting and managing diversity as a means of enhancing the Company's performance by recognizing and utilizing the contribution of diverse skills and talent from its directors, officers, employees and consultants. However, at this stage of the Company's operations and the limited number of employees, the Board has determined that no specific measurable objectives will be established. The Board will review this position as the Company's circumstances change. The Board will however, conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary. As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 0% (nil out of three) • to senior management – 0% (nil out of four) • to the organisation as a whole – 0% (nil out of four)

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No No	The performance of the Board and individual Directors are evaluated in accordance with the Performance Evaluation Policies introduced via Board Charter. The objective of this evaluation will be to provide best practice corporate governance to the Company. As of the end of this reporting period, the Board has not completed the performance evaluation of its Committees and its individual Directors.
1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No No	Given the size of the Company, the Board does not consider it appropriate to have a process for periodically evaluating the performance its senior executives. Notably, the performance of Executive Directors falls within the ambit of the Nomination Committee, and its functions are carried out by the full Board.
2. Structure the board to add value		
2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	There is no nomination committee separate to the full Board. The role of the nomination committee is undertaken by the full Board. The Board considers that, given the Board is comprised of three Directors and given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate nomination committee. As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate nomination committee. *Board Renewal and Succession Planning* The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election. The Company has not adopted a policy in relation to the retirement or tenure of directors. The appointment of the Company Secretary is a matter for the Board. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The Board has not considered it necessary to create a formal document that sets out the particular skills of the existing Board. However, pursuant to the Board Charter (which forms part of the Corporate Governance Plan), the composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. Furthermore, the Board Charter notes that the Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and the length of service of each director	Yes	The Company has disclosed that the length of service of all of its Directors, whom it considers to be independent Directors. The Company considers the following directors to be independent: • Adam Davey (appointed 30 September 2015) • Paul Niardone (appointed 12 November 2015) • Jeremy Read is the Managing Director and is not considered to be independent.
2.4 A majority of the board of a listed entity should be independent directors.	Yes	The Board has two independent directors and one non-independent director. The Company believes that the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of the Company. The Board considers that the composition of the Board is adequate for the Company's current size and scale of operations, and includes an appropriate mix of skills and expertise relevant to the Company's business
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	The chair of the Board is an independent Director.
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development	No	The Company does not have a formal program in place. However, as part of their individual appointments, the Board (carrying out the functions of the Nomination

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		Committee) carefully reviews the suitability of every Director, which includes an assessment of their skills and qualifications
3. Act ethically and responsibly		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes Yes	The Board has adopted a Corporate Code of Conduct, which forms part of its Corporate Governance Plan. A copy of the Corporate Governance Plan can be accessed via the Company's website.
4 Safeguard integrity in financial reporting		
4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes Yes	Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. The Board considers that, given the Board is comprised of three Directors and given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate audit committee. The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor. The Audit Committee or, as at the date of this report the full Board of the Company, reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management. As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate audit committee.
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have	Yes	It is the Board's policy, that the CEO (or equivalent) and the CFO (or equivalent) make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. The CEO and CFO, or persons acting in those roles, have declared to

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		the Board that the Company's management of its material business risks is effective.
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's auditor will attend its AGM and will be available to answer questions from security holders relevant to the audit.
5. Make timely and balanced disclosure		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes Yes	The Continuous Disclosure Policy sets out the key obligations of the Directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.
6. Respect the rights of security holders		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's website: www.minquest.com.au contains all relevant information about the Company.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Shareholder Communications Policy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders. The Policy reinforces the Company's commitment to promoting investor confidence by requiring: (a) compliance with the continuous disclosure obligations; (b) compliance with insider trading laws; (c) compliance with financial reporting obligations; (d) compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Company; (e) communication with shareholders in a clear, regular, timely and transparent manner; and (f) response to shareholder queries in a prompt and courteous manner.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	No	Given the size of the Company and its shareholder base, apart from its objectives as set out in its Shareholder Communications Strategy, the Board does not consider it necessary to provide additional facilities to encourage participation at meetings of security holders.
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
7. Recognise and manage risk		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, 3. and disclose: 4. the charter of the committee; 5. the members of the committee; and 6. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	The Company recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of three (3) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. At the date of this report the full Board of the Company is responsible for establishing policies on risk oversight and management. Due to the size and scale of operations of the Company the full Board undertakes the role of the Risk Management Committee. Below is a summary of the Risk Management Policy which the Company has adopted, which includes: • identifying risks to the Company; • balancing risk to reward; • ensuring regulatory compliance is achieved; and • ensuring senior executives, the Board and investors understand the risk profile of the Company. The Board monitors risk through various arrangements including: • regular Board meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes Yes	The Board is responsible for overseeing the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements. As of the end of this reporting period, the Board has completed its review.
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Due to the size and scale of operations of the Company, the Board considers that it would not be efficient to implement an internal audit function at this time. The Board is responsible for overseeing the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	As a mining explorer, the Company is faced with a number of economic, environmental and social sustainability risks. The Board, carrying out the functions of the Audit and Risk Committee, and as guided by the Risk Management Review Procedure reviews and manages these risks on a regular basis.
8. Remunerate fairly and responsibly		
8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and	Yes Yes	The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies as set out in the Nomination and Remuneration Committee Charter. The Charter reflects the matters set out in the commentary and guidance for Recommendation 8.1. The role of the remuneration committee is undertaken by the full Board. The Board considers that, given the Board is comprised of three (3) Directors and given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate remuneration committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings, when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that no Directors participate in any deliberations regarding their own remuneration or related issues. As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate Remuneration Committee.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
senior executives and ensuring that such remuneration is appropriate and not excessive.		
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The structure of non-executive Directors' remuneration is currently clearly distinguished from that of executives. *Non-Executive Directors Remuneration Policy* Non-executive Directors are remunerated at fixed rates which are in line with market rates (for comparable companies) for time, commitment and responsibilities. Remuneration for non-executives is not linked to the performance of the Company. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company has, and may consider it appropriate to issue unlisted options to non-executive Directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the Directors option holdings are fully disclosed. Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors are also entitled to but not necessarily paid statutory superannuation. The Corporate Governance Guidelines and Recommendations recommend that non-executive Directors should not receive options or participate in schemes designed for the remuneration of executives. The Employee Share Option Plan is not in accordance with Recommendation 8.3, however issues under the plan have now expired. *Executive Directors' Remuneration Policy* As noted previously, executive Directors are employed pursuant to employment agreements. Summaries of these employment agreements are set out in the Remuneration Report. Executive payroll and rewards consist of a base salary and performance incentives. No short term bonus incentive mechanism is currently in place, due to the size of the Company and cash limitations imposed as a result of the Company's stage of development. Long-term performance incentives may include options or performance rights granted at the discretion of the Board, and subject to obtaining the relevant shareholder approvals. The grant of options and performance rights are designed to recognize and reward efforts as well as provide an additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered competitive levels of base salary at market rates (for comparable companies) and are reviewed annually to ensure market competiveness.

ASX Principles and Recommendations	**Comply (Yes / No)**	**Commentary**
8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	No No	Although the company did not have a formal policy during the reporting period, the Company had a Securities Trading Policy that restricted the trading of the Company's securities by those who have equity interests in the Company.

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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF EPAT TECHNOLOGIES LTD (FORMERLY MINQUEST LIMITED)

As lead auditor of EPAT Technologies Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of EPAT Technologies Ltd and the entities it controlled during the period.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 29 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Note	Year Ended 30 June 2016 $	Year Ended 30 June 2015 $
Other income	2(a)	600	6,982
Consultancy expenses		(41,330)	(30,000)
Administration expenses		(429,352)	(349,255)
Legal and compliance		(244,028)	(80,043)
Employee benefits expense		(638,145)	(348,548)
Depreciation		(30,135)	(47,188)
Other expenses		-	(63,297)
Equity based payments		(24,464)	-
Financing charges		(357,163)	-
Fair value adjustment on derivative liabilities		100,479	-
Foreign exchange losses		(17,258)	-
Loss before income tax expense from continuing operations		(1,680,796)	(911,349)
Income tax benefit / (expense)	3	-	-
Loss for the year from continuing operations		(1,680,796)	(911,349)
Discontinued operations			
Loss from discontinued operations	23	(3,366,653)	(792,384)
Loss for the year		(5,047,449)	(1,703,733)
Other comprehensive loss net of income tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Total other comprehensive loss for the year		-	-
Total comprehensive loss for the year		(5,047,449)	(1,703,733)
Earnings per share:	18		
Basic loss per share (cents)- continuing and discontinued operations		(2.1)	(2.4)
Basic loss per share (cents)- continuing operations		(0.7)	(1.3)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	4	80,177	111,749
Trade and other receivables	5	34,508	318,406
TOTAL CURRENT ASSETS		114,685	430,155
NON-CURRENT ASSETS			
Plant and equipment	6	-	42,491
Exploration and evaluation expenditure	7	-	1,864,237
TOTAL NON-CURRENT ASSETS		-	1,906,728
TOTAL ASSETS		114,685	2,336,883
CURRENT LIABILITIES			
Trade and other payables	8	279,545	609,998
Borrowings	9	-	250,000
Convertible Note	12	750,000	-
TOTAL CURRENT LIABILITIES		1,029,545	859,998
TOTAL LIABILITIES		1,029,545	859,998
NET ASSETS		(914,860)	1,476,885
EQUITY			
Share capital	11	8,129,300	5,499,520
Reserves	14	39,026	13,102
Accumulated losses	13	(9,083,186)	(4,035,737)
TOTAL EQUITY		(914,860)	1,476,885

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

	Share Capital	Equity Based Payment Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2015	**5,499,520**	**13,087**	**15**	**(4,035,737)**	**1,476,885**
Loss for the year	-	-	-	(5,047,449)	(5,047,449)
Total comprehensive loss	-	-	-	(5,047,449)	(5,047,449)
Equity instruments issued (net of costs)	2,629,780	25,924	-	-	2,655,704
Balance at 30 June 2016	**8,129,300**	**39,011**	**15**	**(9,083,186)**	**(914,860)**

	Share Capital	Equity Based Payment Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2014	**3,123,055**	**13,087**	**15**	**(2,332,004)**	**804,153**
Loss for the year	-	-	-	(1,703,733)	(1,703,733)
Total comprehensive loss	-	-	-	(1,703,733)	(1,703,733)
Shares issued (net of costs)	2,376,465	-	-	-	2,376,465
Balance at 30 June 2015	**5,499,520**	**13,087**	**15**	**(4,035,737)**	**1,476,885**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

		Consolidated	Consolidated
		Year Ended 30 June 2016 $	Year Ended 30 June 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,182,975)	(666,884)
Payments for exploration activities		(1,261,430	(1,096,757)
Interest and other income received		600	6,982
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	15(a)	(2,443,805)	(1,756,659)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of refundable deposit		-	(250,000)
Redemption of refundable deposit		250,000	-
Payments for plant and equipment		(25,569)	(64,789)
NET CASH FLOWS PROVIDED BY / (USED IN) INVESTING ACTIVITIES		224,431	(314,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowing		-	250,000
Repayment of short term borrowing		(250,000)	-
Proceeds from issue of convertible notes		1,381,107	-
Repayment of convertible notes		(279,333)	-
Proceeds from issue of shares		1,459,315	1,910,646
Transaction costs on issue of shares		(106,029)	(118,848)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		2,205,060	2,041,798
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(14,314)	(29,650)
Cash and cash equivalents at beginning of the year		111,749	141,399
Effect of exchange rates		(17,258)	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	15(b)	80,177	111,749

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

EPAT Technologies Ltd (formerly known as MinQuest Limited), (the "Group") is a listed public company, incorporated and domiciled in Australia. The entity's principal activities are mineral exploration.

The financial report is presented in Australian dollars.

The financial report is a general-purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial information has been prepared on the accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets.

Statement of Compliance
The financial report was authorised for issue on 29 September 2016.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

Adoption of New and Revised Standards
In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations On Issue Not Yet Adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. As a result of this review, the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Company and its subsidiaries, Merah Resources Canada Limited, Merah Africa Exploration Limited and Merah West Africa Limited, as at 30 June each year (the Group). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statement of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance 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.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

(d) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
(ii) exploration and evaluation activities in the area have not, at balance date, resulted in booking economically recoverable reserves, and active operations in, or relating to, this area are continuing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Exploration and Evaluation Expenditure *(Continued)*

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

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) 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 has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against the income statement in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

For the purpose of the Statement of Cash Flows, cash includes on hand and other funds held at call net of bank overdrafts.

(f) Trade and Other Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Amounts are unsecured and are usually paid within 30 to 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(g) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Trade and Other Receivables *(Continued)*

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Goods and Services Tax (GST)

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 ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(i) Earnings Per Share

Basic earnings per share is calculated as the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for a bonus element.

Diluted EPS is calculated as net result attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of MinQuest Limited.

(k) Issued Capital

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Interest
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Impairment of Assets

The Group assesses at each balance 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 Company 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 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance 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 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.

(n) Share-based Payment Transactions

Equity Settled Transactions:
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments in the form of options and performance rights, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently a Performance Rights Plan (PRP) in place, which provides benefits and incentives for senior executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of MinQuest Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Share-based Payment Transactions *(Continued)*

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(o) Foreign Currency Translation

The functional and presentation currency of the Company is Australian dollars. The functional currency of the foreign operations, Merah Exploration Africa Limited and Merah West Africa Limited, is US dollars, "USD" and the functional currency of Merah Resources Canada Limited is Canadian Dollars "CAD". Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over a subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. As disclosed in the financial statements, the Group incurred a loss of $5,047,449 and had net cash outflows from operating activities of $2,443,805 for the year ended 30 June 2016 and has a cash balance of $80,177 and net current liabilities of $914,860 at the year end.

On 18 July 2016, the Group announced that it had raised $300,000 through the issue of 300,000 convertible notes. In addition, the Company announced on 22 September 2016 that it had raised $4,732,500 pursuant to the Offer made under the Prospectus dated 25 August 2016. Further, on 23 September 2016, the Company announced that all conditions precedent under the share sale agreement for the acquisition of ePAT had been satisfied. Note 25 provides further information in relation to these events that occurred subsequent to 30 June 2016.

On the basis of the above and the further information disclosed in note 25, the Directors consider that there is a reasonable basis to expect that the Company will be able to meet its obligations as and when they fall due for a period of twelve months from the date of this report.

(q) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated over the estimated useful life of the assets as follows:

Plant and equipment – over 5 to 15 years (diminishing value)
Computer equipment – 3 years (diminishing value)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

(i) Impairment
An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

(ii) Derecognition and Disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(s) Employee Leave Benefits

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

(t) Parent Entity Financial Information

The financial information for the parent entity, EPAT Technologies Ltd (formerly known as MinQuest Limited), disclosed in Note 22 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements.

(u) Convertible notes

Convertible notes are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(v) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Share-based Payment Transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate option pricing model.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(v) Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Exploration and Evaluation Expenditure:
The Directors have conducted a review of the Group's capitalized exploration expenditure to determine the existence of any indicators of impairment. Based upon this review, the Directors have determined that a total of $3,112,215 in relation the Group's exploration projects in Canada and Australia was required to be written off (2015: $729,539 was written off in relation to expenditure on the Group's areas of interest in the Antubia Project in Ghana).

	Note	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $
2. REVENUES AND EXPENSES			
(a) Interest income		600	549
Rental income		-	6,433
		600	6,982
(b) Impairment of exploration and evaluation expenditure - discontinued operations	7, 23	3,112,215	729,539
(c) Impairment of property, plant and equipment - discontinued operations	6, 23	37,925	-
(d) Superannuation expense		31,745	36,127
(e) Operating lease rental expense – minimum lease payment		38,227	75,166

	Note	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $
3. INCOME TAX			
(a) The components of tax expense comprise:			
Current tax		-	-
Deferred tax		-	-
		-	-
(b) The prima facie tax benefit on loss before income tax is reconciled to the income tax as follows:			
Prima facie tax benefit on loss before income tax at 30% (2015: 30%)		(1,514,234)	(511,120)
Add tax effect of:			
- Revenue losses not recognised		378,613	275,969
- Equity Based Payments		7,339	-
- Non-allowable items		1,128,282	248,480
		-	13,329
Less tax effect of:			
- Other deferred tax balances not recognised		-	13,329
		-	-
(c) Deferred tax recognised:			
Deferred tax liabilities:			
Exploration expenditure		-	(165,231)
Other		-	-
Deferred tax assets:			
Carry forward revenue losses		-	165,231
Net deferred tax		-	-
(d) Unrecognised deferred tax assets:			
Carry forward revenue losses		1,182,980	804,367
Capital raising costs		65,965	89,116
Provision and accruals		12,600	9,380
		1,261,545	902,863

The tax benefits of the above deferred tax assets will only be obtained if the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised; the company continues to comply with the conditions for deductibility imposed by law; and no changes in income tax legislation adversely affect the company in utilising the benefits. The conditions for deductibility of the carried forward tax losses (continuity of ownership test and continuity of business test) will need to be considered in light of the change in the nature and scale of the Company's activities that occurred subsequent to 30 June 2016 (refer note 25).

	Consolidated As at 30 June 2016 $	Consolidated As at 30 June 2015 $

4. CASH AND CASH EQUIVALENTS

Cash at bank	80,177	111,749
	80,177	111,749

Cash at bank earns interest at floating rates based on daily bank deposit rates.

5. TRADE AND OTHER RECEIVABLES

Current		
Prepayments	410	-
Other receivable	21,408	306,264
Security deposits	12,690	12,142
	34,508	318,406

Other receivables as at 30 June 2015 included a $250,000 refundable deposit paid pursuant to the Company's proposed acquisition of the assets of the Wolverine Zinc Mine in the Yukon Territory, Canada. The deposit was refunded in the current period as the proposed acquisition did not proceed.

There are no impaired or past due trade debtors as at 30 June 2016 and 30 June 2015.

6. PLANT AND EQUIPMENT

At cost	167,578	142,009
Accumulated Depreciation	(129,653)	(99,518)
Impairment	(37,925)	-
Net carrying amount	-	42,491

(a) Movements in carrying amounts

Plant and Equipment

At beginning of the year	7,957	24,890
Additions	1,019	8,659
Depreciation	(3,480)	(25,592)
Provision for impairment	(5,496)	-
At end of the year	-	7,957

Computer Software

At beginning of the year	34,533	-
Additions	24,550	56,130
Depreciation	(26,654)	(21,597)
Provision for impairment	(32,429)	-
At end of the year	-	34,533

The impairment losses totalling $37,925 in the current year (2015: $Nil) arose as a consequence of the Company's announcement on 14 April 2016 of its proposed acquisition of Electronic Pain Assessment Technologies (ePAT) Pty Limited (refer note 25). The proposed acquisition will result in a change in the nature and the scope of the Company's operations and it is not anticipated that the Company's existing plant and equipment and computer software will be utilised following the acquisition.

	Note	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $

7. EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of exploration and evaluation phase:

	Note	30 June 2016 $	30 June 2015 $
Balance at beginning of the year		1,864,237	754,377
Exploration capitalised during the year		1,247,978	1,311,952
Oresearch acquisition		-	527,447
Impairment of capitalised expenditure – discontinued operations	23	(3,112,215)	(729,539)
Total exploration and evaluation expenditure		-	1,864,237

On 14 April 2016, the Company announced that it had executed binding Heads of Agreement to acquire one hundred percent of the issued capital of Electronic Pain Assessment Technologies (ePAT) Pty Limited (refer note 25 for details of the proposed acquisition). It is a condition of the Heads of Agreement that the Company divest all of its interests in its mineral exploration projects in Australia and in Canada.

On 22 April 2016, the Company notified Golden Predator Mining Corporation that it had elected not to make optional ownership payments that were due under the farm in joint venture agreement for the Marg Project effectively bringing that agreement to an end. The Company has no material residual liabilities under the Marg Project.

On 18 July 2016, the Company notified Pacific Ridge Exploration that it had elected not to make optional ownership payments that were due under the farm in joint venture agreement for the Fyre Project effectively bringing that agreement to an end. The Company has no material residual liabilities under the Fyre Lake Project.

On 9 September 2016, the Company notified Teck that it had elected withdraw from the farm in joint venture agreement for the Coober Pedy Project effectively bringing that agreement to an end. The Company has no material residual liabilities under the Coober Pedy Project.

The Company had not earned an interest in any of the mineral exploration projects at the time of withdrawing from them and did not receive, and is not entitled to receive, any consideration in relation to its withdrawal from the mineral exploration projects. Consequently, the full amount of capitalised exploration and evaluation expenditure was impaired as follows:

	Consolidated As at 30 June 2016 $	Consolidated As at 30 June 2015 $
- Antubia project	-	729,539
- Fyre Lake Project	1,216,742	-
- Marg Project	839,326	-
- Coober Pedy Project	528,700	-
- Acquisition of Oresearch	527,447	-
	3,112,215	729,539

8. TRADE AND OTHER PAYABLES

Current	30 June 2016 $	30 June 2015 $
Trade creditors	131,391	551,230
Other payables and accruals	148,154	58,768
	279,545	609,998

Trade creditors are non-interest bearing and are normally settled on 60-day terms.

	Consolidated	Consolidated
	As at 30 June 2016 $	As at 30 June 2015 $
9. BORROWINGS		
Current		
Short term loan	-	250,000
	-	250,000

On 11 August 2015, the Company entered into a Convertible Loan Agreement with Magna Equities II LLC (Magna). The convertible notes are denominated in United States dollars, are non-interest bearing and are repayable twelve months from the date on which they are drawn down. The noteholder has the option to convert the notes into fully paid ordinary shares at a price that is a fifteen percent discount to the lowest daily volume weighted average price for the Company's shares in the five trading days prior to the conversion date.

In the period 11 August 2015 to 3 May 2016, the Company drew down funds under the facility and Magna exercised its option to convert some of the funds borrowed under the Convertible Loan Agreement into fully paid ordinary shares of the Company. On 3 May 2016, the Company repaid, in cash, all amounts outstanding under the Convertible Loan Agreement.

Set out below is a summary of the transactions that occurred in relation to the Convertible Loan Agreement:

	$
Funds borrowed under Convertible Loan Agreement	651,988
Finance charges	237,378
Realised gains on derivative liability at fair value through profit and loss	(100,479)
Foreign exchange gains	(25,420)
Amounts repaid through issue of shares	(484,134)
Amounts repaid in cash	(279,333)
	$ -

In addition to the transactions summarised in the above table, the company granted options to Magna Equities II LLC as described in note 11.

The short term loan that was outstanding at 30 June 2015 was repaid on 31 August 2015. The loan was unsecured and non-interest bearing but was subject to the payment of a $20,000 facility fee. The Company was also required to issue 1,000,000 shares at an issue price of $0.02 per share to the provider of the loan when repayment was made.

10. Financial liabilities at fair value through profit and loss

	30 June 2016 $	30 June 2015 $
Financial liabilities at fair value through profit and loss	**-**	-

Financial liabilities at fair value through profit and loss relate to the embedded derivative component of the convertible loan agreement entered into by the Group on 11 August 2015 and repaid in full on 3 May 2016 (refer Note 9). The embedded derivatives are not traded in an active market and as such are Level 2 financial instruments. The Group determines the fair value of the financial instruments utilising valuation techniques that maximise the use of observable market data.

11. SHARE CAPITAL

(a) Ordinary share capital

	Consolidated			
	As at 30 June 2016 $	**As at 30 June 2016 Number of Shares**	**As at 30 June 2015 $**	**As at 30 June 2015 Number of Shares**
At the beginning of the year	5,499,520	136,791,677	3,123,055	28,995,001
Shares issued and paid up	2,629,780	160,013,868	2,200,932	101,630,009
Unissued shares under agreement	-	-	175,533	6,166,667
Balance at end of year	8,129,300	296,805,545	5,499,520	136,791,677

(i) Movements in shares on issue

	As at 30 June 2016 $	**As at 30 June 2016 Number of Shares**	**As at 30 June 2015 $**	**As at 30 June 2015 Number of Shares**
At the beginning of the year	**5,499,520**	**136,791,677**	**3,123,055**	**28,995,001**
Shares issued and paid up				
Introduction fee for the Marg Project (2015: Introduction for the Antubia Project)	452,561	22,628,048	37,800	500,000
Placements to sophisticated investors	1,459,315	63,557,597	1,248,746	67,458,337
September 2015 Entitlement issue at $0.03 per share	-	-	661,900	22,063,334
Oresearch consideration shares [(ii)]	300,000	10,000,000	320,000	10,000,000
Consideration shares for the Fyre Lake Project	130,488	4,328,187	51,334	1,608,338
Consideration shares for the Marg Project	102,643	7,196,411	-	-
Shares issued on conversion of Convertible Loans	484,134	57,970,292	-	-
Shares issued as payment of interest on short term loan	20,000	1,000,000	-	-
Movements in unissued shares (refer (ii) below)	(213,333)	(6,666,667)	175,533	6,166,667
Less share issue costs	(106,028)	-	(118,848)	-
Total issued and paid up capital	**8,129,300**	**296,805,545**	**5,499,520**	**136,791,677**

(ii) Movements in unissued shares

Introduction fee for the Antubia Project[(i)]	-	-	(37,800)	(500,000)
Oresearch deferred consideration[(ii)]	(213,333)	(6,666,667)	213,333	6,666,667
Movement in unissued shares	**(213,333)**	**(6,666,667)**	**175,533**	**6,166,667**

[(i)]The Group entered into agreements in March 2014 to issue 500,000 shares in total and provide a cash payment of $45,000 to unrelated parties in connection with the introduction of the Ghanaian assets. The agreements stipulated these shares, which have been valued at grant date, would be issued subsequent to the release of 2,000,000 shares from escrow, which occurred in July 2015.

[(ii)]In September 2014, the Group acquired all of the issued shares in Oresearch Limited. The consideration for this acquisition was 16,666,667 shares of which 10,000,000 were issued at the time of the acquisition with the remaining 6,666,667 shares being recorded as deferred consideration. Refer note 20 for additional information in relation to the Oresearch acquisition.

11. SHARE CAPITAL *(continued)*

(b) Movement in options on issue

At the end of the reporting period, there are 88,436,522 options over unissued shares as follows:

Type	Number under Option	Grant Date	Date of Expiry	Exercise Price	Vesting Date
Unlisted Options	7,923,097	12 May 2015	11 Feb 2017	$0.045	12 May 2015
Listed Options	46,666,669	12 May 2015	11 May 2017	$0.045	12 May 2015
Listed Options	3,650,000	16 July 2015	11 May 2017	$0.045	16 July 2015
Listed Options	22,500,000	7 October 2015	11 May 2017	$0.045	7 October 2015
Unlisted Options	1,696,756	11 August 2015	10 August 2018	$0.10	11 August 2015
Unlisted Options	6,000,000	24 July 2015	23 July 2017	$0.045	23 July 2017

During the financial year ended 30 June 2016 (2015: nil), no ordinary shares were issued as a result of the exercise of options.

The following table illustrates the number and weighted average exercise prices (WAEP) of and movements in share options issued during the year:

	2016 Number of Options	Weighted Average Exercise Price $	2015 Number of Options	Weighted Average Exercise Price $
Outstanding at beginning of the year	61,589,736	$0.063	7,000,000	$0.20
Granted during the year	33,846,786	$0.048	54,589,736	$0.045
Expired during the year	(7,000,000)	$0.20	-	
Outstanding at the end of the year	**88,436,522**	$0.044	61,589,736	$0.063
Exercisable at the end of the year	**88,436,522**		61,589,736	

(i) The options outstanding at 30 June 2016 had a weighted average exercise price of $0.044 (2015:$0.063)

(ii) Options outstanding at 30 June 2016 had a weighted average remaining life of 0.9 years (2015: 1.64 years)

The expense recognised in the statement of comprehensive income in relation to share-based payments was $24,464 (2015: $nil).

During the half year, the Company issued options to Magna Equities II LLC under the terms of a Convertible Loan Agreement (refer Note 7). The model inputs for options granted during the year ended 30 June 2016 included:

(a) Options were granted for no consideration and vested immediately.
(b) Exercise price $0.10
(c) Grant date: 11 August 2015
(d) Expiry date: 10 August 2018
(e) Share price at grant date: $0.03
(f) Expected price volatility of the Company's shares: 168%
(g) Expected dividend yield: 0%
(h) Risk free interest rate: 1.96%

The weighted average fair value of options granted in the year was $0.023 (2015: $nil). The expected price volatility is based on historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $

12. CONVERTBLE NOTES

Convertible notes classified as equity securities	750,000	-

On 22 April 2016, the Company announced that it had issued 750,000 convertible notes to raise $750,000. The principal terms of the Notes are:

- the convertible notes are issued at $1.00 each;
- the convertible notes are unsecured;
- the convertible notes are convertible to fully paid ordinary shares in the Company, subject to shareholder approval as follows:
  - if the acquisition of ePAT completes, the convertible notes will convert to shares at the lower of 1.2 cents or the price at which shares are issued pursuant to the capital raising proposed to be conducted as a condition precedent of the acquisition of ePAT; and
  - if the acquisition of ePAT does not complete by 30 September 2016, the convertible notes will convert to Shares at 80% of the 15 day VWAP of the Shares:
    - between 30 September 2016 and 31 December 2016 at the election of the noteholder; and
    - otherwise on 31 December 2016;
  - if shareholders do not approve the conversion terms of the convertible notes, the Company will redeem the convertible notes on 31 December 2016 at a 30% premium to their face value.

Subsequent to 30 June 2016, the Company's shareholders approved the conversion terms of the convertible notes, the acquisition of ePAT completed and the convertibles notes were converted into 37,500,000 fully paid ordinary shares in the Company at a conversion price of $0.02 per share for a total settled value of $750,000 on 23 September 2016 (being equivalent to 62,500,000 fully paid ordinary shares at $0.012 on a pre-consolidation basis).

13. ACCUMULATED LOSSES

Balance at the beginning of the year	4,035,737	2,332,004
Net loss for the period	5,047,449	1,703,733
Balance at the end of the year	9,083,186	4,035,737

14. RESERVES

Reserves		
Option reserve	39,011	5,167
Performance rights reserve	-	7,920
Foreign currency reserve	15	15
	39,026	13,102

(a) Options reserve		
At beginning of the year	5,167	5,167
Options expired	(5,167)	-
Options issued	39,011	-
Balance at end of the year	39,011	5,167

(b) Performance rights reserve		
At beginning of the year	7,920	7,920
Performance rights brought to account over the vesting period	-	-
Performance rights expired unvested	(7,920)	-
Balance at end of the year	-	7,920

14. RESERVES *(continued)*

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $
(c) Foreign currency reserve		
At beginning of the year	15	15
Foreign currency translation for period	-	-
Balance at end of the year	15	15

Options Reserve:
This reserve is used to record the value of options provided to employees, Directors and consultants as part of their remuneration.

Performance Rights Reserve:
This reserve is used to record the value of performance rights vested of which are provided to employees, Directors and consultants as part of their remuneration.

Foreign Currency Translation Reserve:
Foreign currency translation reserve records exchange differences arising on translation of the subsidiary's functional currency into presentation currency at balance date.

15. CASH FLOW INFORMATION

(a) Reconciliation of cash flows from operating activities with loss after income tax:

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $
Net loss for the year	(5,047,449)	(1,703,733)
Non-cash flows in operating activities		
Depreciation	30,135	47,188
Share-based payments	24,464	-
Impairment expense	3,150,037	729,539
Financing charges	199,299	-
Fair value adjustment on derivative liabilities	(100,479)	-
Cash flows not included in loss after income tax for the year		
Exploration capitalised	(433,617)	(1,254,742)
(Increase)/decrease in foreign exchange	17,258	-
Changes in assets and liabilities		
(Increase) in receivables	47,001	(29,145)
(Decrease)/increase in payables and accruals	(330,454)	454,234
Net cash flows (used in) operating activities	(2,443,805)	(1,756,659)

(b) Reconciliation of cash and cash equivalent:

Cash balances comprises		
- Cash at bank	80,177	111,749

Non-Cash Financing and Investing Activities
The Group entered into the following non-cash financing and investing activities which are not reflected in the consolidated statement of cash flows:

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $

15. CASH FLOW INFORMATION *(continued)*

• The Company issued equity securities to the shareholders of Research Pty Ltd as consideration for the acquisition of Oresearch	86,667	320,000
• The Company issued equity securities to Pacific Ridge Exploration under the terms of the farm in joint venture agreement for the Fyre Lake Project	130,488	51,334
• The Company issued equity securities to Golden Predator Mining Corporation under the terms of the farm in joint venture agreement for the Marg Project	102,643	-
• The Company issued equity securities to the Oresearch Vendors as a success fee for the introduction of the Marg Project	452,561	-
• The Company issued equity securities to Magna Equities II LLC on the partial conversion by Magna of amounts due under the Convertible Loan Agreement.	484,134	-
• The Company issued equity securities to the provider of a short term loan	20,000	-

16. DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

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

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $
Short-term employee benefits	646,427	370,816
Termination benefits	-	71,530
Post-employment benefits	31,745	36,127
Share-based payment	-	-
	678,372	478,473

Details of the key management personnel can be found in the Remuneration Report of this report.

17. SEGMENT INFORMATION

The Group operated predominantly in one industry being the mining and exploration industry in Australia and Canada.

Segment Information

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its exploration activities in Canada and Australia and its corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of Reportable Segments

(I) Mineral Exploration

Segment assets, including acquisition cost of exploration licenses and all expenses related to the tenements in Canada and Australia are reported on in this segment.

(ii) Corporate

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

17. SEGMENT INFORMATION *(continued)*

2016	**Corporate**	**Exploration**	**Total**
	$	**$**	**$**
(i) Segment performance			
Segment revenue	600	-	600
Segment results	(1,680,796)	(3,366,653)	(5,047,449)
Included within segment result:			
• Depreciation	-	(30,135)	(30,135)
• Interest Revenue	600	-	600
• Impairment of exploration asset	-	(3,112,112)	(3,112,112)
• Property Plant and Equipment	-	(37,925)	(37,925)
Segment assets	114,685	-	114,685
Segment liabilities	(1,029,545)	-	(1,029,545)

2015	**Corporate**	**Exploration**	**Total**
	$	**$**	**$**
(i) Segment performance			
Segment revenue	6,982	-	6,982
Segment results	(749,187)	(954,546)	(1,703,733)
Included within segment result:			
• Depreciation	-	(47,188)	(47,188)
• Interest Revenue	6,982	-	6,982
• Impairment of exploration assets	-	(729,539)	(729,539)
Segment assets	430,155	1,906,728	2,336,883
Segment liabilities	(392,119)	(467,879)	(859,998)

(i) Revenue by geographical region

There was no revenue attributable to external customers for the year ended 30 June 2016.

(iii) Assets by geographical region

Reportable segment assets are located in Canada and Australia.

		Consolidated As at 30 June 2016 $	Consolidated As at 30 June 2015 $

18. LOSS PER SHARE

The following reflects the income and share data used in the calculation of basic and diluted loss per share:

Earnings used in calculation of basic and diluted earnings per share		(5,047,449)	(1,703,733)
Weighted average number of ordinary shares on issue used in the calculation of basic EPS	(i)	235,522,325	71,917,502

(i) Share options are not considered dilutive, as their impact would be to decrease the net loss per share.
(ii) Shares issued subsequent to year end in Note 25 and are not considered dilutive.

	Consolidated Year Ended 30 June 2016 $	Consolidated Year Ended 30 June 2015 $

19. AUDITORS REMUNERATION

Amounts received or due and receivable by :

- HLB Mann Judd - audit or review of the financial report of the Company at the financial year end	-	31,500
- BDO Audit Pty Ltd - audit or review of the financial report of the Company at the financial year end	27,500	-
- BDO Audit Pty Ltd – preparation of Investigating Accountant's Report for Prospectus	25,000	-
- BDO Qld Pty Ltd – Tax Compliance Services	5,000	-
	57,500	31,500

20. INTERESTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of EPAT Technologies Ltd (formerly known as MinQuest Limited) and the following subsidiaries listed in the following table:

Name	Country of Incorporation	Percentage of equity interest held by Consolidated Entity		Investment at Cost	
		2016 %	2015 %	2016 $	2015 $
Merah African Exploration Limited	Zambia	**100**	**100**	**250**	**250**
Merah West Africa Limited	Ghana	**100**	**100**	**1**	**1**
Oresearch Limited	Australia	**100**	**100**	**533,333**	**533,333**
Merah Resources Canada Limited	Canada	**100**	**100**	**100**	**100**

EPAT Technologies Limited (formerly known as MinQuest Limited) is the ultimate Australian parent entity of the Group.

20. INTERESTS IN SUBSIDIARIES (*continued)*

Oresearch Limited Acquisition

In September 2014, the company acquired all of the issued shares in Oresearch Limited for consideration of 16,666,667 ordinary shares. Of the 16,666,667 ordinary shares, 10,000,000 were issued on acquisition with the remaining 6,666,667 shares recorded as deferred consideration pending the satisfaction of certain vesting conditions. Those vesting conditions were satisfied during the year and the deferred consideration shares were issued by the Company (refer Note 11(a)). The Oresearch acquisition was an acquisition of assets and did not meet the definition of a business under AASB3 Business Combinations.

The Oresearch Agreement also provided for the issues of the following additional shares to the Oresearch shareholders:

(a) A further 3,333,333 deferred consideration shares to be issued in the event that the Group concludes successful capital raisings totalling $1,500,000. This condition was satisfied during the year and the additional deferred consideration shares were issued during the year (refer Note 11(a)).

(b) If within six months of the settlement of the Oresearch acquisition, any or all of the original Oresearch shareholders were successful in securing an interest in one or more additional projects for the Group, the Group was to pay the Oresearch Shareholders a Success Fee equal to 5% of the agreed purchase price of the additional projects. The conditions for the payment of the Success Fee were satisfied and the Group issued shares to the value of $452,561 to the Oresearch shareholders as payment of the Success Fee (refer Note 11(a)).

21. FINANCIAL INSTRUMENTS

(i) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash call deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments.

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Financial Risk Exposures and Management
The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign Currency Risk
The Group is not exposed to any material US dollar (USD) and Canadian dollar (CAD) currency fluctuations.

(b) Interest Rate Risk
The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long-term debt, and therefore this risk is minimal. At the reporting date, the interest rate profile of the Company's and Group's interest-bearing financial instruments is detailed in Note 21(ii) below.

(c) Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

21. FINANCIAL INSTRUMENTS *(Continued)*

The Group does not have any significant credit risk exposure due to the nature of its operations. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

If the Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Company will raise future capital will depend upon market conditions existing at that time.

The Group manages liquidity risk by continually monitoring forecast and actual cash flows. The Group does not have any significant liquidity risk as the Group does not have any collateral debts.

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the balance sheet.

2016	**Floating interest rate $**	**Fixed interest maturing in**		**Non-Interest bearing $**	**Total $**
		1 year or less $	**over 1 year $**		
Financial Assets					
Cash at bank	80,177	-	-	-	80,177
Trade & other receivables	12,690	-	-	21,818	34,508
	92,867	-	-	21,818	114,685
Financial Liabilities					
Trade & other creditors	-	-	-	279,545	279,545
Convertible note				750,000	750,000
	-	-	-	1,029,545	1,029,545

21. FINANCIAL INSTRUMENTS *(Continued)*

2015	Floating interest rate $	Fixed interest maturing in		Non-Interest bearing $	Total $
		1 year or less $	over 1 year $		
Financial Assets					
Cash at bank	111,749	-	-	-	111,749
Trade & other receivables	-	-	-	318,406	318,406
	111,749	-	-	318,406	430,155
Financial Liabilities					
Trade & other creditors	-	-	-	609,998	609,998
Short term borrowing	-	-	-	250,000	250,000
	-	-	-	859,998	859,998

(iii) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities approximates fair value because of their short-term maturity.

(iv) Interest Rate Sensitivity Analysis

At 30 June 2016, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2016 $	2015 $
CHANGE IN PROFIT/(LOSS) AND EQUITY		
Increase in interest rate by 2%	1,857	2,235
Decrease in interest rate by 2%	(1,857)	(2,235)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

22. PARENT ENTITY DISCLOSURE

a) Financial position

	30 June 2016 $	30 June 2015 $
Assets		
Current assets	114,215	373,182
Non-current assets	-	1,914,062
Total assets	**114,215**	**2,287,244**
Liabilities		
Current liabilities	1,029,545	800,351
Total liabilities	**1,029,545**	**800,351**
Equity		
Issued capital	8,129,300	5,499,520
Accumulated losses	(9,083,656)	(4,025,714)
Reserves	39,026	13,087
Total equity	**(915,330)**	**1,486,893**

22. PARENT ENTITY DISCLOSURE *(continued)*

Financial performance

	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Loss for the year	(5,057,942)	(1,695,171)
Other comprehensive income	-	-
Total comprehensive income	(5,057,942)	(1,695,171)

b) Contingent liabilities
As at 30 June 2016 and 2015, the Company had no contingent liabilities.

c) Contractual commitments
Other than detailed in Note 24, as at 30 June 2016 and 2015, the Company had no contractual commitments.

d) Guarantees entered into by parent entity
As at 30 June 2016 and 2015, the Company had not entered into any guarantees.

23. DISCONTINUED OPERATIONS

2016
The nature of the discontinued operations is explained in Note 7.

2015
On 25 November 2014, the Group terminated its option agreement for the Antubia Project in Ghana and returned the project to Castle Minerals Limited. The Group has no ongoing interest in the project.

No consideration was received by the Group in relation to the disposal of the Antubia Project.

	2016 $	2015 $
Consideration received in cash and cash equivalents	-	-

B. Net assets disposed of

	2016 $	2015 $
Net assets disposed of#	-	-
Including cash and cash equivalents	-	-

At the date of disposal of the capitalised exploration and evaluation expenditure had been impaired to a $nil carrying value. Refer note 7.

23. DISCONTINUED OPERATIONS *(continued)*

C. Financial performance and cash flow information

The financial performance and cash flow information presented are the period from 1 July 2015 to the date on which the relevant subsidiary was disposed (2015 column) and for the year ended 30 June 2015.

	2016 $	2015 $
Revenue	-	-
Expenses	(3,366,653)	(729,539)
Loss before income tax of discontinued operations	(3,366,653)	(729,539)
Income tax expense	-	-
Loss before income tax of discontinued operations	(3,366,653)	(729,539)
Income tax expense on disposal of discontinued operations	-	-
Loss from discontinued operations	(3,366,653)	(729,539)
Net cash outflow from operating activities	(1,261,430)	(1,096,757)
Net cash inflow from investing activities	-	-
Net cash decrease attributable to disposed operations	(1,261,430)	(1,096,757)

24. COMMITMENTS FOR EXPENDITURE

(a) Exploration commitments

The Company will have minimum obligations pursuant to the terms and conditions of prospective tenement licenses in the forthcoming year of exploration and rental commitments as detailed below. These obligations are capable of being varied from time to time, in order to maintain current rights to tenure to mining tenements.

	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Within 1 year	-	-
1 – 5 years	-	-
5 + years	-	-

(b) Lease expenditure commitments

	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Within 1 year	39,996	34,833
1 – 5 years	43,329	81,667
5 + years	-	-

25. SUBSEQUENT EVENTS

(a) Description of subsequent events

Other than as described below, no matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the Group's operations, the results of those operations of the Group's state of affairs:

- On 18 July 2016, the Company announced that it had completed an issue of 300,000 convertible notes to raise $300,000 to assist in meeting the costs of the proposed acquisition of ePAT and to provide working capital. The convertible notes were converted to ordinary shares at a conversion price of $0.02 per share on 26 September 2016.

- On 18 July 2016, the Company advised Pacific Ridge Exploration that it had elected to not make any further ownership payments under the Fyre Lake farm in joint venture agreement, effectively bringing that agreement to an end. The Company fully impaired all capitalised exploration expenditure relating to the Fyre Lake Project in the year ended 30 June 2016.

- On 25 July 2016, the Company executed a share purchase agreement for the acquisition of one hundred percent of the issued capital of ePAT. The significant terms of the agreement were:

  - Completion of the sale and purchase of 100% of the issued capital of ePAT is to occur on a date and time agreed by the parties, following the satisfaction or waiver of the latest condition precedent to be satisfied or waived. The conditions precedents were:

    - the Company obtaining all necessary Shareholder approvals;
    - the Company obtaining conditional approval for the re-quotation of the Company's Shares following Completion of the Acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules;
    - the Company divesting its entire legal and beneficial interests in its mineral projects;
    - completion of a capital consolidation by the Company on terms to be mutually agreed;
    - the Company completing a capital raising of at least $4,000,000;
    - Curtin University selling all of its ePAT shares; and
    - to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such restrictions as mandated by the Listing Rules in respect of any other securities to be issued in relation to the transaction.

  - In exchange for the Company acquiring ePAT, the Company agreed to issue the following consideration to ePAT shareholders:

    (iii) 213,219,616 shares to be issued at completion; and

    (iv) $1,000,000 worth of shares to be issued if the Company announces that either of the following milestones have been met within 12 months from the date of completion of the acquisition:

      (A) Regulatory approval having been received to enable commercial use of the ePAT App in Australia, the United States of America or Europe. (In this context, "Regulatory Approval" means approval by the Therapeutic Goods Administration of Australia, Food and Drug Administration of the United States, or a CE mark from the relevant authority in Europe); or

      (B) the execution of a binding licence agreement to licence the ePAT App to:

        - one or more residential aged care facility owners managing in total in excess of 150 beds;

25. SUBSEQUENT EVENTS (continued)

- one or more medical clinics which service in total in excess of 2,000 patients per year;
- a metropolitan hospital with in excess of 200 beds;

(each an "End User") or

- a global distribution partner with multiple End Users as existing customers

- On 25 August 2016, the Company issued a Prospectus for the purposes of raising between $4,000,000 and $5,750,000 through the issue of up to 287,500,000 fully paid ordinary shares at an issue price of $0.02 per share and satisfying the requirements of Chapters 1 and 2 of the ASX Listing Rules. The offer under the Prospectus was underwritten to the amount of $4,500,000.

- On 31 August 2016, an Extraordinary General Meeting of the Company's shareholders approved a number of resolutions relating to proposed acquisition of ePAT and related matters as summarised below:

  - the Company changing the nature and scale of its activities as a result of the acquisition. Upon completion of the acquisition, the Company will effectively change from a mineral explorer to a health and technology company.
  - the Company issuing the consideration shares to the ePAT shareholders in consideration for the acquisition of 100% of the shares of ePAT.
  - the Company issuing up to 287,500,000 shares to the public under a Prospectus to raise up to $5,750,000.
  - the Company changing its name from "MinQuest Limited" to "ePAT Technologies Ltd", with effect from the date that ASIC alters the details of the Company's registration.
  - the Company consolidating its shares on the basis of every seven shares being consolidated into four Shares.
  - the Company issuing up to 45,000,000 Underwriter Options to the Underwriters (or their nominees).
  - the election of Mr John Murray, Mr Ross Harricks and Mr Philip Daffas as Directors of the Company subject to the completion of the acquisition.

- On 5 September 2016, Mr Frank Terranova resigned as director of the Company and Mr Paul Niardone assumed the role of Non-Executive Chairman.

- On 6 September 2016, the Company announced that the consolidation of the Company's capital on the basis of every seven shares being consolidated into four shares had been completed.

- On 16 September 2016, the Company was advised by the ASX that the Company's application for relisting of the Company's shares had been conditionally approved.

- On 16 September 2016, the offer under the Prospectus dated 25 August 2016 closed with the Company receiving applications for 236,625,000 shares to raise $4,732,500 before transaction costs.

- On 23 September 2016, the Company was advised that Curtin University had completed the sale of its shareholding in ePAT. This represented the fulfilment of the final condition precedent under the share purchase agreement dated 25 July 2016.

- On 23 September 2016, the Company completed the allotment of the various equity securities required as a consequence of the acquisition of ePAT. The table below summarises the effect on the Company's shares on issue:

25. SUBSEQUENT EVENTS *(continued)*

(b) Issued capital post acquisition

	Number of fully paid ordinary shares	Number of options
Shares and options on issue at 30 June 2016	296,805,545	88,436,522
Consolidation of capital	(127,202,112)	(37,901,343)
Shares and options on issue after consolidation of capital	**169,603,433**	**50,535,179**
Issue of shares and options to convertible note holders	52,500,000	52,500,000
Issue of shares to ePAT vendors	213,219,616	-
Issue of shares pursuant to offer under Prospectus	236,625,000	-
Issue of options to Underwriters	-	45,000,000
Shares and options adjusted for subsequent events	**671,948,049**	**148,035,179**

(c) Impact of ePAT acquisition

The company is the legal acquirer (i.e. the parent company) and will be the reporting entity of the combined group.

Under the Acquisition, the Company intends to acquire all the shares in ePAT by issuing a total of 213,219,618 post-Consolidation Shares. In addition, Deferred Consideration Shares will be issued with a value of $1,000,000 if the Milestone is achieved (as disclosed in the Prospectus).

After the Acquisition, ePAT nominees will hold three of the four Director positions on the Board, including positions of the Chairman and the Managing Director.

Taking into consideration the matters noted above, the shareholders of ePAT will obtain a controlling interest in the Company, equating to a controlling interest in the combined entity following the Acquisition. ePAT has thus been deemed the acquirer for accounting purposes. The Acquisition of the Company by ePAT is not deemed to be a business combination as, at the time the Acquisition is Completed, the Company will not be considered to be a business under AASB 3 Business Combinations.

As such, the consolidation of these two companies is on the basis of the continuation of ePAT with no fair value adjustments, whereby ePAT is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby ePAT is deemed to have issued shares to the Shareholders in exchange for the net assets held by the Company.

In this instance, the value of the Company Shares provided has been determined as the notional number of equity instruments that the shareholder of ePAT would have had to issue to the Company to give the owners of ePAT the same percentage ownership in the combined entity.

This has been deemed to be $4,106,349 based on ePAT notionally issuing 205,317,454 post-Consolidation Shares at an assumed issue price of $0.02 per Share. The pre-Acquisition equity balances of the Company are eliminated against this increase in Share capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of the Company, being $3,760,456, and is treated as a Share-based payment and will be recognised as an expense in the financial statements for the year ending 30 June 2017. The pro forma net assets acquired as at 31 December 2015 as disclosed in the Prospectus dated 25 August 2016 are $345,893.

Given the acquisition of ePAT was completed on 23 September 2016, it has not been practicable to prepare a consolidated statement of financial position of the merged group.

The cost of raising the $4,732,500 under the public offer in the Prospectus were approximately $680,000

DIRECTORS' DECLARATION

1. The Directors of the Company declare that:

   a. the accompanying financial statements and notes are 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 of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   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; and

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the Board of Directors.

Mr Jeremy Read
Managing Director

29 September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of EPAT Technologies Ltd (formerly MinQuest Limited)

Report on the Financial Report

We have audited the accompanying financial report of EPAT Technologies Ltd, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of EPAT Technologies Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of EPAT Technologies Ltd is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 14 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

BDO Audit Pty Ltd

C R Jenkins
Director

Brisbane, 29 September 2016

Additional Shareholder Information

The following additional information is current as at 11 October 2016.

CORPORATE GOVERNANCE:

The Company's Corporate Governance Statement is available on the company's website at www.epattechnologies.com/corporate-governance

SUBSTANTIAL SHAREHOLDER:

Holder Name	Holding	% IC
MR RUSSELL DAVID STEWART & MR LENNARD ANTHONY LEFROY <THE INVESTMENT UNIT A/C>	86,323,266	12.80%
PETERS INVESTMENTS PTY LTD	55,000,000	8.16%

Ordinary Shares:

Holdings Ranges	Holders	Total Units	%
1-1,000	5	1,962	0.00
1,001-5,000	4	9,513	0.00
5,001-10,000	140	883,657	0.13
10,001-100,000	210	9,513,320	1.41
100,001-	368	664,014,599	98.46
Totals	**727**	**674,423,051**	**100.00**

There are 213 shareholders with less than a marketable parcel.

VOTING RIGHTS

Each fully paid ordinary share carries voting rights of one vote per share.

THE TOP 20 HOLDERS OF ORDINARY SHARES ARE:

Ranking	Holder	Shares Held	%
1	MR RUSSELL DAVID STEWART & MR LENNARD ANTHONY LEFROY <THE INVESTMENT UNIT A/C>	86,323,266	12.80%
2	PETERS INVESTMENTS PTY LTD	55,000,000	8.16%
3	J & E CONSULTING PTY LTD	31,348,370	4.65%
4	KRESHNIK HOTI	31,348,370	4.65%
5	MUSTAFA ABDUL WAHED ATEE	31,348,370	4.65%
6	J & TW DEKKER PTY LTD <J & TW DEKKER FAMILY A/C>	14,020,000	2.08%
7	MR RODNEY JAMES WELLSTEAD	13,250,476	1.96%
8	MR ROBERT ANTHONY HEALY	12,857,143	1.91%
9	THORNBURY NOMINEES PTY LTD <THE STEVENS FAMILY S/F A/C>	12,271,429	1.82%
10	NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	11,000,000	1.63%
11	MR BIN LIU	10,000,000	1.48%
12	TIGER WYNNE PTY LTD	8,417,143	1.25%
13	MR ROBERT ANTHONY HEALY	7,942,858	1.18%
14	PETERS INVESTMENTS PTY LTD	7,919,566	1.17%
15	HUSIF NOMINEES PTY LTD	7,615,131	1.13%

16	MR ALLAN GRAHAM JENZEN & MRS ELIZABETH JENZEN <AG & E JENZEN P/L NO2 SF A/C>	7,500,000	1.11%
17	INSWINGER HOLDINGS PTY LTD	6,500,000	0.96%
18	TRINDIS PTY LTD	6,350,086	0.94%
19	MR JEREMY JAMES READ	6,052,820	0.90%
20	GRAZIAN PTY LTD <THE IAN MURIE SUPER FUND A/C>	5,178,096	0.77%
	Total	**372,243,124**	**55.19%**
	Total of Securities	**674,423,051**	

LISTED OPTIONS EXERCISABLE AT $0.07875 EXPIRING 11 MAY 2017:

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	12	638,346	1.534
100,001-	38	40,971,199	98.466
Totals	**50**	**41,609,545**	**100.000**

THE TOP 20 HOLDERS OF LISTED OPTIONS ARE:

Holder	Holding	%
MR ROBERT ANTHONY HEALY	12,857,143	30.900%
MR RODNEY JAMES WELLSTEAD	3,136,191	7.537%
YEPPOON PROPERTY GROUP PTY LTD	2,761,905	6.638%
SCINTILLA STRATEGIC INVESTMENTS LTD	1,904,762	4.578%
MR RODNEY JAMES WELLSTEAD	1,849,467	4.445%
BARCLAY WELLS LIMITED	1,428,572	3.433%
MR LUKE KUKULJ	1,417,905	3.408%
MR IAN BARRIE MURIE & MRS TANIA MURIE <IB & T MURIE SUPER FUND A/C>	1,142,858	2.747%
MR RUSSELL NEIL CREACH	1,142,858	2.747%
LUXY VAN LOENHOUT	952,382	2.289%
VITOR PTY LTD	800,000	1.923%
TROMSO PTY LTD	761,905	1.831%
MR RICHARD KAREL VALENTA & MS ROSEMARY ANNE GALL <WATTLE CIRCLE SUPER FUND A/C>	761,905	1.831%
BEIRNE TRADING PTY LTD	761,905	1.831%
SCINTILLA CAPITAL PTY LTD	761,905	1.831%
PW AND VJ COOPER PTY LIMITED <P W & V J COOPER S/F A/C>	571,429	1.373%
GYTON PTY LTD <GYTON P/L SUPER FUND A/C>	571,429	1.373%
APPLEGOSS PTY LTD <APPLEGOSS A/C>	571,429	1.373%
MR NIGEL JOHN LAMBERT	514,286	1.236%
THE BRAND CONNECTION PTY LTD	428,572	1.030%
	35,098,808	84.353%
Total of Securities	**41,609,545**	

UNQUOTED EQUITY SECURITIES

Number	Number of Holders	+Class	Escrow Period	Holders of more than 20%
215,694,618	11	Ordinary Shares	24 months from quotation	Mr R D Stewart & Mr L A Lefroy (86,323,266)
52,500,000	35	Options exercisable at $0.02 expiring 7 October 2019	7 October 2017	Nil
45,000,000	3	Options exercisable at $0.025 expiring 7 October 2019	7 October 2018	Mr PD Russell (9,000,000)
4,527,487	5	Unlisted options exercisable at $0.07875 expiring 11/3/2017	N/A	Cranport Pty Ltd (1,142,858) Dawesville Nominees Pty Ltd (1,142,858) Prospect Custodian Limited (1,142,858)
3,428,572	1	Unlisted options exercisable at $0.07875 expiring 23/7/2017	N/A	Barclay Wells Limited
969,575	1	Unlisted options exercisable at $0.175 expiring 10/8/2018	N/A	Magna Equities II LLC

Use of Funds

The entity has used the cash and assets in a form readily convertible into cash at the time of listing in a way that is consistent with its business objectives.

There is no current buy-back.