

Appendix 4E

Preliminary final report

1. Details of reporting period

Name of entity	Cre8tek Limited
ABN	99 000 031 292
Reporting Year	Year ended 30 June 2016
Previous Corresponding Year	Year ended 30 June 2015

2. Results for announcement to the market

Key information	12 months ended 30 June 2016* \$	12 months ended 30 June 2015 \$	Increase/ (decrease) %	Amount change \$
Revenues from ordinary activities	15,111	457	*Not meaningful	14,654
Profit/(Loss) from ordinary activities after tax attributable to members	1,056,283	(141,469,917)	*Not meaningful	142,526,201
Net Profit/ (Loss) for the period attributable to members	1,056,283	(141,469,917)	*Not meaningful	142,526,201
Net tangible asset/(deficiency) per share	0.011	0.028	-	-
* During the period the Company was subject to a deed of company arrangement. The Company was successfully recapitalised in October 2015 and completed a re-compliance transaction in February 2016, pursuant to which the Company changed the nature of its activities from oil and gas exploration and development to technology (see 13. Commentary on Results for period and explanatory information). Due to the Company's new classification as a technology company this is the first Appendix 4E the Company is required to release.				

3. Consolidated statement of profit or loss and other comprehensive income

Refer to attached preliminary report.

4. Consolidated statement of financial position

Refer to attached preliminary report.

5. Consolidated statement of cash flows

Refer to attached preliminary report.

6. Consolidated statement of changes in equity

Refer to attached preliminary report.

7. Dividends/Distributions

No dividends declared in current or prior year.

8. Details of dividend reinvestment plans

N/A

9. Details of entities over which control has been gained or lost during the period

Gain of Control

Acquisition of Global Agenda Technologies Pty Ltd - Refer to Note of the Preliminary Financial Report

Loss of Control

All securities in the Company's former subsidiaries were transferred to the Creditors' Trust as part of the Company's effectuation of the deed of company arrangement in October 2015. The financial information of the Company's former subsidiaries has been deconsolidated effective 1 July 2014 (see Annual Report 2015).

10. Details of associate and joint venture entities

N/A

11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position

Refer to 13. Commentary for results for period and Explanatory information and additional Notes following the preliminary report.

12. Foreign entities

Loss of Control

All securities in the Company's former subsidiaries were transferred to the Creditors' Trust as part of the Company's effectuation of the deed of company arrangement in October 2015. The financial information of the Company's former subsidiaries has been deconsolidated effective 1 July 2014 (see Annual Report 2015).

13. Commentary on results for period and explanatory information

Financial Review

Cre8tek Limited realised a profit for the year of \$1,056,283 (2015: \$141,469,917 loss). The profit was due to the gain arising from the Deed of Company Arrangement of \$3,319,184 being recognised during the year on recapitalisation of the Company.

The net assets of the Group have increased from a deficit of \$6,363,533 from 30 June 2015 to \$2,582,570 at 30 June 2016.

As at 30 June 2016, the Group's cash and cash equivalents increased from a balance at 30 June 2015 of \$53,208 to a balance of \$2,486,501 and had working capital of \$2,532,570 (2015: \$3,658,352 net deficient).

Recapitalisation of the Company

On 6 August 2015, the creditors of the Company (then known as Marion Energy Limited) resolved that the Company vary a previous deed of company arrangement. The following day the Company, the Deed Administrator, KM Custodians (the Company's secured creditor) and Otsana Capital (**Otsana**) executed a varied deed of company arrangement (**DOCA**), which embodied a proposal by Otsana for the recapitalisation of the Company (**Recapitalisation Proposal**).

A summary of the material terms of the Recapitalisation Proposal is set out below. Further information appears in sections 3.1 and 3.2 of the Company's notice of meeting lodged with ASX on 28 August 2015.

- a) the Company and the Deed Administrator established the Creditors' Trust, with the Deed Administrator acting as trustee;
- b) the assets of the Company were transferred to the Creditors' Trust, including an amount of \$150,000 to be comprised of:
 - i. \$10,000 (**Deposit**), paid by Otsana upon execution of the DOCA and receipt of the Deed Administrator of an irrevocable undertaking from KM Custodians for the release and discharge of its security and to vote in favour of the Recapitalisation Resolutions; this payment was made on the 10 August 2015; and
 - ii. \$140,000 (**Recapitalisation Payment**), paid by the Company upon Shareholder approval of the Recapitalisation Resolutions. If the Company lacks sufficient funds to make the Recapitalisation Payment, Otsana will loan the Company necessary funds, with such funds to be repaid to Otsana upon reinstatement of the Company's securities to the Official List;
- c) the Company issued 10,000,000 Creditor Shares to the Creditors' Trust (to be distributed to the admitted creditors pro rata), shareholder approval was obtained on the 30 September 2015 and shares were issued on 28 October 2015;
- d) all creditors required to prove debts against the Trustee of the Creditors' Trust;
- e) upon completion of the DOCA, the funds in the Creditors' Trust were to be distributed as follows:
 - i. first, to the Deed Administrator and Trustee for administering the DOCA and the Creditors' Trust (including fees and disbursements);
 - ii. second, to any priority Creditors pro rata according to the amount for which each creditor shall be admitted to proof pursuant to the Creditors' Trust Deed;
 - iii. third, to KM Custodians as secured Creditor, up to \$2,674,000; and
 - iv. fourth, the remainder (if any) to be returned to the Company for distribution to unsecured Creditors;

13. Commentary on results for period and explanatory information (cont'd)

Recapitalisation of the Company

- f) the Deed Administrator cause the then Directors of the Company to be removed and appoint nominees of Otsana Capital as Directors of the Company; the nominee directors were appointed on 28 October 2015;
- g) all security over the Company's assets was discharged and released;
- h) the Company undertook a capital consolidation on a one (1) for one hundred (100) basis, together with the consolidation of its existing options in the same ratio as existing shares as approved by shareholders on 30 September 2015;
- i) the Company raised \$650 (before costs) via the following capital raisings, approved by shareholders on 30 September 2015:
 - i. \$400 from the issue of 40,000,000 Placement Shares to clients of Otsana, (which were issued on 28 October 2015); and
 - ii. \$250 from the issue of 25,000,000 Placement Options to clients of Otsana, issued on 4 November 2015; and
- j) the Company issue such other securities as are required by Otsana (of which there were none).

Key conditions satisfied on the completion of the DOCA included:

- payment of the Deposit and Recapitalisation Payment, on 10 August 2015, the deposit of \$10,000 was paid to the Deed Administrator. This amount was paid by Otsana Capital on behalf of the company in accordance with DOCA;
- discharge and release of all security over the Company's assets;
- all subsidiaries removed from the Company;
- termination or repudiation of existing employment and service contracts; and
- Shareholder approval obtained to give effect to the Recapitalisation Proposal.

The conditions precedent were satisfied and on 28 October 2015 the DOCA was effectuated.

On 5 November 2015 the Company announced it had entered into a heads of agreement (HOA) to acquire 100% of Global Agenda Technologies Pty Ltd (**Agenda**), an entity developing a software as a service (**SaaS**), sales conversion and social networking technology platform. The Company sought to re-comply as a technology company on the ASX and be renamed Cre8tek Limited.

As consideration for 100% of the issued capital of Agenda, the Company issued:

- 2,500,000 fully paid ordinary shares at an issue price of \$0.02 each (**Initial Consideration Shares**). All consideration shares were subject to ASX escrow provisions;
- 25,000,000 deferred consideration shares (**Deferred Consideration Shares**) (at an issue price of \$0.02 per share) upon Agenda achieving 500,000 active registered users on the Agenda Platform within 24 months of listing on the ASX (**Milestone**)

13. Commentary on results for period and explanatory information (cont'd)

Settlement of the Acquisition was achieved upon satisfaction of the following conditions:

- Shareholder approval for the change of its business from an oil and gas company to a software and technology company;
- Shareholder approval to change the name of the Company from Marion Energy Limited to Cre8tek Limited;
- Completion of due diligence by the Company on Agenda's business and operations, to the sole satisfaction of the Company within 14 days of the HOA being executed;
- The Company obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Company to lawfully complete the matters set out in the HOA;
- Execution by the Agenda shareholders of ASX restriction agreements to the Initial Consideration Shares and provision of undertakings for the escrow of any Deferred Consideration Shares;
- Establish a performance rights plan and obtain shareholder approval to issue 10 million performance rights to each of Faldi Ismail, Bryn Hardcastle and Tom Bahen, in tranches of 3,333,333 million performance rights each, with Share price vesting hurdles of 3 cents, 4 cents and 5 cents respectively for each tranche (based on 10-day Share VWAP), expiring 3 years after grant and otherwise on terms to be agreed.
- The Company undertaking a capital raising of not less than \$3,600,000 through the offer of Shares at a price of not less than \$0.02 per Share (**Capital Raising**).

The Directors reviewed the Acquisition and concluded that it does not represent a business combination, and as such, have accounted for the transaction as an asset acquisition.

A General Meeting was held by the Company on 23 December 2015 and all resolutions put to the shareholders were passed. The General Meeting sought and obtained approval for the Agenda acquisition and associated approvals to enable re-compliance with Chapters 1 and 2 of the Listing Rules.

A prospectus dated 8 December 2015 for the offer of 180,000,000 Shares at a price of \$0.02 each to raise \$3,600,000 before costs closed on 20 January 2016 with the public offer fully subscribed.

On 22 January 2016 the Company completed the acquisition of Global Agenda Technologies Pty Ltd and the Company changed its name from Marion Energy Limited to 'Cre8tek Limited'. The Company's shares re-commenced trading on 5 February 2016.

To assist with funding the Agenda re-compliance, the Company (as borrower) entered into a loan agreement with the following three lenders:

- (a) DXB Holdings Pty Ltd, an entity associated with Mr Bryn Hardcastle;
- (b) Romfal Sifat Pty Ltd, an entity associated with Mr Faldi Ismail; and
- (c) Seamist Enterprises Pty Ltd (an unrelated entity).

Pursuant to the terms of the loan agreement the lenders agreed (each in equal portions) to make available a loan facility of up to \$200,000, with funds drawn down to be used towards the necessary costs of the Company's re-compliance with Chapters 1 and 2 of the Listing Rules. The Company drew down an amount of \$195,000, which was subsequently repaid in full just prior to the re-commencement of trading on 5 February 2016.

On the 2 June 2016 the Company entered into an agreement to acquire 100% of the issued capital of Flamingo Customer Experience Inc. The acquisition requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Directors are working towards the settlement of the acquisition and the reinstatement of CR8 securities for trading on the ASX.

14. Audit

The attached preliminary financial report has been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards board with the exceptions noted in Note 1 (b) of the Preliminary Notes to the Financial Statements and are based on accounts that are currently in the process of being audited.

Non-Executive Chairman
Bryn Hardcastle

31 August 2016

Appendix 4E Preliminary Financial Report

**PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016	2015
		\$	\$
Interest Income	2	15,109	457
Other Income	2	3,319,184	-
Deed administrators expense		-	(45,985)
Directors fees		(45,000)	-
Management fee and employee benefits expense		(45,000)	(79,167)
Corporate Administration		(80,379)	-
Loss on deconsolidation of subsidiaries		-	(138,959,347)
Legal and consulting fees		(61,380)	(328,720)
Software expense		(115,000)	-
Audit and accounting fees		(54,328)	(96,300)
Secretarial and listing expense		(80,679)	(103,800)
Finance costs		(1,315)	(146,356)
Share based payment expense		(1,654,376)	(1,658,942)
Due diligence expense		(126,846)	-
Other expenses		(13,707)	(51,757)
Profit/(Loss) before income tax		1,056,283	(141,469,917)
Income tax expense		-	-
Profit/(Loss) for the year		1,056,283	(141,469,917)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		-	18,473,866
Other comprehensive loss for the year, net of tax		-	18,473,866
Total comprehensive income/(loss) for the year		1,056,283	(122,996,051)
Profit/(Loss) attributable to:			
Members of the parent entity		1,056,283	(141,469,917)
		1,056,283	(141,469,917)
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		1,056,283	(122,996,051)
		1,056,283	(122,996,051)
Basic earnings/(loss) per share (dollars per share)	3	0.77	(77.18)
Diluted earnings/(loss) per share (dollars per share)	3	0.70	(77.18)

Appendix 4E Preliminary Financial Report

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4 a	2,486,501	53,208
Trade and other receivables		175,240	-
Other assets		14,723	-
TOTAL CURRENT ASSETS		2,676,464	53,208
NON-CURRENT ASSETS			
Intangible assets	5	50,000	-
TOTAL NON-CURRENT ASSETS		50,000	-
TOTAL ASSETS		2,726,464	53,208
CURRENT LIABILITIES			
Trade and other payables		132,694	966,716
Borrowings		11,200	2,744,844
TOTAL CURRENT LIABILITIES		143,894	3,711,560
TOTAL LIABILITIES		143,894	3,711,560
NET ASSETS/ (LIABILITIES)		2,582,570	(3,658,352)
SHAREHOLDERS' EQUITY/ (DEFICIT)			
Issued capital	6	220,279,667	216,497,117
Reserves	7	3,790,892	20,287,708
Accumulated losses		(221,487,989)	(240,443,177)
SHAREHOLDERS' EQUITY/ (DEFICIT)		2,582,570	(3,658,352)

CRE8TEK LIMITED
ABN 99 000 031 292

Appendix 4E Preliminary Financial Report

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2016

	Issued Capital	Option Premium Reserve	Capital Profit Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014			277,610	(18,473,866)		113,536,018
	213,084,239	17,621,295			(98,973,260)	
Loss for the year	-	-	-	-	(141,469,917)	(141,469,917)
Other comprehensive income/(loss)	-	-	-	18,473,866	-	18,473,866
Total comprehensive loss for the year	-	-	-	18,473,866	(141,469,917)	(122,996,051)
Transactions with owners, recognised directly in equity						
Equity issued during the year	3,412,878	2,388,803	-	-	-	5,801,681
Balance at 30 June 2015	216,497,117	20,010,098	277,610	-	(240,443,177)	(3,658,352)
Balance at 1 July 2015	216,497,117	20,010,098	277,610	-	(240,443,177)	(3,658,352)
Profit for the year	-	-	-	-	1,056,283	1,056,283
Total comprehensive income for the year	-	-	-	-	1,056,283	1,056,283
Transactions with owners, recognised directly in equity						
Reserves transferred to accumulated losses during the period	-	(17,621,295)	(277,610)	-	17,898,905	-
Equity issued during the year	4,600,000	1,402,089	-	-	-	6,002,089
Consideration for acquisition of Global Agenda Technologies Pty Ltd (Note 8)	50,000	-	-	-	-	50,000
Capital raising costs	(867,450)	-	-	-	-	(867,450)
Balance at 30 June 2016	220,279,667	3,790,892	-	-	(221,487,989)	2,582,570

Appendix 4E Preliminary Financial Report

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

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(450,911)	(622,870)
Payments for software platform		(115,000)	
Interest received		15,109	457
Payment to Deed Administrator		(146,167)	-
Net cash used in operating activities	4 b	(696,969)	(622,413)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to Flamingo Customer Experience Inc.		(150,000)	-
Net cash used in investing activities		(150,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		3,600,650	-
Payment of capital raising costs		(320,387)	-
Proceeds from borrowings		195,000	1,392,399
Repayment of borrowings		(195,000)	(949,182)
Net cash from financing activities		3,280,263	443,217
Net increase/ (decrease) in cash and cash equivalents		2,433,293	(179,196)
Cash and cash equivalents at the beginning of the financial year		53,208	232,404
Cash and cash equivalents at the end of the financial year		2,486,501	53,208

Appendix 4E Preliminary Financial Report

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the preliminary financial report

a) Statement of Compliance

These preliminary financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standard Board (AASB) and the Corporations Act 2001 where possible (refer to note 1(b)). The preliminary financial statements have been prepared on an accruals basis and are based on historical costs.

b) Incomplete records

- a) The preliminary financial report for the year ended 30 June 2016 has been prepared by Directors who were appointed on or after 28 October 2015. As such, the Directors did not have control of the company until the effectuation of the deed of company arrangement on 28 October 2015.
- b) Prior to 28 October 2015, the current Directors did not have oversight or control over the Company's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company. To prepare the preliminary financial reports for the year ended 30 June 2016, the Directors have reconstructed the financial records of the company for the period 1 July 2015 to 28 October 2015 using data extracted from the Company's accounting system. However, there may have been information that the current Directors were not been able to obtain, the impact of which may or may not have been material on the financial performance for the year ended 30 June 2016.
- c) The current Directors have not been able to source books and records of the Company's subsidiaries up to 5 October 2015 when the ownership of the subsidiaries was transferred to the creditors' trust. The financial information of the Company's subsidiaries had been deconsolidated in the prior period.

Consequently, although the Directors have prepared this preliminary financial report for the year ended 30 June 2016 to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this preliminary financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the Corporations Act 2001. Furthermore, the Directors are of the opinion that it is not possible to state this preliminary financial report gives a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date and cannot form a view as to whether the financial statements comply with International Financial Reporting Standards (IFRS).

It should be noted that the matters referred to in items (a) to (c) above were also relevant for the year ended 30 June 2015 which are presented as comparative figures in this report.

Appendix 4E Preliminary Financial Report

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

	Note	2016	2015
NOTE 2: OTHER INCOME		\$	\$
Interest income:			
Interest received, non-related parties		15,109	457
		<hr/> 15,109	<hr/> 457
Other Income			
Gain on creditor obligation released		3,665,350	-
Less:			
Net refunds received by Administrator		3,834	-
DoCA payments		(150,000)	-
Creditor shares transferred to the trust		(200,000)	-
Assets transferred to the Creditors Trust		<hr/> (346,166)	<hr/> -
Gain arising from Deed of Company Arrangement		<hr/> 3,319,184	<hr/> -

Other Income - Gain arising from Deed of Company Arrangement

On 2 February 2015, the then Board resolved to place the Company into voluntary administration and appointed Mr James Downey of JP Downey and Co as voluntary administrator of the Company. Following appointment of the administrator, the powers of the Company's officers (including Directors) were suspended and the administrator assumed control of the Company's business, property and affairs.

A deed of company arrangement (**Original DoCA**) was executed on 19 March 2015. On 6 August 2015, the creditors of the Company resolved that the Company vary the Original DoCA. The following day the Company, the Deed Administrator, KM Custodians (the Company's secured creditor) and Otsana executed the DOCA. The DOCA provided for the creation of a Creditors' Trust and an opportunity for the Company to be restructured. Under the DOCA, the claims of the Company's creditors as at 28 October 2015 now reside within the Creditors' Trust. The Voluntary Administrator was appointed as Deed Administrator and Trustee of the Creditors' Trust. On effectuation of the DOCA control of the Company reverted back to the directors.

The effectuation of the DOCA on 28 October 2015 had the following financial effect:

- claims of the Company's creditors as at 28 October 2015 now reside within the Creditors' Trust;
- all cash at bank and any other assets at 28 October 2015 were transferred to the Creditors' Trust; and
- the payment of the promoter contribution of \$150,000.

This resulted in a debt release gain under the DOCA of \$3,319,184 being recognised in the year ended 30 June 2016 as detailed above.

Appendix 4E Preliminary Financial Report

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

NOTE 3: EARNINGS/(LOSS) PER SHARE	Note	2016	2015
		\$	\$
Earnings/ (Loss) per share (EPS)			
a) Profit/(Loss) used in calculation of basic EPS and diluted EPS		1,056,283	(141,469,917)
b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings/ (loss) per share*		136,304,820	1,832,952
Weighted average number of dilutive options outstanding		13,806,793	-
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted earnings/(loss) per share		150,111,613	-

* The weighted average number of ordinary shares used in the calculation of loss per share has been adjusted for the share consolidation completed by the company on 30 September 2015.

NOTE 4 a : CASH AND CASH EQUIVALENTS	Note	2016	2015
		\$	\$
Cash at bank		2,471,501	53,208
Term deposit		15,000	-
Total cash and cash equivalents in the statement of cash flows		2,486,501	53,208

The effective interest rate on short-term bank deposit was 2.4% (30 June 2015: nil). The deposit has no fixed maturity dates.

NOTE 4 b : CASH FLOW INFORMATION	Note	2016	2015
		\$	\$
Profit / (Loss) after income tax		1,056,283	(141,469,917)
Non-cash flows in loss after income tax			
Loss on deconsolidation		-	138,959,347
Gain under the DOCA		(3,465,350)	-
Share based payment expense		1,654,376	1,658,942
Changes in assets and liabilities			
Decrease/ (increase) in receivables		(25,239)	-
Decrease/ (increase) in prepayments		(14,723)	-
Decrease/ (increase) in other assets		-	277,280
(Decrease)/ increase in payables		97,684	(48,065)
Cash flow (used in) operating activities		(696,969)	(622,413)

Appendix 4E Preliminary Financial Report

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

NOTE 5: INTANGIBLE ASSETS

		2016 \$	2015 \$
NON-CURRENT			
Balance at the beginning of the year		-	-
Acquired through the acquisition of Global Agenda Technologies Pty Ltd	8	50,000	-
Balance at the end of the year		50,000	-

Intangible assets relate to the acquisition of the Agenda Platform.

The Group has assessed the intangible assets for impairment as at 30 June 2016. The recoverable amount of the intangible assets was determined considering the fair value less cost to sell.

NOTE 6: ISSUED CAPITAL

		2016 \$	2015 \$
(a) Share Capital			
234,426,409 (2015: 192,505,402) fully paid ordinary shares	6 b	221,147,117	216,497,117
Transaction costs relating to share issues for year		(867,450)	-
		220,279,667	216,497,117

(b) Movements in fully paid Ordinary Capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2014	126,753,630	213,084,239
Shares issued in lieu of payment entitlements	18 July 2014	27,000,000	1,620,000
Shares issued for conversion of convertible note	05 August 2014	20,540,831	1,232,450
Shares issued for services	19 September 2014	470,000	28,200
Shares issued for outstanding loans	28 October 2014	17,740,941	532,227
Balance at end of the reporting period	30 June 2015	192,505,402	216,497,117

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2015	192,505,402	216,497,117
Consolidation of existing shares 1:100 nil consolidation	14 October 2015	(190,578,993)	-
Issued Capital - Placement to Creditors' Trust	28 October 2015	10,000,000	200,000
Issued Capital - Placement to Promoters	28 October 2015	40,000,000	800,000
Issued Capital - Pursuant to Prospectus	25 January 2016	180,000,000	3,600,000
Issued Capital - Consideration for acquisition of subsidiary	25 January 2016	2,500,000	50,000
Balance at end of the reporting period	30 June 2016	234,426,409	221,147,117

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

Appendix 4E Preliminary Financial Report

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

NOTE 7: RESERVE	2016	2015
	\$	\$
a) Option Reserve		
Option reserve	3,790,892	20,010,098
	<u>3,790,892</u>	<u>20,010,098</u>
Movements		
Balance at the beginning of the year	20,010,098	17,621,295
Issued during the year	-	2,388,803
Issued options to promoters - recapitalisation	349,026	-
Issue performance rights	506,000	-
Issue share options to brokers	547,063	-
Options lapsed during the year	(17,621,295)	-
Balance at the end of the year	<u>3,790,892</u>	<u>20,010,098</u>

Appendix 4E Preliminary Financial Report

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

NOTE 8: ACQUISITION OF GLOBAL AGENDA TECHNOLOGIES

On 22 January 2016, the Company acquired Global Agenda Technologies Pty Ltd (**Agenda**). The consideration consisted of

- 2,500,000 ordinary shares at \$0.02 per share

This acquisition has not been accounted for as a business combination under AASB 3: "Business Combination" as the assets of Agenda were considered not to constitute a business. Accordingly, the Agenda acquisition has been accounted for as an acquisition of assets, at cost based on the fair value of shares issued on the transaction date. The purchase price has been allocated to the identifiable assets and liabilities of Agenda as of the date of acquisition as follows:

\$

Purchase consideration:

Issue of shares	50,000
	<hr/> 50,000 <hr/>

Net assets acquired:

Cash and cash equivalents		10
Other Intangible assets	5	50,000
Trade and other payables		(10)
		<hr/> 50,000 <hr/>