

**Min Trak Pty Ltd
ACN: 602 865 001**

**FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2015**

MIN TRAK PTY LTD
ACN: 602 865 001

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DIRECTORS REPORT

Your directors present their report on the Company for the period from incorporation, 14 November 2014, to 30 June 2015.

Directors

The names of the directors in office at any time during or since the end of the period are:

Mr David Edward Trimboli
Mr Fletcher Curtis Brand

Directors have been in office since the inception of the company to the date of this report unless otherwise stated.

Review of operations

The loss of the Company for the period after providing for income tax amounted to \$57,616. The Company's net assets at 30 June 2015 were \$742,384

Principal Activities

The principal activity of the Company during the financial period was the development of software applications to monitor and record employees and other data and the commercialisation thereof.

Since the end of the financial period, the Company has entered into negotiations to be acquired by Palace Limited, an ASX Listed company, in an all-share transaction that will provide Min Trak Ltd and its newly acquired assets a platform to raise capital to fund a future development.

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends have been declared since the start of the financial period.

Shares and Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

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Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

Signed in accordance with a resolution of the Board of Directors:



David Trimboli
Director
Min Trak Pty Ltd

27 August 2015

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015

| | 2015 |
|---|-----------------|
| Note | \$ |
| Revenue | - |
| Expenses | |
| Preparatory work concerning App – not capitalised | 57,616 |
| Profit / (loss) before income tax | <u>(57,616)</u> |
| Income tax expense | - |
| Profit / (Loss) after income tax | <u>(57,616)</u> |
| Other Comprehensive Income | - |
| Total Comprehensive Income / (Loss) for the period | <u>(57,616)</u> |

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

| | Note | 2015 \$ |
|---------------------------------|------|------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 2 | - |
| Trade debtors | | - |
| GST recoverable | | - |
| TOTAL CURRENT ASSETS | | - |
| NON-CURRENT ASSETS | | |
| Intangible assets | 3 | 800,000 |
| TOTAL NON-CURRENT ASSETS | | 800,000 |
| TOTAL ASSETS | | |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 4 | - |
| Borrowings | 5 | 57,616 |
| TOTAL LIABILITIES | | 57,616 |
| NET ASSETS | | 742,384 |
| EQUITY | | |
| Issued capital | 6 | 800,000 |
| Retained profit | | (57,616) |
| TOTAL EQUITY | | 742,384 |

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015

| | Note | ISSUED CAPITAL \$ | RETAINED PROFIT \$ | TOTAL \$ |
|--|------|-------------------------|-----------------------|-------------|
| BALANCE AS AT 28 FEB 2014 | | - | - | - |
| Comprehensive Income | | | | |
| Profit for the period | | - | (57,616) | (57,616) |
| Total Comprehensive Income | | - | (57,616) | (57,616) |
| Transactions with owners, in their capacity as owners | | | | |
| Shares issued during the period | | 800,000 | - | 800,000 |
| Total transactions with owners, in their capacity as owners | | 800,000 | - | 800,000 |
| BALANCE AS AT 30 JUNE 2015 | | 800,000 | (57,616) | 742,384 |

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015

| | Note | 2015 \$ |
|---|------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | | - |
| Payments to suppliers and employees | | (57,616) |
| NET CASHFLOWS FROM OPERATING ACTIVITIES | | <u>(57,616)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for intangible assets | | (800,000) |
| NET CASHFLOWS (USED IN) INVESTING ACTIVITIES | | <u>(800,000)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | | 57,616 |
| Proceeds from share issues | | 800,000 |
| NET CASHFLOWS FROM FINANCING ACTIVITIES | | <u>857,616</u> |
| NET INCREASE IN CASH HELD | | - |
| Cash at beginning of period | | - |
| CASH AT END OF PERIOD | 2 | <u>-</u> |

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015

1 Statement of Significant Accounting Policies

This financial report is a special purpose report prepared to satisfy the requirements of the *Corporations Act 2001*. The directors have determined that the entity is not a reporting entity.

The financial report covers Tikforce Operations Pty Ltd (or "the Company") which is limited by shares, incorporated and domiciled in Australia. The financial report is presented in Australian Dollars.

The financial report has been prepared in accordance with the measurement and recognition of Australian Accounting Standards and the requirements of the following applicable Australian Accounting Standards:

| | |
|------------|--|
| AASB 101: | Presentation of Financial Statements; |
| AASB 107: | Cash Flow Statements; |
| AASB 108: | Accounting Policies, Changes in Accounting Estimates and Errors; |
| AASB 1031: | Materiality; and |
| AASB 1048: | Interpretation and Application of Standards. |

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that it is reasonable foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report because, subsequent to 30 June 2015, the Company is intended to be acquired by Palace Resources Limited, who intend to raise a substantial amount of cash to facilitate future operations of the new group.

However, should the Company's plan to be acquired not come to fruition, there will be material uncertainty over the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a. Cash and Cash Equivalents

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

b. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

c. Intangible Assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

d. Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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| | | Company 2015 |
|----------|---------------------------------------|--|
| | | \$ |
| 2 | Cash and Cash Equivalents | |
| | Cash at Bank | - |
| | | - |
| 3 | Intangible assets | |
| | Software applications | 800,000 |
| | | 800,000 |
| 4 | Trade and Other Payables | |
| | Trade Creditors | - |
| | | - |
| 5 | Borrowings | |
| | Unsecured Loans | 57,616 |
| | | 57,616 |
| 6 | Issued Capital | |
| | Fully Paid Ordinary Shares | 800,000 |
| | | 800,000 |
| | Movement in shares on issue | |
| | Fully paid shares | Number \$ |
| | At beginning of period_ - 14 Nov 2014 | 8,000,000 800,000 |
| | Issue of Ordinary Shares | 1,000,000 - |
| | At end of period | 9,000,000 800,000 |

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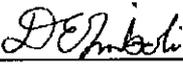
DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 to 10, present fairly the company's financial position as at 30 June 2015 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: 

David Trimboli

Date: 27 August 2015