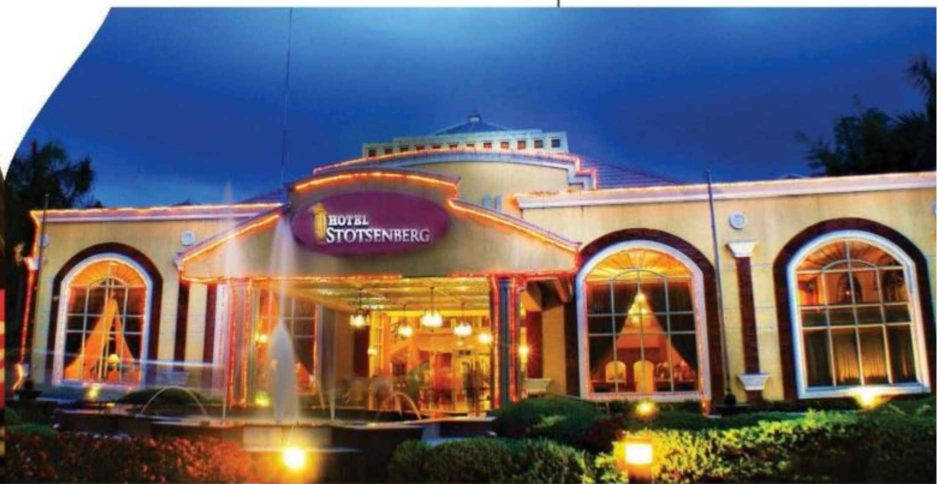
FRONTIER CAPITAL GROUP LIMITED
ACN 145 105 148

ANNUAL REPORT
2015

FCG
FRONTIER CAPITAL GROUP LIMITED



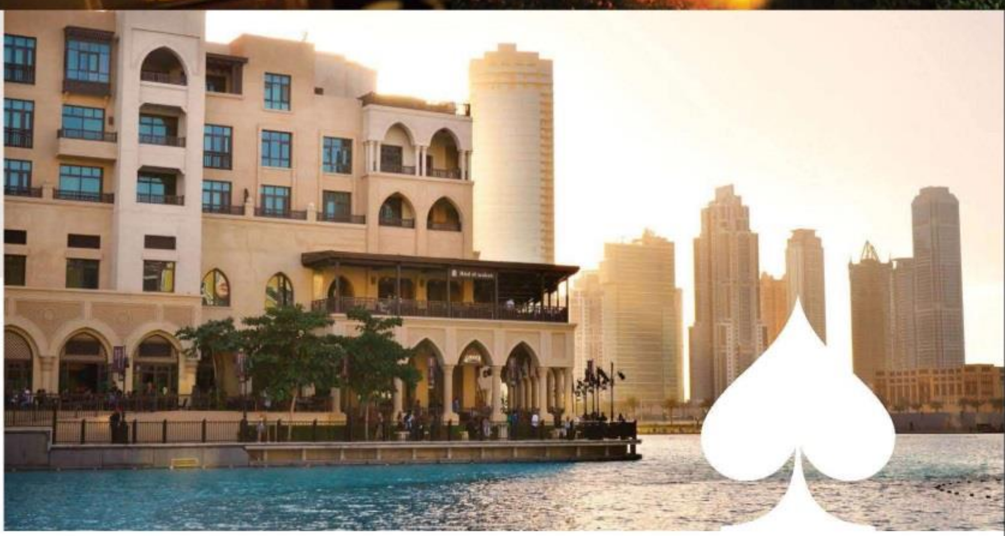


TABLE OF CONTENTS PAGE

CORPORATE DIRECTORY

Frontier Capital Group Limited

(Formally Precious Metal Resources Limited)

ACN 145 105 148
ABN 88 145 105 148

Registered and Corporate Office

Level 2
Hudson House
131 Macquarie Street
Sydney NSW 2000

Telephone: +61 2 9251 7177
Fax: +61 2 9251 7500
Website: www.fcgl.com.au

Directors

Dato Helen Li Zhang
Ram Navaratnam
William Wilkinson
Janet R Lazatin
Dawn S Feliciano
Rodrigo C Ramos
Leung Foo Meng
Law Hun Seang
Wong Ken Hong

Company Secretary

Henry Kinstlinger

Auditors

K.S. Black & Co
ABN 48 117 620 556
Level 6
350 Kent Street
Sydney NSW 2000
Telephone: +61 2 8839 3000

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

Telephone: 1300 850 505

Lawyers

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: +61 2 9253 9999

Bankers

Australia & New Zealand Banking Group Limited
Level 16,
20 Martin Place
Sydney NSW 2000

Telephone: +61 2 9227 1818

St George Bank Limited
Level 14, 182 George St
Sydney NSW 2200
Telephone: +61 2 9236 2230

ASX Code – FCG

Frontier Capital Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Frontier Capital Group Limited and its controlled entities.

Frontier Capital Group Limited is a company limited by shares, incorporated and domiciled in Australia.

CHAIRMAN'S REVIEW 2015

Frontier Capital has seen some major changes through 2015.

In February 2015, shareholders approved a Change in Nature and Scale of Activities with the acquisition of CK Graphic Sdn Bhd (CK Graphic), a Malaysian company.

CK Graphic was established in 2003, as a visual communication company dedicated to creating a dynamic lasting design solution for its clients through the latest media technology with expertise in digital rendering and digital visualisation.

It provides its clients with services in the areas of computer-based architectural rendering, 3D modelling and visualisation, architectural illustration, digital interior designing, and walk-through animation with a photo-realistic output.

CK Graphic's main base is in Kuala Lumpur, Malaysia where it has successfully completed projects for international clients through the Internet. One of the Company's objectives is to expand the operations of CK Graphic to Australia and other Asia Pacific countries and beyond.

CK Graphic turned a profit of close to $1 million in 2015 and is looking to achieve steady growth through the coming years.

Later in 2015, the board turned its attention to an additional acquisition and undertook a further Change in Nature and Scale of Activities, acquiring Stotsenberg Leisure Park & Hotel Corporation (Stotsenberg), becoming a gaming and hospitality business. Shareholders approved the acquisition in January 2016 and Stotsenberg is now the primary focus of the Company.

Stotsenberg turned a profit in excess of $2 million in 2015; its management team is confident of significant growth.

E!xcite Gaming and Entertainment Inc (E!xcite) have been appointed managers of Stotsenberg pursuant to the Operations and Management Agreement.

E!xcite provides full and comprehensive advisory, development and business management services for Casino and Integrated Resort Owners. Their management team and associates possess deep knowledge on casino operations and have considerable experience in senior management levels in multiple jurisdictions, which is vital for the proper development and management of gaming facilities. E!xcite also has an extensive network that further strengthens their player development and market understanding on how best to service the target markets.

E!xcite has guaranteed to the Company that the NPAT for the financial years ending 31 December in 2016, 2017, 2018, 2019 and 2020 will not be less than USD$5,000,000 per annum.

Stotsenberg consists of Hotel Stotsenberg and Casablanca Casino and is located at Clark, Philippines, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors.

With a highly improved road network and increasing flights at Clark International Airport (CIA), Clark is setting out to become the hub for business, aviation and tourism in the Philippines.

The Stotsenberg Hotel and Casablanca Casino are located less than 2 kilometres from the CIA. Several airlines offer domestic and international flights to CIA, with 4 million passengers arriving each year expanding to accommodate 8 – 16 million passengers.

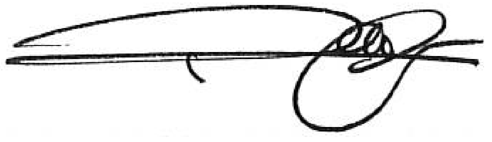
The Stotsenberg Hotel consists of impressive 3 storey buildings with 239 hotel rooms – 2 Presidential Suites (The John M. Stotsenberg Suite and the Harold M. Clark Suite); 39 Executive Rooms, 28 Deluxe Queen Bedrooms, 163 Deluxe Twin Bedrooms and 7 Studio rooms. Outlets include restaurants and bars – Bleu, Twist, S-Bar, Hacienda Lounge while amenities consist of swimming pool, the Trim Gym and the

Central Park in the middle of the development. Additional facilities are the Convention Center, which can accommodate 650 - 2,000 people (depending on configuration).

The Casablanca Casino operates from the Stotsenberg Hotel, inspired by the 1942 romantic hit film Casablanca starring Humphrey Bogart and Ingrid Bergman.

The Company is looking for means to monetise it exploration interests, in line with its current focus on gaming and hospitality seek other opportunities in the area.

On behalf of the board, I thank you for your continued support and look forward to the year ahead.



Ramakrishnan Navaratnam
Acting Chairman

REVIEW OF OPERATIONS

In February 2016 Frontier Capital Group Limited (the Company or FCG) successfully relisted on the Australian Securities Exchange as a Gaming and Hospitality entity following the acquisition of the Philippines based Stotsenberg Leisure Park and Hotel Corporation (Stotsenberg), comprising the 3 storey 239 room Hotel Stotsenberg and the Casablanca Casino, both located at Clark Freeport Zone approximately 80 kilometres northwest of Manila. Clark Freeport Zone is a redevelopment of the former US Airforce base at Clark, located on the northwest side of Angeles City. The recently announced US$1.5 billion Passenger Terminal expansion project at Clark International Airport will see the number of passengers double to 8 million in 2017 with growth expected to hit 80 million passengers by 2032. The airport is less than 2 kms from the hotel and casino.

The Hotel Stotsenberg and Casablanca Casino have been valued at 697 million Philippine pesos (equivalent to approximately $A 21 million) by Colliers International for the land and buildings only.

The Hotel Stotsenberg and Casablanca Casino operations are managed by E!xcite Gaming and Entertainment Inc (E!xcite) which has given the Company a secured net profit after tax guarantee of $US 5 million for each year over a five year period commencing January 2016. The acquisition costs were the issue of 182.49 million shares and 113.76 million performance shares in the Company, with the performance shares to be provided to the manager, E!xcite. The performance shares will convert to ordinary shares as the profit guarantee is met in each relevant financial year.

The combined businesses of the Hotel Stotsenberg and Casablanca Casino, together with the CK Graphics business all have strong growth prospects. Profit projections for the Stotsenberg Philippines operations show profit is expected to double between 2016 to 2018 estimated to grow from $US 5 million to $US 11.7 million as a result of an increase in gaming tables and slot machines. CK Graphics has a solid balance sheet, generates high margins and strong cashflow underpinned by a solid portfolio of work in hand and supported by a high level of client referrals. There is an opportunity to extend CK Graphics market reach into Australia with the Company seeking to establish a joint venture with local property development and construction companies.

On 21 January 2016, the Company's shareholders voted in favour of the Stotsenberg acquisition at its members meeting. The Company had previously announced in August 2015 that the Stotsenberg opportunity was being considered and was part of the director's aims to build a portfolio of high growth businesses including the hospitality and gaming sectors, having decided to change the strategic direction of the business away from gold and base metals exploration.

As a result of the outcome of the shareholders meeting on 21 January 2016, the Company lodged a prospectus with the Australian Securities and Investments Commission for the purpose of complying with the ASX Listing Rules following the change in nature and scale of the Company's activities.

Corporate

On 23 February 2016 the Company announced that it was not proceeding to acquire the Mongolia National Lottery.

On 3 February 2016 Janet Lazatin, Dawn Feliciano, Rodrigo Ramos, Foo Meng Leung, Hun Seang Law and Ken Hong Wong were appointed directors of the Company.

On 3 February 2016 the Company issued 182,490,000 shares in the Company to the Vendors and Managers plus 113,760,000 performance shares to E!xcite to subsequently convert to ordinary shares over the next five years as the net profit after tax guarantee is met.

On 3 February 2016 the Company issued a further 6,000,000 shares to advisors in consideration of services rendered with respect to the acquisition of the Stotsenberg.

In October 2015 the Company issued 300,000 shares at 30 cents each in consideration of corporate advisory and research services provided by its advisors.

On 14 July 2015 the Company entered into an agreement to acquire the licence to operate the Mongolian National Lottery, subject to due diligence and regulatory approvals. Settlement will take the form of 40% cash and the remainder in the form of the Company's shares issued at 30 cents each. The purchase price is to be determined as a 10 times multiple of net profit after tax for the year ending 31 December 2015. Finalisation is subject to the vendor fulfilling the conditions precedent.

On 20 February 2016 the Company advise that the Mongolian National Lottery share sale agreement had been terminated.

On 6 July 2015 the Company issued 13 million listed options having an exercise price of 40 cents per option with an expiry date of 30 June 2018 following the issue of a prospectus which closed on 30 June 2015.

On 30 June 2015 William Wilkinson was appointed a director of the Company following the resignation of Danny Chan Hau Kin.

On 5 May 2015 Johnny Chan was appointed a director of the Company. He subsequently resigned on 24 September 2015.

On 29 April 2015 Danny Chan Hau Kin was appointed a director of the Company and Frank Licciardello and Rado Jacob Rebek resigned as directors.

On 23 April 2015 the Company announced that it had commenced acquiring an investment in the Mongolian National Lottery following the initial payment of $A 500,000 as a refundable deposit in the event that the conditions precedent are not satisfied.

On 31 March 2015 the Company issued 37.5 million shares and 37.5 million options (escrowed) to the vendors of CK Graphics Sdn Bhd at 20 cents each plus 20 million shares at 20 cents under the prospectus and 5.5 million shares at 20 cents in conversion of an existing debt.

On 25 February 2015 at a general meeting of the Company's shareholders, members approved:

- The change in nature and scale of the Company's business with the acquisition of the CK Graphics Sdn Bhd business in Malaysia consideration being the issue of 37.5 million new shares and options in the Company at 20 cents each, valuing the CK Graphics business at $7.5 million. The Company's independent expert found that the transaction was fair and reasonable for the existing non associated shareholders. As a result of this acquisition the shareholders further agreed to change the name of the Company from Precious Metal Resources Limited to Frontier Capital Group Limited.
- Issue the prospectus to raise $4 million by the issue of 20 million shares at 20 cents each
- Issue 5.5 million shares to Hudson Corporate Limited on conversion of an existing debt

On 19 February 2015 the Company lodged a prospectus with the ASIC to raise $4 million by the initial offering of 20 million shares at 20 cents each.

Exploration

The Company is seeking to divest its legacy exploration interests.

DIRECTORS' REPORT

Your directors present their report together with the financial statements on the parent entity and the consolidated entity (referred to hereafter as the **Group**) consisting of Frontier Capital Group Limited (the **Company**) and the entities it controlled at the end of or during the year ended 31 December 2015.

Principal activities

The principal continuing activities of the Group during the course of the financial year were conducting graphic design and mineral exploration programs. Subsequent to year end, the Company acquired a Philippines based hotel and casino and changed its activities to gaming and hospitality.

Consolidated results

The net consolidated loss of the Group for the year ended 31 December 2015 was $1.60 million (2014: Loss $1.85 million). The consolidated loss arises largely from mineral exploration activities.

Total Shareholders' Funds as at 31 December 2015 are $12.93 million

Additional information on the operations of the Group is disclosed in both the Chairman's Review and the Review of Operations section of this report.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Review of Operations on pages 5 to 6 of this annual report.

Dividends

The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dato Helen Li Zhang	Executive Director	Appointed 14 October 2014
Ram Navaratnam	Executive Director	Appointed 14 October 2014
William Wilkinson	Non-Executive Director	Appointed 30 June 2015
Janet R Lazatin	Non-Executive Director	Appointed 3 February 2016
Dawn S Feliciano	Non-Executive Director	Appointed 3 February 2016
Rodrigo C Ramos	Non-Executive Director	Appointed 3 February 2016
Leung Foo Meng	Non-Executive Director	Appointed 3 February 2016
Law Hun Seang	Non-Executive Director	Appointed 3 February 2016
Wong Ken Hong	Non-Executive Director	Appointed 3 February 2016
Danny Chan Hau Kin	Non-Executive Director	Appointed 29 April 2015 Retired 12 June 2015
Jon Chi Chan	Non-Executive Director	Appointed 04 May 2015 Retired 24 September 2015
Frank Licciardello	Executive Director	Retired 29 April 2015
Rado Jacob Rebek	Chief Executive Officer	Retired as CEO in 10 February 2015 and as a director on 29 April 2015

Meetings of Directors

Directors	Directors Meetings		Remuneration Committee *		Audit Committee *	
	Attended	Held whilst in office	Attended	Held whilst in office	Attended	Held whilst in office
Dato Helen Li Zhang	17	17	1	1	2	2
Ram Navaratnam	17	17	1	1	2	2
William Wilkinson	5	5	0	0	1	1
Danny Chan Hau Kin****	2	5	0	0	0	0
Jon Chi Chan***	5	7	0	0	1	1
Frank Licciardello**	6	7	2	2	1	1
Jacob Rebek**	4	7	2	2	1	1

* The Remuneration and Audit Committees are composed of the entire Board.
** Frank Licciardello and Jacob Rebek retired 29 April 2015
*** Jon Chi Chan was appointed on 4 May 2015 and resigned on 24 September 2015
****Danny Chan Hau Kin was appointed on 29 April 2015 and resigned on 12 June 2015

INFORMATION ON DIRECTORS AND MANAGEMENT

Dato Helen Li Zhang
Non-Executive Director - Appointed 14 October 2014

Experience and expertise	Dato Helen Li Zhang is a Non-Executive Chairman of Top Creation Limited (Stock Code: TOPC), a public company listed on the London Stock Exchange. She has significant experience in the Malaysian sector and was engaged from 2001 to 2007 as a property investment adviser by Brilliant Valley Sdn Bhd, In that time Dato Helen Li Zhang was involved in a number of significant property projects including Bandar Alam Perdana (Kuala Lumpur), Dataran Pahlawan (Malacca), and Empire Tower (Kuala Lumpur).
Other Current Directorships of Listed Companies	Non-Executive Chairman of Top Creation Limited (Stock Code: TOPC)
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	1 million shares

Ram Navaratnam
Executive Director - Appointed 14 October 2014

Experience and expertise	Mr. Navaratnam has previously enjoyed a successful career in Fund Management, Investment Banking and Corporate Advisory in Malaysia. His expertise includes M&A, corporate restructuring, Asian Markets and Islamic Finance. He is also currently a director of RNS Funds Pty Limited. During his earliest days, Ram worked in KPMG Malaysia, attaining vast experience in Audit and Advisory before moving to establish the first Derivatives broker in Malaysia. Subsequent to that, he was involved in the setting up of a government linked stockbroking institution.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	None

William Wilkinson
Non-Executive Director - Appointed 30 June 2015

Experience and expertise	Mr Wilkinson has held a number of senior positions in business development and project management over the past 20 years. He brings hands on experience in the management of large scale projects including the development and construction of plants and factories as well as the establishment of overseas operations. His extensive experience in large scale investments and projects will provide expertise to the board to execute its long term visions.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	None

Janet R Lazatin
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Ms Lazatin is currently the President of Stotsenberg Leisure Park and Hotel Corporation in the Philippines. Ms Lazatin possesses vast experience in the management and operations of casinos in the Philippines. In addition to gaming facilities, Ms Lazatin is also knowledgeable in the management of hotels and other leisure oriented enterprises.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	26.2 million shares directly held

Dawn S Feliciano
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Ms Feliciano is a Certified Practising Accountant. Ms Feliciano concurrently holds the position of Chairman and President of Wide Wide World Express Corporation and Chairman of DHL Express (Philippines) Corporation. These companies, which are affiliated with DHL Worldwide, have more than 100 strategically located service centres in the Philippines. Ms Feliciano has 20 years' experience in the logistics industry which includes inbound and outbound distribution, express delivery of cargo, expertise in ground, sea and air transportation and overall logistics solutions provider.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	15.41 million shares directly held

Rodrigo C Ramos
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Mr Ramos holds a Bachelor of Science in Civil Engineering degree from the University of Assumption in Pampanga Philippines. Mr Ramos possesses over 17 years' experience in construction and real estate development. He is President and Chairman of RC Ramos Construction Corporation, a triple A construction company in the Philippines. He is a member of the National Constructors Association of the Philippines.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	6.2 million shares directly held

Wong Ken Hong
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Mr Wong holds a Bachelor of Business major in accounting degree from La Trobe University and an MBA in Finance from Charles Sturt University. He is a member of CPA Australia and the Malaysian Institute of Accountants. Mr Wong is the Chief Financial Officer, Senior Vice President of E!xcite Gaming and Entertainment Inc. He oversees the operations of Finance, Corporate Treasury, Purchasing and Information Technology departments as well as the implementation and streamlining of controls across all E!xcite partner gaming properties. He has over 15 years' experience in gaming and gaming related environments and has held various senior positions with Gentling Hong Kong
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	None

Leung Foo Meng
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Mr Leung holds a Bachelor of Arts major in marketing degree from University of Abertay Dundee Scotland. Mr Leung is the Senior Vice President, International Marketing of E!xcite Gaming and Entertainment Inc. He has commercial banking experience from Hong Kong Shanghai Banking Corporation and Hong Leung Bank in Malaysia. Mr Leung commenced in gaming in 2009 in Macau heading the business and player development across the Asia Pacific region. He overseas and supervises the partnerships with travel agencies to drive business growth of player development in the E!xcite partner properties.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	None

Law Hun Seang
Non-Executive Director - Appointed 3 February 2016

Experience and expertise	Mr Law holds a Bachelor of Science, major in Building Economic and Project Management degree. Mr Law is the Senior Vice President , Construction and Project Management of E!xcite Gaming and Entertainment Inc. He has over 20 years working experience in the furniture and building materials industries. He has been involved in the overall project management, design and interior finishing of various buildings, structures and establishments in the hospitality and resort industry across Asia Pacific.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	None
Interests in Shares and Options	None

Officers

Henry Kinstlinger
Company Secretary

Experience and Expertise	Henry Kinstlinger has, for the past thirty years, been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is currently the Company Secretary of Australian Bauxite Limited, Sovereign Gold Company Limited and Raffles Capital Limited. He is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance.

Francis Choy MCom MBA FCPA (HK) FCPA CA
Chief Financial Officer

Experience and Expertise	Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financing, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.

Former directors

Jon Chi Chan

Non-Executive Director - Appointed 04 May 2015 resigned 24 September 2015

Danny Chan Hau Kin

Non-Executive Director – Appointed 29 April 2015 resigned 12 June 2015

Francesco Licciardello

Executive Director – Appointed 18 August 2014 – resigned 29 April 2015

Rado Jacob Rebek

Non-Executive Director – Appointed 12 August 2013 – Resigned 29 April 2015

Likely Developments

Information on likely developments in the operations of the Group, known at the date of this report has been covered generally within the report.

Significant changes in state of affairs

Please refer to the Review of Operations section of this report for details.

Matters subsequent to balance date

On 21 January 2016, shareholders approved the acquisition of Stotsenberg Leisure & Hotel Corporation (Stotsenberg), consisting of the Stotsenberg Hotel and Casablanca Casino, both located at Clark Freeport Zone, Philippines. Stotsenberg consists of the Hotel Stotsenberg and Casablanca Casino. It is located at Clark, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors. The Company received a valuation of PHP 697,089,000 (AU$20,977,701) from Colliers International for the land and buildings value alone. E!xcite Gaming and Entertainment Inc have been appointed managers of Stotsenberg and have provided a US$25 million profit guarantee over 5 years.

The Company issued 154,050,000 shares to the Vendors and 28,440,000 shares and 113,760,000 Performance Shares, which will convert to ordinary shares as the Profit Guarantee is met, to E!xcite. The shares were issued at AU$0.2377 per share.

The Company issued a Prospectus dated 7 January 2016 and recompiled with Chapters 1 and 2 of the ASX Listing Rules. The Company was suspended from trading on 21 January 2016 pending shareholder approval and re-compliance with Chapters 1 and 2 of the Listing Rules. It was reinstated to trading on 10 February 2016.

Mongolian National Lottery

The Company received Notice pursuant to the Share Sale Agreement to acquire the licence to operate the Mongolian National Lottery (Agreement) that a number of the Conditions Precedent will not be satisfied within the period provided for in the Agreement.

The Agreement provides that the Conditions Precedent cannot be waived and the Company and the Vendor have agreed that the Agreement be terminated.

The Company has advanced A$1,500,000 toward the Cash Consideration. The termination will be effective upon receipt of A$1,500,000 from the Vendor.

At the date of this report, apart from the acquisitions mentioned above, there are no other matters or circumstances which have arisen since 31 December 2015 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2015, of the Group;
- the results of those operations; or,
- the state of affairs, in financial years subsequent to 31 December 2015, of the Group.

Environmental regulations

The Group is subject to significant environmental regulation in respect of its exploration activities as follows:

The Company's operations in the State of New South Wales involve exploration activities. These operations are governed by the Environment Planning and Assessment Act 1979.

The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.

The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.

To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and the Directors are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Environmental Code of Practice for Mineral Exploration

The Company is committed to conducting its exploration programs by following industry best practice in accordance with published government guidelines and codes.

REMUNERATION REPORT – AUDITED

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

This report outlines the remuneration arrangements in place for Directors and Executives of the Company.

Remuneration Committee

The Remuneration Committee, which presently consists of the whole Board, will serve to determine the remuneration levels of any Executive Director's remuneration (including base salary, incentive payments, equity awards and service contracts) and remuneration issues for Non-Executive Directors.

When decisions are made concerning the remuneration of a Board member, the Board member will not be present while the remuneration decision is being discussed or voted upon.

It is intended that the Remuneration Committee will meet as often as required but not less than once per year.

Committee members attendance record can be found in the table of Directors Meetings disclosed on page x.

Options granted to directors and key management personnel do not have performance conditions. As such the Group does not have a policy for directors and key management personnel removing the "at risk" aspect of options granted to them as part of their remuneration.

Directors' and other Key Management Personnel remuneration

The following persons were Directors of the Company during the financial year in whole or part unless otherwise stated:

Dato Helen Li Zhang	Executive Director	Appointed 14 October 2014
Ram Navaratnam	Executive Director	Appointed 14 October 2014
William Wilkinson	Non-Executive Director	Appointed 30 June 2015
Janet R Lazatin	Non-Executive Director	Appointed 3 February 2016
Dawn S Feliciano	Non-Executive Director	Appointed 3 February 2016
Rodrigo C Ramos	Non-Executive Director	Appointed 3 February 2016
Leung Foo Meng	Non-Executive Director	Appointed 3 February 2016
Law Hun Seang	Non-Executive Director	Appointed 3 February 2016
Wong Ken Hong	Non-Executive Director	Appointed 3 February 2016
Danny Chan Hau Kin	Non-Executive Director	Appointed 29 April 2015 Retired 12 June 2015
Jon Chi Chan	Non-Executive Director	Appointed 04 May 2015 Retired 24 September 2015
Frank Licciardello	Executive Director	Retired 29 April 2015
Rado Jacob Rebek	Chief Executive Officer	Retired as CEO in 10 February 2015 and as a director on 29 April 2015

The following persons were other key management personnel of the Company during the financial year:

- Henry Kinstlinger — Company Secretary
- Julian Rockett — Joint Company Secretary — retired 15 March 2016
- Benjamin Amzalak — Investor Relationship Officer
- Francis Choy — Chief Financial Officer

Executive's remuneration and other terms of employment are reviewed annually having regard to relevant comparative information and independent expert advice. As well as basic salary, remuneration packages include superannuation. Directors are also able to participate in an Employee Share Option Plan.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Consideration is also given to reasonableness, acceptability to shareholders and appropriateness for the current level of operations.

Remuneration of Non-Executive Directors is determined by the Board based on recommendations from the Remuneration Committee and the maximum amount approved by shareholders from time to time.

Performance conditions

The elements of remuneration as detailed within the Remuneration Report are dependent on the satisfaction of the individual's performance and the Group's financial performance.

The Board undertakes an annual review of its performance and the performance of the Board Committees.

Details of the nature and amount of each element of the remuneration of each Director of the Company and each specified executive of the Company and the Group receiving the highest remuneration are set out in the following tables. The remuneration amounts are the same for the Company and the Group.

	Short Term Employee Benefits		**Post-Employment Benefits**	**Long Term Benefits**		
	Salary and other Fees	**Travelling Allowance**	**Super-annuation**	**Long Service Leave**	**Share Based Payments**	**Total**
Consolidated 2015						
Directors	**$**	**$**	**$**	**$**	**$**	**$**
Jon Chi Chan	**9,000**	**-**	**-**	**-**	**-**	**9,000**
Dato Helen Li Zhang	**28,645**	**-**	**-**	**-**	**-**	**28,645**
Ram Navaratnam	**63,500**	**-**	**-**	**-**	**-**	**63,500**
William Wilkinson	**12,000**	**-**	**-**	**-**	**-**	**12,000**
Danny Chan	**-**	**-**	**-**	**-**	**-**	**-**
Frank Licciardello	**35,000**	**-**	**-**	**-**	**-**	**35,000**
Jacob Rebek	**27,000**	**-**	**-**	**-**	**-**	**27,000**
Total - Directors	**175,145**	**-**	**-**	**-**	**-**	**175,145**
Key Management Personnel						
Henry Kinstlinger	**31,500**	**-**	**-**	**-**	**-**	**31,500**
Benjamin Amzalak	**80,000**	**-**	**-**	**-**	**-**	**80,000**
Francis Choy	**-**	**-**	**-**	**-**	**-**	**-**
Total - KMP	**111,500**	**-**	**-**	**-**	**-**	**111,500**
Consolidated 2014						
Directors	$	$	$	$	$	$
Frank Licciardello	27,000	-	-	-	-	27,000
Dato Helen Li Zhang	7,500	-	-	-	-	7,500
Ram Navaratnam	7,500	-	-	-	-	7,500
Jacob Rebek	83,000	-	-	-	-	83,000
Bruce Dennis	-	9,000	-	-	-	9,000
John Dawkins	-	-	-	-	-	-
John Foley	-	-	-	-	-	-
Peter Kennewell	48,518	4,500	2,916	-	-	55,934
Michael Leu	-	-	-	-	-	-
Peter Meers	-	-	-	-	-	-
Total - Directors	173,518	13,500	2,916	-	-	189,934
Key Management Personnel						
Henry Kinstlinger	-	-	-	-	-	-
Benjamin Amzalak	-	-	-	-	-	-
Francis Choy	-	-	-	-	-	-
Total - KMP	-	-	-	-	-	-

The amounts reported represent the total remuneration paid by entities in the Frontier Capital Group of companies in relation to managing the affairs of all the entities within Frontier Capital Group.

There is performance conditions related to any of the above payments.

There is no other element of Directors and Executives remuneration.

Executive Employment Agreement

At the date of this report there are no other Executive Employment Agreements in place.

The constitution of company provides that Directors are entitled to remuneration as the Directors determine, but the remuneration of the Non-Executive Directors must not exceed, in aggregate, a maximum amount fixed by company in general meeting of Shareholders for that purpose. This amount has not as yet been set. Accordingly, to date, no fees have been paid to Non-Executive Directors.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Directorial Services Agreements will terminate when the relevant director ceases to be a director in accordance with the Constitution, such as where the director resigns, is removed from office in a general meeting, is absent (without the consent of the other directors) from all directors' meetings over any 6 month period, becomes mentally incapable or automatically retires as provided under the Constitution.

If a director is terminated for any reason before the first anniversary of their appointment to the Board, the relevant director will be entitled to a payment equivalent to 3 months' worth of salary (plus any applicable superannuation). After the first anniversary of their appointment to the Board, this termination payment will increase to six months' worth of salary (plus any applicable superannuation).

Corporate Services agreement

The Company has entered into a Corporate Service Agreement with Hudson Corporate Limited (**HCL**) pursuant to which HCL has agreed to provide:

1. Executive services (including arranging for individuals to fill the roles of managerial positions required by the Company and provide any other executive or managerial services required by the Company);
2. Financial/accounting services (including arranging for accountants, financial controllers and other professionals to carry on work on behalf of the Company);
3. Company secretarial services (including the provision of individuals to fill the role of Company Secretary);
4. Office services and facilities (including the provision of the premises that the Company may occupy and operate as its registered office and principal place of business); and
5. Miscellaneous services (being other services that may be requested by the Company from time to time).

The Company is currently required to pay $8,000 plus GST per month to HCL.

The Corporate Services Agreement commenced on 1 September 2014 and expires 3 months after either party gives notice that the services will no longer be required (unless terminated earlier).

HCL may terminate the corporate services agreement if an insolvency event occurs with respect to the Company or the Company defaults in paying any fees and does not rectify that default within 30 days of receiving written notice from HCL.

The Company may terminate the corporate services agreement if an insolvency event occurs with respect to HCL or HCL fails to provide any of the services it is required to provide to the Company under the corporate services agreement and does not rectify that default within 30 days of receiving written notice from the Company.

Share options granted to Directors and Other Key Management Personnel

1,950,000 employee share options were granted over unissued shares to directors and other key management personnel. For details please refer to note 21 to the financial statements.

End of audited remuneration report.

Loans to Directors and Key Management Personnel

Details of individuals with loans above $100,000 during the year are set out below.

	Balance at the start of the year	Advance/ (Repayment)	Interest payable for the year	Balance the end of the year	Highest indebtedness during the year	Additional interest otherwise payable*
Key Management Personnel	$	$	$	$	$	$
2015						
Consolidated and Parent Entity	-	-	-	-	-	-
2014						
Consolidated and Parent Entity	296,480	(302,028)	5,548	-	302,028	1,849

* *Market interest rate 6% (2013: 6%). This represents the difference between interest charged at the latter and interest paid.*

Terms and conditions of loans

The interest bearing recourse loan $250,000 was advanced to a consultant in 2011, the loan was secured against the shares only. Loan was fully assigned and settled in 2014. None were written down during the year.

There were no other loans made to Directors or Specified Executives of the Company and the Group during the period commencing at the beginning of the financial year and up to the date of this report.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Class	Date options granted	Expiry Date	Exercise Price	No. of Options
Unlisted options	15 March 2016	15 March 2019	$0.20	3,500,000
Employee Share Options	24 October 2011	24 October 2016	$0.30	1,950,000
Employee Share Options - Unallocated*			$0.30	3,050,000
Consideration Options	27 March 2015	26 March 2018	$0.20	16,875,000
Consideration Options	27 March 2015	26 March 2018	$0.20	20,625,000
Listed Options	3 July 2015	2 July 2018	$0.40	13,000,000
				59,000,000

*Unallocated options under the Employee Share Option Plan, expiry date is 3 years from date of issue.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of options

No options have been exercised nor expired during the financial year and in the period up to the date of this report.

Directors' and Officers' indemnities and insurance

During the financial year the Company paid on insurance premiums including the insuring of the Company's Directors (as named in this report), Company Secretary, Executive Officers and employees against liabilities not prohibited from insurance by the *Corporations Act 2001*.

A confidentiality clause in each of the above insurance contracts prohibits disclosure of the premium and the nature of insured liabilities.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* has been received and is set out on page 18.

Non-audit services

Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (K.S. Black & Co) for audit and non-audit services provided during the year are set out below.

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 by the audit committee 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.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		**Parent Entity**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Audit services:				
Amounts paid or payable to auditors for audit and review of the financial report for the entity or any entity in the Group				
Audit and review services	**25,836**	21,190	**25,836**	21,190
Taxation and other advisory services:				
Amounts paid or payable to auditors for non-audit taxation and advisory services for the entity or any entity in the Group				
Taxation	**1,295**	1,150	**1,295**	1,150
Advisory Services	**-**	-	**-**	-
	1,295	1,150	**1,295**	1,150

Auditor

As at the date of this report K.S. Black & Co continues in office in accordance with section 327 of the *Corporations Act 2001*.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Dato Helen Li Zhang
Director

Ram Navaratnam
Director

Signed at Sydney
31 March 2016

Level 6, 350 Kent Street
Sydney NSW 2000

75 Lyons Road
Drummoyne NSW 2047

K.S. Black & Co.
Chartered Accountants
ABN 48 117 620 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FRONTIER CAPITAL GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities is in respect of Frontier Capital Group Limited and the entities it controlled during the period.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner

Dated in Sydney on this 31 day of March 2016

CORPORATE GOVERNANCE STATEMENT

The Company has adopted a Corporate Governance Plan, which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("**Principles and Recommendations**").

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in the corporate governance information section of the Company's website (http://www.fcgl.com.au/Corporate-Governance.htm).

(a) **Board Responsibilities**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities;
- ensure compliance with the Company's legal and regulatory objectives consistent with these goals, and to achieve this the Board assumes the following responsibilities:
  a. developing initiatives for profit and asset growth;
  b. reviewing the corporate, commercial and financial performance of the Company on a regular basis;
  c. acting on behalf of, and being accountable to, the Shareholders; and
  d. identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis;

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting.

However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise persons with appropriate blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criteria for the appointment of new Directors is their ability to add value to the Company and its business. All incumbent Directors bring an independent judgement to bear in deliberations and the current representation is considered adequate given the stage of the Company's development. The names, qualifications and relevant experience of each Director are set out on page 8.

(c) **Code of Conduct**

As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity, the Company has an established Code of Conduct (**the Code**) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.

These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all of the Company's commercial operations and the conduct of Directors, employees, consultants, contactors and all other people when they represent the Company. This Code also governs the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices.

The Board, management and all employees of the Company are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the Company's website (under "Corporate Governance").

(d) **Diversity Policy**

The Board has adopted a diversity policy which provides a framework for the Company to achieve, among other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(e) **Continuous Disclosure**

The Board has designated the Company's company secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of the Company's continuous disclosure policy can be found on the Company's web site (under "Corporate Governance").

(f) **Audit Committee and Management of Risk**

The Company's directors comprise the audit and risk committees.

(g) **Remuneration Arrangements**

The Board will decide the remuneration of an executive Director, without the affected executive Director participating in that decision-making process.

The Company's Constitution provides that Directors are entitled to remuneration as the Directors determine, but the remuneration of non-executive directors must not exceed, in aggregate, a maximum amount fixed by the Company in a general meeting of Shareholders for that purpose. This amount has been set at $200,000 per annum.

In addition, a Director may be paid fees or other amounts (subject to any necessary Shareholder approval) (for example non-cash performance incentives such as Options) as determined by the Board where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Shareholder Communications**

The Board tries to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

- annual and half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and,
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

(i) **Trading in the Company's Shares**

The Company's Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse of information for personal gain or to cause detriment to the Company.

Directors, senior executives and employees are required to advise the Company Secretary of their intentions prior to undertaking any transaction in SOC securities.

If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a security transaction until after the time of public release of that information.

A copy of the Company's Share Trading Policy is available on the Company's website (under "Corporate Governance").

(j) **Corporate Social Responsibility**

The Company is committed to conducting our operations and activities in harmony with the environment and society, and wherever practicable to work in collaboration with communities and government institutions in decision-making and activities for effective, efficient and sustainable solutions.

Our aim is to minimize our environmental footprint and safeguard the environment while sharing the benefits of share the benefits of mining with our employees and the community and contribute to economic and social development, minimizing our environmental footprint and safeguarding the environment, now and for future generations.

A copy of the Company's Environmental, Health and Social Charter is available on the Company's website (under "Corporate Governance").

(k) **Departures from recommendations**

The Company is required to report any departures from the recommendations in its annual financial report.

The Company's compliance and departures from Recommendations as at the date of this Prospectus are set out in the following table:

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

PRINCIPLE	Response
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
Recommendation 1.1	
The entity should have and disclose a charter, which sets out the the respective roles and responsibilities of the board, the Chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	Complies. The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board. The responsibilities delegated to the senior management team are set out in the Board Charter. The Board Charter can be viewed at: the Company's website (http://www.fcgl.com.au)
Recommendation 1.2	
The entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director. The entity should 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.	Complies. The Company conducts background and reference checks for all Directors. These checks will be expanded to include the required checks described in Guidance Note 1, paragraph 3.15 issued by the ASX before appointing an additional person, or putting forward to Shareholders a candidate for election, as a Director.
Recommendation 1.3	
The entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Partially Complies Three directors have written agreements setting out the terms of their employment. The services of the Company Secretary and the Chief Financial Officer are provided under the terms of the services agreement with Hudson Corporate Limited described in Note 17 of the Annual Report Although all of the Directors do not yet have written agreements setting out the terms of their appointments, the Company will endeavour to bring these agreements into being in 2016.
Recommendation 1.4	
The company secretary of the entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies. Joint Company Secretaries have been appointed and are accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.
Recommendation 1.5	
The entity should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and the progress in achieving them.	Complies. The Board has established a Diversity Policy.

The entity should disclose in its annual report the measureable objectives of achieving gender diversity set by the board in accordance with the diversity policy and its progress towards achieving them.	The Diversity Policy is disclosed on the Company's website and is set out in the Company's annual report.
The entity should disclose in its annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Details of the Company's measurable objectives for achieving gender diversity and its progress towards achieving them and the entity's gender diversity figures are set out in the Company's annual report.
Recommendation 1.6	
The entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Will comply. The Company will disclose the process for evaluating the performance of the Board, its committees and individual directors in its future annual reports. Details of the performance evaluations undertaken will be set out in future annual reports.
Recommendation 1.7	
The entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process	Complies. Senior executive key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board. The internal review is to be conducted on an annual basis and if deemed necessary an independent third party will facilitate this internal review. Details of the performance evaluations undertaken will be set out in future annual reports.
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	
Recommendation 2.1	
The entity's board should have a nomination committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.	Does not comply. The Company does not have a nomination committee
The entity should disclose the charter of the committee, the members of the committee; and 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.	Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Company's operations are of sufficient magnitude.
If the entity does not have a nomination committee, it should 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.	The Company does not have a nomination committee. The Board evaluates the skills, experience of its members and then determines whether additional members should be invited to the Board to complement or replace the existing members.

Recommendation 2.2	
The 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.	Does not yet comply. The Company intends to develop a board skill matrix setting out the mix of skills and diversity the Board has and requires. The skill matrix will be available at the Company's website once finalised
Recommendation 2.3	
The entity should disclose the names of the directors considered by the board to be independent directors and the length of service of each director;	Complies. William Wilkinson was appointed a director on 30 June 2015 Dawn Feliciano was appointed a director on 3 February 2016 Janet Lazatin was appointed a director on 3 February 2016 Rodrigo Ramos was appointed a director on 3 February 2016 Hun Seang Law was appointed a director on 3 February 2016 Foo Meng Leung was appointed a director on 3 February 2016 Ken Wong was appointed a director on 3 February 2016
The entity should disclose if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd edition) 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	The independence of the directors and length of service of each director are set out in the Company's annual report. Details of any relevant interest, position, association or relationship impacting upon a director's independence are set out in the Company's annual report.
Recommendation 2.4	
A majority of the board of a listed entity should be independent directors.	Complies The Company has nine directors. All of these directors are the non-executive directors.
Recommendation 2.5	
The chair of the board of entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does not yet comply.
Recommendation 2.6	
The entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Does not yet comply. Currently the induction of new directors and plan for professional development is managed informally by the full Board. The Company intends to develop a formal program for inducting new directors and providing appropriate professional development opportunities consistent with the development of the Company.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY	
Recommendation 3.1	
The entity should establish a code of conduct for its directors, senior executives and employees and disclose the code or a summary of the code.	Complies. The Board has established a Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Group's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code. The Code of Conduct is available on the Company's website.
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
Recommendation 4.1	
The board of the entity should have an audit committee, which consists only of non-executive directors, a majority of which are independent directors and is chaired by an independent chair that is not the chair of the board. The entity should disclose the charter of the committee, the members of the committee and 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.	Complies. The board has established an audit and risk committee Charter. Members of the committee have appropriate and relevant financial experience to act in this capacity. A summary of the charter and details of the number of times the audit and risk committee met throughout the period and the individual attendances of the members at those meetings are set out in the Company's annual report. The full audit and risk committee charter is available on the Company's website
Recommendation 4.2	
The board should disclose whether it has, before approving the entity's financial statements for the financial period receive assurance from its Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) a declaration that the financial records of the entity have 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 in all material respects in relation to financial reporting risks.	Complies. The Board requires the Chief Executive Officer and the Chief Financial Officer to provide such a statement before approving the entity's financial statements for a financial period. The Chair performs the function of the CEO for this purpose.
Recommendation 4.3	
When the entity has an AGM it should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies. The external auditor attends AGMs and is available to answer questions from Security Holders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE	
Recommendation 5.1	
The entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies. The Company has a written policy on information disclosure. The focus of these policies and procedures is continuous disclosure and improving access to information for investors. The Company's continuous disclosure policy can be viewed at the Company's website.
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	
Recommendation 6.1	
The entity should provide information about itself and its governance to investors via its website.	Complies. The Company has provided specific information about itself and its key personnel and has developed a comprehensive Corporate Governance Plan. Details can be found at the Company's website.
Recommendation 6.2	
The entity should design and implement an investor relations program to facilitate effective two-way communication with shareholders.	Complies. The Company has established a Shareholder's Communication Policy. The Company recognises the importance of forthright communications and aims to ensure that the shareholders are informed of all major developments affecting the Company. Details of the Shareholder's Communication Policy can be found at the Company's website.
Recommendation 6.3	
The entity should disclose the policies and processes it has in place to facilitate and encourage participation at general meetings.	Complies. The Shareholder's Communication Policy is available on the Company's website and details are set out in the Company's annual report.
Recommendation 6.4	
The entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Complies. The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK	
Recommendation 7.1	
The board of a listed entity should have a committee or committees to oversee risk, each of which has at least three members, a majority of whom are independent directors and is chaired by an independent director. The entity should disclose the charter of the committee, the members of the committee and 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	Does not comply. The Company is not of a size that justifies having a separate committee to oversee risk, so matters typically considered by such a committee are dealt with by the full board. The Board has established an audit and risk committee to oversee risk which is comprised of the whole Board. Details of the number of times the committee met and the individual attendances of the members at those meetings is set out in the Company's annual report.
Recommendation 7.2	
The board or board committee should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risk the entity faces and to ensure that they remain with the risk appetite set by the board.	Complies.
The entity should also disclose in relation to each reporting period, whether such a review has taken place	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board has delegated to the audit and risk committee the responsibility for implementing the risk management system. Details of the number of times the committee conducted a risk management review in relation to each reporting period will be disclosed in its annual reports.
Recommendation 7.3	
The entity should disclose if it has an internal audit function, how the function is structured and what role it performs. If the entity does not have an internal audit function, the entity should disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Does not yet comply. The Board has delegated the internal audit function to the audit and risk committee and intends to establish and implement the structure and role of the internal audit function. The Company will disclose the details of the internal audit function in its future annual reports.
Recommendation 7.4	
The entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies. The Company has an Audit and Risk committee appointed to manage economic sustainability and risk. In addition to this the Company also has an Environmental and Social Charter on its website, and manages environmental and social sustainability risks accordingly.

	With respect to the Tenements the Company complies with environmental regulatory requirements and risk through the relevant authorities issued pursuant to permits from the NSW Department of Trade and Investment (Resources & Energy).
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY	
Recommendation 8.1	
The board should establish a remuneration committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.	Does not yet comply
If the entity does not have a remuneration committee, the entity should disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board has adopted a Remuneration Committee Charter. However, the Company is not of a size that justifies having a separate Remuneration Committee so matters typically considered by such a committee are dealt with by the full Board. The Board intends to engage the services of an independent adviser to review the level and composition of remuneration for Directors and senior executives to ensure that such remuneration is appropriate and not excessive.
Recommendation 8.2	
The 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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	Complies. The Company distinguishes the structure of Non-executive Directors' remuneration from Executive Directors and senior executives. Details of the policies and practices regarding remuneration are set out in the Company's annual report. The remuneration committee charter can be viewed on the Company's website
Recommendation 8.3	
If the entity has an equity-based remuneration scheme should 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 disclose that policy or a summary of it.	Complies. The Company's Share Trading Policy prohibits executive staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity based remuneration scheme. The Share Trading Policy can be viewed on the Company's website

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		Consolidated		Parent Entity	
	Notes	**2015**	2014	**2015**	2014
		$	$	**$**	$
Revenue	4	**2,162,903**	1,611	**18,961**	6
Other Income and Expenses		**(1,051)**	91,527	**2,092**	91,527
Cost of providing services and administrative expenses	5	**(3,599,035)**	(947,828)	**(913,968)**	(777,469)
Finance costs	5	**(163,283)**	(999,645)	**(61,283)**	(159,635)
(Loss)/Profit before income tax		**(1,600,466)**	(1,854,335)	**(954,198)**	(845,571)
Income tax expense	6(a)	**-**	-	**-**	-
(Loss)/Profit after income tax		**(1,600,466)**	(1,854,335)	**(954,198)**	(845,571)
Other Comprehensive Income					
Other comprehensive income after tax		**-**	-	**-**	-
		-	-	**-**	-
Total comprehensive (loss)/income attributable to members of the consolidated entity		**(1,600,466)**	(1,854,335)	**(954,198)**	(845,571)
		Cents	**Cents**		
Basic earnings/(loss) per share (cents)	20	**(2.23)**	(2.81)		
Diluted earnings/(loss) per share (cents)	20	**(1.26)**	(2.61)		

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
ASSETS					
Current assets					
Cash and cash equivalents	7	**1,493,141**	169,242	**1,182,040**	148,854
Trade and other receivables	8	**1,823,345**	105,479	**35,434**	5,479
Other current assets		**38,614**	9,679	**34,061**	9,679
Total current assets		**3,355,100**	284,400	**1,251,535**	164,012
Non-current assets					
Trade and other receivables	8	**-**	20,670	**1,934,168**	1,748,850
Mining tenements	9	**-**	109,285	**-**	-
Financial assets	10	**2,824,681**	-	**13,344,706**	800,400
Equipment		**246,655**	565	**-**	565
Non-current intangible assets	14	**7,965,389**	799,998	**-**	-
Total non-current assets		**11,036,725**	930,518	**15,278,874**	2,549,815
Total Assets		**14,391,825**	1,214,918	**16,530,409**	2,713,827
LIABILITIES					
Current liabilities					
Trade and other payables	11	**1,383,450**	1,414,344	**1,294,823**	1,297,402
Financial Liabilities	12	**74,873**	-	**-**	-
Total current liabilities		**1,458,323**	1,414,344	**1,294,823**	1,297,402
Non-current liabilities					
Financial Liabilities	12	**-**	-	**-**	-
Total non-current liabilities		**-**	-	**-**	-
Total Liabilities		**1,458,323**	1,414,344	**1,294,823**	1,297,402
Net Assets		**12,933,502**	(199,426)	**15,235,586**	1,416,425
EQUITY					
Issued capital	13	**16,494,401**	3,966,667	**16,494,401**	3,966,667
Reserves		**2,385,192**	179,532	**2,425,157**	179,532
Accumulated losses		**(5,946,091)**	(4,345,625)	**(3,683,972)**	(2,729,774)
Total Equity		**12,933,502**	(199,426)	**15,235,586**	1,416,425

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated	Notes	**Issued Capital** $	**Option Reserves** $	**FX Reserves** $	**Accumulated Losses** $	**Total Equity** $
Balance at 1 Jan 2015	13	**3,966,667**	**179,532**	**-**	**(4,345,625)**	**(199,426)**
Share issued		**11,500,000**	**-**	**-**	**-**	**11,500,000**
Share issued – in lieu of services		**90,000**	**-**	**-**	**-**	**90,000**
Debt conversion		**1,100,000**	**-**	**-**	**-**	**1,100,000**
Share issuing cost		**(162,266)**	**-**	**-**	**-**	**(162,266)**
Issued option		**-**	**2,245,625**	**-**	**-**	**2,245,625**
Profit/(loss) for the year		**-**	**-**	**-**	**(1,600,466)**	**(1,600,466)**
Movement for the year		**-**	**-**	**(39,965)**	**-**	**(39,965)**
Balance at 31 Dec 2015	13	**16,494,401**	**2,425,157**	**(39,965)**	**(5,946,091)**	**12,933,502**
Balance at 1 Jan 2014	13	3,673,965	179,532	-	(2,491,290)	1,362,207
Share issued		300,000	-	-	-	300,000
Share issuing cost		(7,298)	-	-	-	(7,298)
Loss for the year		-	-	-	(1,854,335)	(1,854,335)
Balance at 31 Dec 2014	13	3,966,667	179,532	-	(4,345,625)	(199,426)

Parent Entity		**Issued Capital** $	**Options Reserve** $	**FX Reserves** $	**Accumulated Losses** $	**Total Equity** $
Balance at 1 Jan 2015	13	**3,966,667**	**179,532**	**-**	**(2,729,774)**	**1,416,425**
Share issued		**11,500,000**	**-**	**-**	**-**	**11,500,000**
Share issued – in lieu of services		**90,000**	**-**	**-**	**-**	**90,000**
Debt conversion		**1,100,000**	**-**	**-**	**-**	**1,100,000**
Share issuing cost		**(162,266)**	**-**	**-**	**-**	**(162,266)**
Issue option		**-**	**2,245,625**	**-**	**-**	**2,245,625**
Loss for the year		**-**	**-**	**-**	**(954,198)**	**(954,198)**
Balance at 31 Dec 2015	13	**16,494,401**	**2,425,157**	**-**	**(3,683,972)**	**15,235,586**
Balance at 1 Jan 2014	13	3,673,965	179,532	-	(1,884,203)	1,969,294
Share issued		300,000	-	-	-	300,000
Share issuing cost		(7,298)	-	-	-	(7,298)
Loss for the year		-	-	-	(845,571)	(845,571)
Balance at 31 Dec 2014	13	3,966,667	179,532	-	(2,729,774)	1,416,425

The above Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated		Parent Entity	
		2015	2014	**2015**	2014
		$	$	**$**	$
Cash flows from operating activities					
Receipts from customers		**2,143,942**	-	**-**	-
Payments to suppliers and employees		**(2,524,152)**	(843,691)	**(1,007,480)**	(650,737)
Interest paid		**(11,409)**	(35)	**(1,362)**	(35)
Interest received		**18,961**	1,611	**18,961**	1,611
Net cash (used in)/provided by operating activities	15	**(372,658)**	(842,115)	**(989,881)**	(649,161)
Cash flows from investing activities					
Payments for investments		**(2,824,681)**	(21,380)	**(2,824,681)**	-
Payment for equipment		**(532,497)**	-	**-**	-
Repayment/from other parties		**-**	532,789	**-**	532,789
Advance from other party		**-**	-	**(205,987)**	(50,664)
Net cash (used in)/provided by investing activities		**(3,357,178)**	511,409	**(3,030,668)**	482,125
Cash flows from financing activities					
Proceeds from issue of shares		**4,090,000**	300,000	**4,090,000**	300,000
Share issuing cost		**(162,265)**	(7,298)	**(162,265)**	(7,298)
Proceed from issue of option		**26,000**	-	**26,000**	-
Proceed from borrowing		**1,100,000**	-	**1,100,000**	-
Net cash provided by used in financing activities		**5,053,735**	292,702	**5,053,735**	292,702
Net increase/(decrease) in cash held		**1,323,899**	(38,004)	**1,033,186**	125,666
Cash and cash equivalents at the beginning of the year		**169,242**	207,246	**148,854**	23,188
Cash and cash equivalents at the end of the year	7	**1,493,141**	169,242	**1,182,040**	148,854

The above Statement should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. CORPORATE INFORMATION

The financial report of Frontier Capital Group Limited (the **Company**) for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors and covers Frontier Capital Group Limited as an individual parent entity as well as the consolidated entity consisting of Frontier Capital Group Limited and its subsidiaries (the **Group**) as required by the *Corporations Act 2001*.

The financial report is presented in the Australian currency.

Frontier Capital Group Limited was incorporated as an unlisted public company on 18 July 2010 and is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**) since 6 December 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

Statement of Compliance

Compliance with Australian Accounting Standards Board (**AASB's**) ensures that the financial report of Frontier Capital Group Limited also complies with International Financial Reporting Standards (**IFRS**).

Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Options valuation

Refer to Note 23 for estimates and assumptions used to calculate the valuation of options.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

a. Basis of preparation continued

Critical judgements

Management has made the following judgements when applying the Group's accounting policies:

(i) Management has determined that the issue of shares and options to the vendors of CK Graphics SDN BHD ("CK Graphics" did not constitute a transaction to be accounted for as a reverse acquisition. The latter Company does not have the power to govern the financial and operating policies of the Company. First, shareholders of CK Graphics do not have a majority shareholding in the Company. Secondly. The major shareholders of the Company are not related parties to CK Graphics. Thirdly, no directors of CK Graphics are directors of the Company.

(ii) Capitalisation of exploration costs

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources when determining if exploration costs incurred can be capitalised. This determination requires significant judgement. In making this judgement, the Group evaluates if any one of the following conditions is met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

If one of the above conditions is met then the Group has made the judgement to capitalise the associated exploration expenses.

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Going concern

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

The directors believe the Company will be able to pay its debts as and when they fall due and to fund near term anticipated activities.

2. Summary of Significant Accounting Policies CONTINUED

b. Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Frontier Capital Group Limited (the "**parent entity**") as at report date and the results of all subsidiaries for the year then ended. Frontier Capital Group Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint Ventures

Interests in joint venture entities are accounted for in the consolidated financial statements using the proportionate consolidation method and are carried at cost by the parent entity. Under the proportionate consolidated method, the share of income and expenses of the jointly controlled entity is combined line by line with similar items in the consolidated Statement of Profit or Loss and Other Comprehensive Income and the share of assets and liabilities are recognised in the consolidated Statement of Financial Position.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is account for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of

- The consideration transferred;
- Any non-controlling interest; and
- The acquisition date fair value of any previously held equity interests over the acquisition date fair value of net assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The purchase method of accounting is used to account for the acquisitions of subsidiaries by the Group.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Good will on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

c. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Reporting to management by segments is on this basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Interest Revenue

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

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or service provided are receivable. All revenue is stated net of the amount of goods and services tax (GST).

e. Income tax

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

The Company and its wholly owned entities are part of a tax-consolidated group under Australian taxation law. Frontier Capital Group Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority

g. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

i. Trade and other receivables

Trade receivables are recognised initially at original invoice amounts and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that entities in the Group will not be able to collect all amounts due according to the original terms of receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

j. Financial instruments

Recognition and Initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

(d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at ‘fair value through profit or loss’ when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets.)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

k. Tenement exploration, valuation and development costs

(i) Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the carrying values are expected to be justified through successful development and exploitation of the area of interest; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.

(ii) Expenses failing to meet at least one of the aforementioned conditions are expensed as incurred.

(iii) Costs associated with the commercial development of resources are deferred to future periods, provided they are, beyond any reasonable doubt, expected to be recoverable. These costs are amortised from the commencement of commercial production of the product to which they relate on a straight-line basis over the period of the expected benefit. 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.

l. Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. All other plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. A revaluation surplus is credited to the asset revaluation reserve included within shareholder's equity unless it reverses a revaluation decrease on the same asset previously recognised in the Statement of Profit or Loss and Other Comprehensive Income. A revaluation deficit is recognised in the Statement of Profit or Loss and Other Comprehensive Income unless it directly offsets a previous revaluation surplus on the same asset in the asset revaluation reserve. On disposal, any revaluation reserve relating to sold assets is transferred to retained earnings. Independent valuations are performed regularly to ensure the carrying amounts of land and buildings do not differ materially from the fair value at the Statement of Financial Position date.

Land is not depreciated. Depreciation on other assets is calculated using the straight line, over their estimated useful lives, as follows:

- Plant and equipment 5 – 15 years (depreciation rate 6.7% to 20%)
- Buildings 30 years (depreciation rate 3.4%)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount..

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

m. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

n. Restoration and rehabilitation provisions

Both for close down and restoration and for environmental clean-up costs from exploration programs, if any, a provision will be made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

o. Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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 and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

p. Contributed equity

Ordinary shares are classified as equity.

q. Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan.

Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

r. Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

s. New accounting standards for application

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. We have reviewed these standards and interpretations and there are none having any material effect.

3. FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The Board receives reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's finance function also reviews the risk management policies and processes and reports their findings to the Audit Committee.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Further details regarding these policies are set out below:

b. Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated		**Parent Entity**	
	2015	2014	**2015**	2014
	$	$	$	$
Current				
Cash and cash equivalents	**1,493,141**	169,242	**1,182,040**	148,854
Trade and other receivables	**1,823,345**	105,479	**35,434**	5,479
Non-current				
Trade and other receivables	**-**	20,670	**1,934,168**	1,748,850
	3,316,486	295,391	**3,151,642**	1,903,183

c. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments that is, borrowing repayments. There is no bank borrowing at the balance date. It is the policy of the Board of Directors that treasury reviews and maintains adequate committed credit facilities and the ability to close-out market positions.

3. FINANCIAL RISK MANAGEMENT continued

Maturity Analysis of Financial Liabilities	Carrying Amount	Contractual Cash Flows	< 6 mths	6 - 12 mths	1 - 3 years	> 3 years
Consolidated 2015	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities						
Current						
Trade and other payables	**1,383,450**	**1,383,450**	**1,383,450**	**-**	**-**	**-**
Non-Current						
Other Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities at amortised cost	**1,383,450**	**1,383,450**	**1,383,450**	**-**	**-**	**-**
Consolidated 2014	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities						
Current						
Trade and other payables	1,414,344	1,414,344	1,414,344	-	-	-
Non-Current						
Other Liabilities	-	-	-	-	-	-
Total financial liabilities at amortised cost	1,414,344	1,414,344	1,414,344	-	-	-
Parent Entity 2015	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities						
Current						
Trade and other payables	**1,294,823**	**1,294,823**	**1,294,823**	**-**	**-**	**-**
Non-Current						
Other Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities at amortised cost	**1,294,823**	**1,294,823**	**1,294,823**	**-**	**-**	**-**
Parent Entity 2014	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities						
Current						
Trade and other payables	1,297,402	1,297,402	1,297,402	-	-	-
Non-Current						
Other Liabilities	-	-	-	-	-	-
Total financial liabilities at amortised cost	1,297,402	1,297,402	1,297,402	-	-	-

d. Interest rate risk

The Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk. There is no bank borrowing at the balance date, therefore there is no material exposure to interest rate risk.

Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit after tax (through the impact on fluctuation on deposit interest rate). There is no impact on the Group's equity.

3. FINANCIAL RISK MANAGEMENT continued

	Carrying Amount	+1% Profit/ (Loss)	-1% Profit/ (Loss)
Consolidated			
2015	**$**	**$**	**$**
Cash and cash equivalents	**1,493,141**	**14,931**	**(14,931)**
Tax charge of 30%	**-**	**(4,479)**	**4,479**
After tax increase/(decrease)	**1,493,141**	**10,452**	**(10,452)**
Consolidated			
2014	$	$	$
Cash and cash equivalents	169,242	1,692	(1,692)
Tax charge of 30%	-	(508)	508
After tax increase/(decrease)	169,242	1,184	(1,184)
Parent Entity			
2015	**$**	**$**	**$**
Cash and cash equivalents	**1,182,040**	**11,820**	**(11,820)**
Tax charge of 30%	**-**	**(3,546)**	**3,546**
After tax increase/(decrease)	**1,182,040**	**8,274**	**(8,274)**
Parent Entity			
2014	$	$	$
Cash and cash equivalents	148,854	1,488	(1,488)
Tax charge of 30%	-	(446)	446
After tax increase/(decrease)	148,854	1042	(1,042)

The above analysis assumes all other variables remain constant.

e. Currency risk

In 2015 the consolidated entity and parent entity were not exposed to significant foreign currency risk (2014: Nil). The wholly owned controlled entity is operating in Malaysia and the consolidated entity is subjected to foreign currency translation risk.

f. Capital risk management

The Group considers its capital to comprise its ordinary share capital and reserves. In managing its capital, the Group's primary objectives are to pay dividends and maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives, or what is considered capital in the year.

4. REVENUE

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Revenue				
Sales	**2,143,942**	-	**-**	-
Interest income	**18,961**	1,611	**18,961**	6
	2,162,903	1,611	**18,961**	6
Other Income and expenses				
Expenses recovery	**-**	91,527	**-**	91,527
Loss on disposal of investment	**(8,756)**	-	**-**	-
Others	**7,705**	-	**2,092**	-
	(1,051)	91,527	**2,092**	91,527

5. EXPENSES

Profit/(loss) before income tax includes the following specific expenses:	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Acquisition professional fees	**-**	(117,806)	**-**	(117,806)
Consultancy and professional fees	**(457,092)**	(23,399)	**(455,614)**	(23,399)
Director and employee expenses	**(842,065)**	(145,733)	**(169,145)**	(145,733)
Exploration expenditures not capitalised	**(889,706)**	(139,638)	**-**	-
Finance costs				
Bank charges/facilities fee	**(37,046)**	(16,132)	**(35,852)**	(15,868)
Interest	**(35,479)**	(87,387)	**(25,431)**	(87,387)
Loss on disposal of investment	**-**	(895,890)	**-**	(56,144)
Depreciation	**(90,758)**	(236)	**-**	(236)
	(163,283)	(999,645)	**(61,283)**	(159,635)

6. INCOME TAX

a. Income Tax Expense

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current tax expense	**-**	-	**-**	-
Deferred tax expense	**-**	-	**-**	-
Total income tax expense	-	-	-	-
Deferred tax expense				
Increase/(decrease) in deferred tax expense	-	-	-	-

6. INCOME TAX continued

b. Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
(Loss)/Profit from continuing operations before income tax expense	**(1,600,466)**	(1,854,336)	**(954,198)**	(845,571)
Prima facie income tax expense/(benefit) calculated at 30% (2014:30%)	**(678,878)**	(556,301)	**(307,538)**	(253,671)
Temporary differences not brought to account	**(2,906)**	(295,672)	**(2,906)**	-
Tax losses not brought to account	**681,783**	851,972	**310,443**	253,671
Income tax expense	**-**	-	**-**	-

c. Unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities have not been recognised in the balance sheet for the following items:

Other deductible temporary differences	**(9,685)**	(46,132)	**(9,685)**	-
Deferred tax asset in respect of exploration activities not brought to account	**-**	(2,684,491)	**-**	(845,571)
Deferred tax liability in respect of exploration activities not recognised to the extent of unrecognised deferred tax asset	**-**	(109,285)	**-**	-
	(9,685)	(2,839,908)	**(9,685)**	(845,571)
Potential (benefit)/expense at 30% (2014: 30%)	**(2,906)**	(851,972)	**(2,906)**	(253,671)

7. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash at bank and on hand	**633,141**	149,242	**332,040**	148,854
Cash held in trust	**860,000**	20,000	**850,000**	-
Cash at bank and on hand	**1,493,141**	169,242	**1,182,040**	148,854
Weight average interest rates	**0.00%**	0.00%	**0.00%**	0.00%

a. Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents	**1,493,141**	169,242	**1,182,040**	148,854
Balance per Statement of Cash Flows	**1,493,141**	169,242	**1,182,040**	148,854

b. Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in Note 3.

8. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Deposit – tenement security deposit	**30,000**	100,000	**10,000**	-
Receivables - trade	**1,727,336**	-	**-**	-
Receivables - advance to other party	**56,265**	-	**15,690**	-
Receivables - other	**9,744**	5,479	**9,744**	5,479
	1,823,345	105,479	**35,434**	5,479
Non - Current				
Receivable – controlled entities	**-**	-	**1,934,168**	1,728,180
Receivables – others	**-**	20,670	**-**	20,670
	-	20,670	**1,934,168**	1,748,850

a. Impaired receivables and receivables past due

None of the current or non-current receivables are impaired or past due but not impaired.

b. Receivables - other

These amounts relate to receivables for GST paid.

None were written down during the year.

c. Interest rate risk

Information about the Group's and the parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in Note 3.

d. Fair value and credit risk

Current trade and other receivables

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Non-current trade and other receivables

The fair values and carrying values of non-current receivables are as follows:

	2015		2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	$	**$**	$	$
Consolidated				
Receivable - controlled entities	**-**	**-**	-	-
Parent Entity				
Receivable - controlled entities	**1,934,168**	**1,934,168**	1,728,180	1,728,180

The above receivables have no terms of repayment and are non-interest bearing.

9. MINING TENEMENTS

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Mining tenements	**-**	109,285	**-**	-
	-	109,285	**-**	-

The recoverability of the carrying amount of evaluation and exploration assets is dependent upon successful development and commercial exploration, or alternatively the sale of the respective areas of interest. For details please refer to the Tenement Schedule on page 65 of this report.

10. FINANCIAL ASSETS

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Investment in controlled entries (Note 14)	**-**	-	**10,520,025**	800,400
Investment and deposits in other entities	**2,824,681**	-	**2,824,681**	-
	2,824,681	-	**13,344,706**	800,400

11. TRADE AND OTHER PAYABLES

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Trade payables	**192,369**	100,930	**145,013**	100,930
Accrued payables	**10,750**	132,277	**10,750**	15,335
Advance from other entity	**1,180,331**	1,181,137	**1,139,060**	1,181,137
	1,383,450	1,414,344	**1,294,823**	1,297,402

12. FINANCIAL LIABILITIES

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current				
Hire purchase creditors	**74,873**	-	**-**	-
Non-Current				
Hire purchase creditors	**-**	-	**-**	-

13. ISSUED CAPITAL

	Consolidated Entity and Parent Entity		Consolidated Entity and Parent Entity	
	2015	2014	**2015**	2014
	Number of Shares	Number of Shares	**$**	$
Ordinary shares Issued	**87,800,000**	24,500,000	**16,494,401**	3,966,667

a. Movements in ordinary share capital during the year:

Details	Consolidated Entity and Parent Entity		Consolidated Entity and Parent Entity	
	2015	2014	**2015**	2014
	Number of Shares	Number of Shares	**$**	$
Opening Balance	**24,500,000**	87,000,000	**3,966,667**	3,673,965
Acquisition consideration	**37,500,000**	-	**7,500,000**	-
Shares issued	**20,000,000**	1,500,000	**4,000,000**	300,000
Debt conversion	**5,500,000**	-	**1,100,000**	-
In lieu of services	**300,000**	-	**90,000**	-
Selective Deduction	**-**	(64,000,000)	-	-
Share issuing - costs	**-**	-	**(162,266)**	(7,298)
Closing Balance	**87,800,000**	24,500,000	**16,494,401**	3,966,667

b. Performance options

In March 2015, 37,500,000 consideration options were granted over unissued shares to vendor of one wholly owned controlled entity. The option exercise price is $0.20 each and the option expiry date is 26 March 2018.

In July 2015, 13,000,000 listed performance options were granted over unissued shares. The option exercise price is $0.40 each and option expiry date is 02 July 2018.

These two tranches of options were valued using the Black Scholes method. For both tranches, their value approached zero.

c. Terms and conditions

Each ordinary share participates equally in the voting rights of the Company. Ordinary shares entitle the holder 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.

d. Options

There were 1,950,000 unissued ordinary shares under option at the end of the financial year.

A further 3,050,000 options have been approved for granting relevant to the Company’s Employee Share Option Plan but have not been allocated.

Information relating to the Group's options issued for services rendered is set out in note 23.

14. INVESTMENTS IN CONTROLLED ENTITIES

Name of Entity	Class of Shares	Equity Holding 2015 %	Equity Holding 2014 %	Country of Incorporation
PMR 1 Pty Ltd	Ordinary	**100**	100	Australia
PMR 3 Pty Ltd	Ordinary	**100**	100	Australia
PMR 4 Pty Ltd	Ordinary	**100**	100	Australia
PMR 5 Pty Ltd	Ordinary	**100**	100	Australia
Peel Gold Pty Ltd	Ordinary	**100**	100	Australia
Peel Gold North Pty Ltd	Ordinary	**100**	100	Australia
*CK Graphic SDN BHD	Ordinary	**100**	-	Malaysia

Controlled entities are incorporated or acquired in holding exploration tenements
CK Graphic SDN BHD is graphic design company operating in Malaysia.

Acquisition of Controlled Entities

On 27 March 2015, the Company acquired 100% interest in CK Graphic SDN BHD. The acquisition resulted in FCG obtaining control of CK Graphic SDN BHD.

	Fair Value
Purchase consideration:	$
37,500,000 shares issued @ $0.20	7,500,000
37,500,000 options issued, exercise price @ $0.20	2,219,625
Less:	
Identifiable assets acquired and liabilities assumed	1,754,236
Acquisition Goodwill	7,965,389

15. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated		**Parent Entity**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Profit/(Loss) for the year	**(1,600,466)**	(1,854,335)	**(954,198)**	(845,571)
Share base payment	**90,000**	-	**90,000**	-
Capitalisation of exploration expenditures	**889,706**	466,545	**-**	-
Change in operating assets and liabilities:				
(Increase)/Decrease in trade and other receivables	**(78,686)**	454,763	**(98,722)**	189,739
(Increase)/Decrease in other current assets	**(28,935)**	(9,679)	**(24,382)**	(9,679)
Increase/(Decrease) in trade and other creditors and provisions	**1,101,039**	100,591	**(2,579)**	16,350
(Increase) in deferred tax assets	**-**	-	**-**	-
Increase in deferred tax liabilities	**-**	-	**-**	-
Net cash (used in) operating activities	**(372,658)**	(842,115)	**(989,881)**	(649,161)

16. OPERATING SEGMENT

The Group operates the mineral, exploration, development and geological surveys of resources in Australia and graphic design business in Malaysia.

17. COMMITMENTS

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Exploration expenditure commitments				
Tenement exploration expenditure	**124,917**	454,000	**-**	-
Tenement lease payment	**640**	16,380	**-**	-
	125,557	470,380	**-**	-
Remuneration expenditure commitments				
Salary and other remuneration commitments under long-term employment contracts existing at reporting date not recognised as liabilities:				
Within one year	**97,000**	163,000	**97,000**	163,000
Later than one year but not later than 5 years	**388,000**	720,000	**388,000**	720,000
Later than 5 years				
	485,000	883,000	**485,000**	883,000

Exploration expenditure commitments

The minimum exploration expenditure commitments and lease payments on the Company's exploration tenements totalled approximately $0.1 million over the remaining term of tenements.

Executive employment agreement

In 2015 there were three service agreements in place relevant to current terms of remuneration of Ram Navaratnam, Dato Helen Li Zhang and William Wilkinson.

- The service agreement with Ram Navaratnam commenced on 14 October 2014 and has no expiry term. Mr Navaratnam may terminate the agreement upon notice and the Company must compensate Mr Navaratnam by payment of 6 months base salary.
- The service agreement with Dato Helen Li Zhang commenced in 14 October 2014 has no expiry term. Madam Zhang may terminate agreement upon notice and the Company must compensate Madam Zhang by payment of 6 months base salary.
- The service agreement with William Wilkinson commenced in 30 June 2015 has no expiry term. Mr Wilkinson may terminate agreement upon notice and the Company must compensate Mr Wilkinson by payment of 3 months base salary.

Corporate Services agreements

The Company has entered into a Corporate Service Agreement with Hudson Corporate Limited (**HCL**) pursuant to which HCL has agreed to provide:

1. Executive services (including arranging for individuals to fill the roles of managerial positions required by the Company and provide any other executive or managerial services required by the Company);
2. Financial/accounting services (including arranging for accountants, financial controllers and other professionals to carry on work on behalf of the Company);
3. Company secretarial services (including the provision of individuals to fill the role of Company Secretary);
4. Office services and facilities (including the provision of the premises that the Company may occupy and operate as its registered office and principal place of business); and
5. Miscellaneous services (being other services that may be requested by the Company from time to time).

The Company is currently required to pay $8,000 plus GST per month to HCL.

17. COMMITMENTS continued

Services agreements

The Corporate Services Agreement commenced on 1 September 2014 and expires 3 months after either party gives notice that the services will no longer be required (unless terminated earlier).

HCL may terminate the corporate services agreement if an insolvency event occurs with respect to the Company or the Company defaults in paying any fees and does not rectify that default within 30 days of receiving written notice from HCL.

The Company may terminate the corporate services agreement if an insolvency event occurs with respect to HCL or HCL fails to provide any of the services it is required to provide to the Company under the services agreement and does not rectify that default within 30 days of receiving written notice from the Company.

18. CONTINGENT LIABILITIES

No material losses are anticipated in respect of any of the contingent liabilities. There are no other material contingent liabilities as at the date of this report.

19. EVENTS SUBSEQUENT TO BALANCE DATE

On 21 January 2016, shareholders approved the acquisition of Stotsenberg Leisure & Hotel Corporation (Stotsenberg), consisting of the Stotsenberg Hotel and Casablanca Casino, both located at Clark Freeport Zone, Philippines. Stotsenberg consists of the Hotel Stotsenberg and Casablanca Casino. It is located at Clark, a sprawling, cosmopolitan metropolis that offers many places of interests and a host of events and activities accessible to a wide spectrum of tourists and visitors. The Company received a valuation of PHP 697,089,000 (AU$20,977,701) from Colliers International for the land and buildings value alone. E!xcite Gaming and Entertainment Inc have been appointed managers of Stotsenberg and have provided a US$25 million profit guarantee over 5 years.

The Company issued 154,050,000 shares to the Vendors and 28,440,000 shares and 113,760,000 Performance Shares, which will convert to ordinary shares as the Profit Guarantee is met, to E!xcite. The shares were issued at AU$0.2377 per share.

The Company issued a Prospectus dated 7 January 2016 and recompiled with Chapters 1 and 2 of the ASX Listing Rules. The Company was suspended from trading on 21 January 2016 pending shareholder approval and re-compliance with Chapters 1 and 2 of the Listing Rules. It was reinstated to trading on 10 February 2016.

Mongolian National Lottery

The Company received Notice pursuant to the Share Sale Agreement to acquire the licence to operate the Mongolian National Lottery (Agreement) that a number of the Conditions Precedent will not be satisfied within the period provided for in the Agreement.

The Agreement provides that the Conditions Precedent cannot be waived and the Company and the Vendor have agreed that the Agreement be terminated.

The Company has advanced A$1,500,000 toward the Cash Consideration. The termination will be effective upon receipt of A$1,500,000 from the Vendor.

At the date of this report, apart from the acquisitions mentioned above, there are no other matters or circumstances which have arisen since 31 December 2015 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2015, of the Group;
- the results of those operations; or,
- the state of affairs, in financial years subsequent to 31 December 2015, of the Group.

20. EARNINGS PER SHARE

	Consolidated	
	2015	2014
	Cents	Cents
Basic earnings/(loss) per share	**(2.23)**	(2.81)
Fully diluted earnings/(loss) per share	**(1.26)**	(2.61)

	2015	2014
	$	$
Profit/(loss) from continuing operations used in calculating basic and fully diluted earnings per share	**(1,600,466)**	(1,854,335)

	2015	2014
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share:	**71,800,000**	65,958,333
Adjustments for calculation of diluted earnings per share:		
Options	**55,500,000**	5,000,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**127,300,000**	70,958,333

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dato Helen Li Zhang	Executive Director	Appointed 14 October 2014
Ram Navaratnam	Executive Director	Appointed 14 October 2014
William Wilkinson	Non-Executive Director	Appointed 30 June 2015
Janet R Lazatin	Non-Executive Director	Appointed 3 February 2016
Dawn S Feliciano	Non-Executive Director	Appointed 3 February 2016
Rodrigo C Ramos	Non-Executive Director	Appointed 3 February 2016
Leung Foo Meng	Non-Executive Director	Appointed 3 February 2016
Law Hun Seang	Non-Executive Director	Appointed 3 February 2016
Wong Ken Hong	Non-Executive Director	Appointed 3 February 2016
Danny Chan Hau Kin	Non-Executive Director	Appointed 29 April 2015 Resigned 12 June 2015
Jon Chi Chan	Non-Executive Director	Appointed 04 May 2015 Resigned 24 September 2015
Frank Licciardello	Executive Director	Retired 29 April 2015
Rado Jacob Rebek	Chief Executive Officer	Retired as CEO in 10 February 2015 and as a director on 29 April 2015

b. Other Key management personnel

The following persons were other key management personnel of the Company during the financial year:

- Henry Kinstlinger — Company Secretary
- Julian Rockett — Joint Company Secretary — Resigned 15 March 2016
- Benjamin Amzalak — Investor Relationship Officer
- Francis Choy — Chief Financial Officer

21. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

c. Compensation of key management personnel

	Consolidated		Parent Entity	
Directors	**2015**	2014	**2015**	2014
	$	$	**$**	$
Short term employee benefits	**175,145**	187,018	**175,145**	187,018
Post employment benefits	**-**	2,916	**-**	2,916
Long term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Share based payments	**-**	-	**-**	-
	175,145	189,934	**175,145**	189,934
Other Key Management Personnel				
Short term employee benefits	**141,500**	-	**141,500**	-
Post employment benefits	**-**	-	**-**	-
Long term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Share based payments	**-**	-	**-**	-
	141,500	-	**141,500**	-

21. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

Directors and other Key Management Personnel

	Short Term Employee Benefits		Post-Employment Benefits	Long Term Benefits		
	Salary and other Fees	Travelling Allowance	Super-annuation	Long Service Leave	Share Based Payments	Total
Consolidated 2015						
Directors	**$**	**$**	**$**	**$**	**$**	**$**
Jon Chi Chan	**9,000**	**-**	**-**	**-**	**-**	**9,000**
Dato Helen Li Zhang	**28,645**	**-**	**-**	**-**	**-**	**28,645**
Ram Navaratnam	**63,500**	**-**	**-**	**-**	**-**	**63,500**
William Wilkinson	**12,000**	**-**	**-**	**-**	**-**	**12,000**
Danny Chan	**-**	**-**	**-**	**-**	**-**	**-**
Frank Licciardello	**35,000**	**-**	**-**	**-**	**-**	**35,000**
Jacob Rebek	**27,000**	**-**	**-**	**-**	**-**	**27,000**
Total - Directors	**175,145**	**-**	**-**	**-**	**-**	**175,145**
Key Management Personnel						
Henry Kinstlinger	**111,500**	**-**	**-**	**-**	**-**	**111,500**
Benjamin Amzalak	**3,000**	**-**	**-**	**-**	**-**	**3,000**
Francis Choy	**-**	**-**	**-**	**-**	**-**	**-**
Total - KMP	**141,500**	**-**	**-**	**-**	**-**	**141,500**
Consolidated 2014						
Directors	$	$	$	$	$	$
Frank Licciardello	27,000	-	-	-	-	27,000
Dato Helen Li Zhang	7,500	-	-	-	-	7,500
Ram Navaratnam	7,500	-	-	-	-	7,500
Jacob Rebek	83,000	-	-	-	-	83,000
Bruce Dennis	-	9,000	-	-	-	9,000
John Dawkins	-	-	-	-	-	-
John Foley	-	-	-	-	-	-
Peter Kennewell	48,518	4,500	2,916	-	-	55,934
Michael Leu	-	-	-	-	-	-
Peter Meers	-	-	-	-	-	-
Total - Directors	173,518	13,500	2,916	-	-	189,934
Key Management Personnel						
Henry Kinstlinger	-	-	-	-	-	-
Benjamin Amzalak	-	-	-	-	-	-
Francis Choy	-	-	-	-	-	-
Total - KMP	-	-	-	-	-	-

The amounts reported represent the total remuneration paid by entities in the Frontier Capital Group of companies in relation to managing the affairs of all the entities within Frontier Capital Group.

There is performance conditions related to any of the above payments.

There is no other element of Directors and Executives remuneration.

21. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

d. Employee share option plan

Frontier Capital Group Ltd has adopted an Employee Share Option Plan, (**ESOP**) for its employees. A person is an employee of Frontier Capital Group Ltd if that person is an Executive Director, Non-Executive Director or considered by the Board to be employed by the Company or a related party.

The purpose of the ESOP is to provide an opportunity for all eligible employees of the Company to participate in its growth and development.

The Company expects to apply the proceeds to working capital needs, asset or business acquisitions and general corporate purposes. All options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other applicable law.

e. Shareholdings and option holdings of key management personnel

Particulars of interest in the issued capital of the Company's ordinary share and options at the date of the Report are:

Directors	**Shares Direct Holding**	**Shares Indirect Holding**	**Options**
Dato Helen Li Zhang	**1,000,000**	-	-
Ram Navaratnam	-	-	-
William Wilkinson	-	-	-
Janet R Lazatin	**26,188,500**	-	-
Dawn S Feliciano	**15,405,000**	-	-
Rodrigo C Ramos	**6,162,000**	-	-
Leung Foo Meng	-	-	-
Law Hun Seang	-	-	-
Wong Ken Hong	-	-	-
	48,755,500	-	-

Shares held in Frontier Capital Group Limited – 2015

Directors	**Balance at beginning of year**	**Changes during the year**	**Balance at end of year**
Dato Helen Li Zhang	**1,000,000**	-	**1,000,000**
Ram Navaratnam	-	-	-
William Wilkinson	-	-	-
Janet R Lazatin	-	**26,188,500**	**26,188,500**
Dawn S Feliciano	-	**15,405,000**	**15,405,000**
Rodrigo C Ramos	-	**6,162,000**	**6,162,000**
Leung Foo Meng	-	-	-
Law Hun Seang	-	-	-
Wong Ken Hong	-	-	-
	1,000,000	**47,755,500**	**48,755,500**

22. REMUNERATION OF AUDITORS

	Consolidated		Parent Entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Audit services: Amounts paid or payable to auditors for audit and review of the financial report for the entity or any entity in the Group				
Audit and review services	**25,836**	21,190	**25,836**	21,190
Taxation and other advisory services: Amounts paid or payable to auditors for non-audit taxation and advisory services for the entity or any entity in the Group				
Taxation	**1,295**	1,150	**1,295**	1,150
Advisory Services				
	1,295	1,150	**1,295**	1,150

23. SHARE BASED PAYMENTS

In October 2015 the Company issued 300,000 shares at 30 cents each in consideration of corporate advisory and research services provided by its advisors.

	Number of instruments	Vesting conditions	Expiry Date
Employee share options were granted to directors, officers and consultants exercisable at any time prior to expiry	1,950,000	Vested and exercisable	24 October 2016

The number and weighted average exercise price of share options is as follows:

	Consolidated		Parent Entity	
	2015 Number	2014 Number	**2015 Number**	2014 Number
Vested and exercisable at beginning of year	**1,950,000**	3,600,000	**1,950,000**	3,600,000
Granted during the year	**-**	-	**-**	-
Expired during the year	**-**	(1,650,000)	**-**	(1,650,000)
Vested and exercisable at the end of the year	**1,950,000**	1,950,000	**1,950,000**	1,950,000

2015	**Employee Share Options**	**Total**
Grant date	**24/10/2011**	
Expiry date	**24/10/2016**	
Exercise price ($)	**0.30**	
Balance at beginning of year	**1,950,000**	**1,950,000**
Granted during the year	**-**	**-**
Forfeited during the year	**-**	**-**
Exercised during the year	**-**	**-**
Expired during the year	**-**	**-**
Balance at the end of year	**1,950,000**	**1,950,000**
Vested and exercisable at end of year	**1,950,000**	**1,950,000**

Weighted average exercise price 30.0 cents

24. RELATED PARTY TRANSACTIONS

a. Parent entities

The parent entity within the Group is Frontier Capital Group Limited.

b. Subsidiaries

Interests in subsidiaries are disclosed in note 14.

c. Key management personnel compensation

Key management personnel compensation information is disclosed in note 21.

d. Transactions with related parties

There is no transaction occurred with related parties during the year ended 31 December 2015.

e. Outstanding balance

	Consolidated Entities		Parent Entity	
	2015	2014	**2015**	2014
Receivable	**$**	$	**$**	$
Non-current				
Advance to other entity	**-**	20,670	**-**	20,670
Advance to controlled entities	**-**	-	**1,934,168**	1,728,180
Payable				
Non-current				
Advance from controlled entities	**-**	-	**-**	-

f. Guarantees

No guarantees were given or received from related parties during the year.

g. Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms or repayment of loans between the controlled parties and that no interest is charged on outstanding balances.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards which as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and;

   (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the Company and the consolidated entity.

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.

3. The remuneration disclosures included on pages 13 to 15 of the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 December 2015, comply with section 300A of the *Corporations Act 2001*.

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporation Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Dato Helen Li Zhang
Director

Ram Navaratnam
Director

Signed at Sydney
31 March 2016

Level 6, 350 Kent Street
Sydney NSW 2000

75 Lyons Road
Drummoyne NSW 2047

K.S. Black & Co.
Chartered Accountants
ABN 48 117 620 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REPORT

To the Members of Frontier Capital Group Limited

Report on the Year End Financial Report
We have audited the accompanying financial report of Frontier Capital Group Limited which comprises the Statements of financial position as at 31 December 2015, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements 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 company and 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 year end 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 year end financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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. These 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 form material misstatements.

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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 Frontier Capital Group Limited , 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 Frontier Capital Group Limited is in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the company's and consolidated entity's financial positions as at 31 December 2015 and of their performance for the year ended on that date; and

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

(b)the consolidated financial statements and notes or financial report also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration report

We have audited the remuneration report included on pages 13-15 of the attached report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditors Opinion

In our opinion the remuneration report of Frontier Capital Group Limited for the year ended 31 December 2015 complies with s 300A of the Corporations Act 2001.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner

Dated: 31/3/16

SHAREHOLDER INFORMATION

As at 27 February 2016

A. Substantial Holders

Those shareholders who have lodged notice advising substantial shareholding under the Corporations Act 2001 are as follows:

	Shareholder	No. of Shares	% held
1	Starcap Management Inc	53,917,500	19.51
2	E!Xcite Gaming And Entertainment Inc	28,440,000	10.29
3	Janet Rita B. Lazatin	26,188,500	9.48
4	Ooi Chin Keat	20,625,000	7.46
5	Tam Chen Kien	16,875,000	6.11
6	Dawn J. Feliciano	15,405,000	5.58
7	Red Oasis Holding Corporation	15,404,230	5.58

B. Distribution of Equity Securities

Range	Total Holders	Units	% of Issued Capital
1 - 100	3	37	0.00
101 - 1,000	1	770	0.00
1,001 - 10,000	303	2,876,213	1.04
10,001 - 100,000	36	1,458,481	0.53
100,001 - 500,000	18	4,285,481	1.55
500,001 - 1,000,000	11	8,953,644	3.24
1,000,001 - and above	27	258,715,638	93.64
Rounding			**0.00**
Total	**399**	**276,290,000**	**100.00**

C. Unmarketable Parcels

	Minimum Parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.23 per unit	2,174	16	21,592

D. Twenty Largest Shareholders

The names of the twenty largest holders of quotes equity securities aggregated are listed below:

Rank	Name	Units	% of Issued Capital
1	Starcap Management Inc	53,917,500	19.51
2	E!Xcite Gaming And Entertainment Inc	28,440,000	10.29
3	Janet Rita B. Lazatin	26,188,500	9.48
4	Ooi Chin Keat	20,625,000	7.46
5	Tam Chen Kien	16,875,000	6.11
6	Dawn J. Feliciano	15,405,000	5.58
7	Red Oasis Holding Corporation	15,404,230	5.58
8	Konsortium Anak Malaysia Sdn Bhd	10,783,500	3.90
9	Hudson Corporate Limited	9,382,188	3.40
10	Maria Sheila R. Dayrit	6,162,000	2.23
11	Ma. Sharon R. Penaflorida	6,162,000	2.23
12	Rodrigo C. Ramos	6,162,000	2.23
13	Susan C. Ramos	6,162,000	2.23
14	Mr Chee Teong Teh	4,623,247	1.67
15	Saint Mary's Angel Estates Inc	4,621,500	1.67
16	Mayfair Capital Limited	4,263,000	1.54
17	Ms Wei Giat Ng	3,578,200	1.30
18	Ms Xu Tiantian	3,399,120	1.23
19	Maria Theresa L. Aquino	3,081,000	1.12
20	Sakura Capital Limited	2,939,424	1.06
	TOTAL	**248,174,409**	**89.82**

E. Director Interests

Directors are not required under the Constitution to hold any Shares.

Directors hold the following Securities directly (or indirectly through their associates):

Director	Direct	Indirect	Options
Dato Helen Li Zhang	1,000,000	Nil	Nil
Ram Navaratnam	Nil	Nil	Nil
William Wilkinson	Nil	Nil	Nil
Janet R Lazatin	26,188,500	Nil	Nil
Dawn S Feliciano	15,405,000	Nil	Nil
Rodrigo C Ramos	6,162,000	Nil	Nil
Leung Foo Meng	Nil	Nil	Nil
Law Hun Seang	Nil	Nil	Nil
Wong Ken Hong	Nil	Nil	Nil

F. Listed Option

The Company issued 13,000,000 Listed Options at $0.40 converting to fully paid shares before expiry on 30 June 2018.

G. Unquoted Securities

Summary of options

Upon completion of the CK Graphic acquisition and closing of the public offer, the Company will have issued (or agreed to issue) the following Options:

Description	Exercise Price	No of Options	Expiry
Unlisted Option	$0.20	3,500,000	15 March 2019
Employee Share Option Plan	$0.30	1,950,000	5pm (Sydney time) on 24 October 2016
Options issued under CK Graphics acquisition	$0.20	37,500,000	3 years after completion under the Share Sale Agreement
TOTAL		**42,950,000**	

Current Options issued under the ESOP has an exercise price of $0.30 and may be exercised at any time up until 5 pm on 24 October 2016.

Name	Position	No of options
John Foley	Former director	250,000
Bruce Dennis	Former director	250,000
Peter Kennewell	Former director/former chief executive officer	500,000
Michael Leu	Former director	250,000
Peter Meers	Former director	250,000
Francis Choy	Chief financial officer	100,000
Julian Rockett	Former Joint Company Secretary	100,000
Henry Kinstlinger	Joint Company Secretary	250,000
Total		1,950,000

Summary of Performance Shares (Stotsenberg acquisition)

The Company issued 113,760,000 performance shares converting to fully paid ordinary shares upon specified milestone bearing met.

H. Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

I. Tenement Schedule

Through its 100% owned subsidiaries, Frontier Capital Group Limited holds the tenement interests as described:

Licence No	Location	Status	Expiry Date	Area Sq kms
PMR3 Pty Ltd				
EL 8024	Huonville, Broken Hill	Granted	29-Nov-16	114
Peel Gold Pty Ltd				
EL 6648	Crow Mountain	Granted	18-Oct-17	27
			TOTAL	**141**

The Company has not reported any mineral resources or ore reserves during the reporting period.

Frontier Capital Group Limited

Level 2, 131 Macquarie Street
Sydney NSW 2000 Australia

ACN 145 105 148

www.fcgl.com.au