

ZYL LIMITED

HISTORICAL AND PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Audited 30 June 2016	Subsequent events to 14 February 2017	Pro forma adjustments	Pro forma after Public Offer
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	1	4,811	(976)	1,164,945	1,168,780
Restricted cash		-	1,933,000	(1,933,000)	-
Trade and other receivables	2	96,625	6,345	(90,961)	12,009
Total current assets		101,436	1,938,369	(859,016)	1,180,789
Non-current assets					
Mineral exploration & evaluation expenditure	3	536,480	5,209	565,755	1,107,444
Other financial assets	4	1,884,951	-	(1,884,951)	-
Total non-current assets		2,421,431	5,209	(1,319,196)	1,107,444
Total assets		2,522,867	1,943,579	(2,178,212)	2,288,234
Current liabilities					
Trade and other payables	5	799,150	(153,420)	(554,305)	91,425
Share application funds received		-	1,933,000	(1,933,000)	-
Provisions	6	1,606	-	(1,606)	-
Borrowings	7	4,720,736	125,000	(4,797,736)	48,000
Total current liabilities		5,521,492	1,904,580	(7,286,647)	139,425
Total liabilities		5,521,492	1,904,580	(7,286,647)	139,425
Net assets		(2,998,625)	38,999	5,108,435	2,148,809
Equity					
Contributed equity	8	55,729,051	(16,958)	2,167,700	57,879,793
Reserves	9	666,915	(3,974,050)	2,326,742	(980,393)
Accumulated losses	10	(59,394,591)	4,030,007	613,993	(54,750,591)
Total equity		(2,998,625)	38,999	5,108,435	2,148,809

The above pro forma consolidated statement of financial position after the Offers is as per the consolidated statement of financial position before the Offers, adjusted for any subsequent events and the transactions relating to the issue of Shares. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the Historical Financial Information.

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 1. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	4,811	1,168,780
Audited balance of ZYL at 30 June 2016		4,811
<i>Subsequent events:</i>		
Loan funds received from unrelated parties		100,000
Loan funds received from Konkera Corporate		15,000
Payment of trade and other payables and expenses		(102,664)
Payment of offer costs		(8,103)
Payment of tenement bond		(5,209)
		(976)
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the Public Offer		2,000,000
Costs of the Public Offer & Transaction costs		(114,300)
Balance of loan funds received in relation to the Proponent Shares under the Recapitalisation Offer		5,000
Payment to the Proponent under the DOCA		(160,000)
Payment of financial provision/tenement bond		(565,755)
		1,164,945
Pro forma balance		1,168,780

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 2. TRADE AND OTHER RECEIVABLES	\$	\$
Trade and other receivables	96,625	12,009
Audited balance of ZYL at 30 June 2016		96,625
<i>Subsequent events:</i>		
Reclassification of GST on expenses		6,345
		6,345
<i>Pro forma adjustments:</i>		
Transfer of receivables arising before the execution of the DOCA to the Secured Creditor's Trust or the Unsecured Creditors' Trust		(90,961)
		(90,961)
Pro forma balance		12,009

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 3. MINERAL EXPLORATION AND EVALUATION EXPENDITURE	\$	\$
Mineral exploration & evaluation expenditure	536,480	1,107,444
Audited balance of ZYL at 30 June 2016		536,480
<i>Subsequent events:</i>		
Tenement bond paid		5,209
		5,209
<i>Pro forma adjustments:</i>		
Financial provision/tenement bond paid		565,755
		565,755
Pro forma balance		1,107,444

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 4. OTHER FINANCIAL ASSETS	\$	\$
Other financial assets	1,884,951	-
Audited balance of ZYL at 30 June 2016		1,884,951
<i>Pro forma adjustments:</i>		
Transfer of other financial assets arising before the execution of the DOCA to the Secured Creditor's Trust or the Unsecured Creditors' Trust		(1,884,951)
		(1,884,951)
Pro forma balance		-

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 5. TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	799,150	91,425
Audited balance of ZYL at 30 June 2016		799,150
<i>Subsequent events:</i>		
Payment of trade payables		(18,957)
Waiver and forgiveness of debt by creditor		(93,318)
Payment of offer costs		8,855
Accrual of director fees to 28 February 2017		40,000
Write off of directors fees as agreed with directors		(90,000)
		(153,420)
<i>Pro forma adjustments:</i>		
Transfer of trade and other payables arising before the execution of the DOCA to the Secured Creditor's Trust or the Unsecured Creditors' Trust		(554,305)
		(554,305)
Pro forma balance		91,425

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 6. PROVISIONS	\$	\$
Provisions	1,606	-
Audited balance of ZYL at 30 June 2016		1,606
<i>Pro forma adjustments:</i>		
Transfer of provisions arising before the execution of the DOCA to the Secured Creditor's Trust or the Unsecured Creditors' Trust		(1,606)
		(1,606)
Pro forma balance		-

NOTE 7. BORROWINGS	Audited as at 30 June 2016 \$	Pro forma after Public Offer \$
Borrowings	4,720,736	48,000
Audited balance of ZYL at 30 June 2016		4,720,736
<i>Subsequent events:</i>		
Loans from unrelated parties		100,000
Loan from Konkera Corporate		25,000
		125,000
<i>Pro forma adjustments:</i>		
Repayment of loans via share issue under the Conversion Offer		(100,000)
Balance of loans in relation to the Proponent Shares under the Recapitalisation Offer		5,000
Repayment of loans via issue of Proponent Shares under the Recapitalisation Offer		(80,000)
Transfer of borrowings arising before the execution of the DOCA to the Secured Creditor's Trust or the Unsecured Creditors' Trust		(4,622,736)
		(4,797,736)
Pro forma balance		48,000

		Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 8. CONTRIBUTED EQUITY		\$	\$
Contributed equity		55,729,051	57,879,793
Audited balance of ZYL at 30 June 2016			55,729,051
<i>Subsequent events:</i>			
Payment of offer costs			(16,958)
			(16,958)
<i>Pro forma adjustments:</i>			
Proceeds from shares issued under this Prospectus			2,000,000
Costs of the Public Offer			(112,300)
Issue of Shares under the Conversion Offer			100,000
Issue of Proponent Shares under the Recapitalisation Offer			80,000
Issue of Compliance Advisor Shares under the Recapitalisation Offer			100,000
			2,167,700
Pro forma balance			57,879,793
		Audited as at 30 June 2016	Pro forma after Public Offer
MOVEMENT IN ORDINARY SHARE CAPITAL		No. of Shares	No. of Shares
Ordinary shares on issue		612,747,560	276,127,476
Audited balance of ZYL at 30 June 2016			612,747,560
<i>Pro forma adjustments:</i>			
Consolidation of share capital			(606,620,084)
Proceeds from shares issued under this Prospectus			200,000,000
Issue of Shares under the Conversion Offer			20,000,000
Issue of Proponent Shares under the Recapitalisation Offer			40,000,000
Issue of Compliance Advisor Shares under the Recapitalisation Offer			10,000,000
			(336,620,084)
Pro forma balance			276,127,476

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 9. RESERVES	\$	\$
Reserves	666,915	(980,393)
Audited balance of ZYL at 30 June 2016		666,915
<i>Subsequent events:</i>		
Transfer of share based payment reserve to accumulated losses following expiry of remaining options		(3,974,050)
		(3,974,050)
<i>Pro forma adjustments:</i>		
Reversal of reserves of entities removed from the Group following finalisation of the DOCA		2,326,742
		2,326,742
Pro forma balance		(980,393)

	Audited as at 30 June 2016	Pro forma after Public Offer
NOTE 10. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(59,394,591)	(54,750,591)
Audited balance of ZYL at 30 June 2016		(59,394,591)
<i>Subsequent events:</i>		
Payment of expenses		(92,651)
Transfer of share based payment reserve to accumulated losses following expiry of remaining options		3,974,050
Waiver and forgiveness of debt by creditor		93,318
Reclassification of GST on expenses		5,290
Accrual of director fees to 28 February 2017		(40,000)
Write off of directors fees as agreed with directors		90,000
		4,030,007
<i>Pro forma adjustments:</i>		
Transaction costs		(2,000)
Shares based payment expense regarding issue of Compliance Advisor Shares		(100,000)
Payment to the Proponent under the DOCA		(160,000)
Reversal of accumulated losses of entities removed from the Group following finalisation of the DOCA		875,993
		613,993
Pro forma balance		(54,750,591)