



ORCAENERGY

ABN 25 009 121 644

AND ITS CONTROLLED ENTITIES

**ANNUAL REPORT
30 JUNE 2017**

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CORPORATE DIRECTORY

Directors

Mr. Greg Bandy – Managing Director
Mr. Jason Bontempo – Non-Executive Director
Mr. Nathan Rayner – Non-Executive Director

Company Secretary

Mr. Aaron Bertolatti

Registered Office

First Floor
35 Richardson Street
WEST PERTH WA 6005

Share Registry

Advanced Share Registry Pty Ltd
110 Stirling Highway
NEDLANDS WA 6009

Auditors

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

Solicitors

Edwards Mac Scovell
Level 7
140 St Georges Terrace
Perth WA 6000

Stock Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: **OGY**

Website

orcaenergy.com.au



Directors' Report

The Directors present their report for Orca Energy Limited ("Orca Energy", "Orca" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2017.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr. Greg Bandy – B.Com, ASXA1 (ASX)

Managing Director

Mr. Bandy has over 15 years of experience in retail, corporate and capital markets, both in Australia and overseas. Mr. Bandy worked as a Senior Client Advisor at Montagu Stockbrokers and Patersons Securities for over 10 years before moving to the corporate sector.

A former director of Empire Beer Group Limited, Mr. Bandy oversaw the acquisition of Car Parking Technologies (now Smart Parking Limited ASX: SPZ) before stepping down as an Executive Director. Mr. Bandy is also currently the Managing Director of Red Emperor Resources NL (ASX: RMP).

Mr. Jason Bontempo - B.Com, CA

Non-Executive Director

Mr Bontempo has worked in investment banking and corporate advisory since qualifying as a Chartered Accountant with Ernst & Young in 1997. Mr Bontempo has worked for investment banks in Australia and the UK and has been closely involved with the advising and financing of companies in the resources industry specialising in asset sales and AIM | ASX listings. Mr Bontempo is also currently a director of Red Emperor Resources NL (ASX: RMP) and Cobalt One Limited (ASX:CO1).

Mr. Nathan Rayner - B.Eng, MEngSc, GradCertBusAdmin

Non-Executive Director

Mr. Rayner is a Petroleum Engineer with over 15 years of experience, specialising in managing technical teams, resource evaluations and developing gas projects globally. Mr. Rayner held the position of Evaluation Manager for Addax Petroleum Ltd, based in Geneva, managing its West African new discovery field development planning, appraisal programs and resource portfolio. Mr. Rayner previously held the positions of Chief Operating Officer with both Dart Energy Ltd, based in Singapore and Sunbird Energy Limited (now Interpose Holdings Limited). Mr Rayner is also currently a director of Red Emperor Resources NL (ASX: RMP).

COMPANY SECRETARY

Mr. Aaron Bertolatti – B.Com, CA, AGIA

Mr. Bertolatti is a qualified Chartered Accountant and Company Secretary with over 10 years' experience in the mining industry and accounting profession. Mr. Bertolatti has both local and international experience and provides assistance to a number of resource companies with financial accounting and stock exchange compliance. Mr. Bertolatti has significant experience in the administration of ASX listed companies, corporate governance and corporate finance.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Orca Energy Limited are:

Director	Ordinary Shares	Options – exercisable at \$0.015 each on or before 31-Dec-17
Greg Bandy	-	-
Jason Bontempo	-	-
Nathan Rayner	-	7,500,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Orca Energy for the year to 30 June 2017 was \$473,118 (2016: net loss \$860,045).

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

CORPORATE STRUCTURE

Orca Energy Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was project and asset identification.



REVIEW OF OPERATIONS

Suspension from Official Quotation

On 12 July 2016, Orca advised that a proposed acquisition and Chapter 11 transaction referred to in the Company's announcement dated 24 June 2016 would not proceed. The company was subsequently advised by the ASX that it was not in compliance with Chapter 12 of the Listing Rules, with its shares being suspended from trading.

During the year the Company conducted high level due diligence on a number of opportunities and continues to do so currently, with the expectation of identifying a suitable asset that will enable its shares to be re-admitted to trading.

The Company believes its strong cash balance and existing capital structure has it well placed to continue to advance discussions with potential partners and targets with the aim of providing a positive outcome for all shareholders.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There have been no other significant events subsequent to the end of the financial year to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group remains committed to identifying suitable assets for listing purposes. The Group intends to pursue acquisition and investment opportunities to secure new assets in accordance with its outlined strategic philosophy.

SHARE OPTIONS

As at the date of this report there were 10,500,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
10,500,000	\$0.015	31-Dec-17

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

No options were exercised during or since the year ended 30 June 2017.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

During the financial year, Orca Energy Limited paid a premium of \$13,000 (2016: \$18,267) to insure the directors and officers of the Group and its controlled entities.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of formal meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Greg Bandy	-	-
Jason Bontempo	-	-
Nathan Rayner	-	-

During the financial year, the Directors met regularly to discuss all matters associated with investment strategy, review of opportunities, and other Company matters on an informal basis. The regular nature of these meetings was facilitated through the sharing of office space along with Max Capital, Orca Energy's Corporate Advisor. Circular resolutions were passed as necessary to execute formal Board decisions.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.



Directors' Report

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Orca Energy Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Orca Energy is in compliance to the extent possible with those guidelines, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

The Company has established a set of corporate governance policies and procedures which can be found, along with the Company's Corporate Governance Statement, on the Orca Energy website: orcaenergy.com.au.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Orca Energy with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included at page 25 of the annual report. There were no non-audit services provided by the Company's auditor.

AUDITED REMUNERATION REPORT

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Orca Energy Limited for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

Mr. Greg Bandy	Managing Director
Mr. Jason Bontempo	Non-Executive Director
Mr. Nathan Rayner	Non-Executive Director
Mr. Aaron Bertolatti	Company Secretary

Remuneration Policy

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

Except as detailed, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest. This excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of a full time employee of the Company.

Consistent with attracting and retaining talented Executives, Directors and Senior Executives are paid market rates associated with individuals in similar positions, within the same industry. Options are issued to Directors and executives as performance incentives and to align Director, executive and shareholder goals.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director and Executive of the Company for the year ended 30 June 2017 are as follows:

2017	Short term			Options	Superannuation \$	Other Benefits \$	Total \$	Option related %
	Base Salary \$	Directors Fees \$	Consulting Fees \$	Share Based Payments \$				
Directors								
Greg Bandy	180,000	-	-	-	17,100	21,714	218,814	-
Jason Bontempo	-	36,000	-	-	3,420	1,723	41,143	-
Nathan Rayner	-	36,000	-	-	-	1,574	37,574	-
Company Secretary								
Aaron Bertolatti	-	-	42,000	-	-	1,836	43,836	-
	180,000	72,000	42,000	-	20,520	26,847	341,367	-



Directors' Report

There were no other executive officers of the Company during the financial year ended 30 June 2017.

2016	Short term			Options	Superannuation \$	Other Benefits \$	Total \$	Option related %
	Base Salary \$	Directors Fees \$	Consulting Fees \$	Share Based Payments \$				
Directors								
Greg Bandy	180,000	-	-	-	17,100	38,787	235,887	-
Jason Bontempo	-	36,000	10,000	-	3,420	2,026	51,446	-
Nathan Rayner	-	36,000	-	14,294	-	2,782	53,076	26.9
Company Secretary								
Aaron Bertolatti	-	-	42,000	5,717	-	2,364	50,081	11.4
	180,000	72,000	52,000	20,011	20,520	45,959	390,490	-

There were no other executive officers of the Company during the financial year ended 30 June 2016.

The fees paid to Director related entities were for the provision of management services of the particular Director to the Group:

- Rayner Consultants Pty Ltd, an entity associated with Nathan Rayner.
- BR Corporation Pty Ltd, an entity associated with Jason Bontempo.

Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year by each Director and specified executives of the Group, including their personally related parties, is set out below. There were no shares granted during the reporting year as compensation.

2017	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Directors					
Greg Bandy	-	-	-	-	-
Jason Bontempo	-	-	-	-	-
Nathan Rayner	-	-	-	-	-
Company Secretary					
Aaron Bertolatti	-	-	-	-	-

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Orca Energy Limited and specified executives of the Group, including their personally related parties, are set out below:

2017	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Exercisable	Un-exercisable
Directors							
Greg Bandy	-	-	-	-	-	-	-
Jason Bontempo	-	-	-	-	-	-	-
Nathan Rayner	7,500,000	-	-	-	7,500,000	7,500,000	-
Company Secretary							
Aaron Bertolatti	3,000,000	-	-	-	3,000,000	3,000,000	-

Options Affecting Remuneration

The terms and conditions of options affecting remuneration in the 2017 financial year are as follows:

	Grant Date	Grant Number	Expiry date/last exercise date	Fair Value per option at grant date	Exercise price per option	Value of options at grant date ¹	Number of options vested	Vested	Max value yet to vest
Directors									
Greg Bandy	-	-	-	-	-	-	-	-	-
Jason Bontempo	-	-	-	-	-	-	-	-	-
Nathan Rayner	30/04/2015	7,500,000	31/12/2017	\$0.004	\$0.015	\$30,085	7,500,000	100%	-
Company Secretary									
Aaron Bertolatti	30/04/2015	3,000,000	31/12/2017	\$0.004	\$0.015	\$12,033	3,000,000	100%	-
		10,500,000				\$42,118	10,500,000		-



Directors' Report

2016	Grant Date	Grant Number	Expiry date/last exercise date	Fair Value per option at grant date	Exercise price per option	Value of options at grant date ¹	Number of options vested	Vested	Max value yet to vest
Directors									
Greg Bandy	-	-	-	-	-	-	-	-	-
Jason Bontempo	-	-	-	-	-	-	-	-	-
Nathan Rayner	30/04/2015	7,500,000	31/12/2017	\$0.004	\$0.015	\$30,085	7,500,000	100%	-
Company Secretary									
Aaron Bertolatti	30/04/2015	3,000,000	31/12/2017	\$0.004	\$0.015	\$12,033	3,000,000	100%	-
		10,500,000				\$42,118	10,500,000		-

¹ The value at grant date has been calculated in accordance with AASB 2 *Share based payments*

Options granted as part of remuneration have been valued using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. Options granted carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 19.

Service Agreements

Executive Directors

The Company has a service agreement with Mr Greg Bandy as Managing Director. The key terms are summarised as follows;

- Remuneration: \$180,000
- Termination: with reason, 3 months
- Termination: without reason, 12 months
- No fixed term (however 6 months notice required)

Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation of \$36,000 per annum, relevant to the director. There is no termination clause included in the letter.

Loans to Directors and Executives

There were no loans to Directors and executives during the financial year ended 30 June 2017.

Voting and comments made at the Company's 2016 Annual General Meeting

Orca Energy Limited received 99.3% of "yes" votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.

Greg Bandy
Managing Director

Perth, Western Australia
20 September 2017



Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2017

	Note	30 June 2017 \$	30 June 2016 \$
Continuing operations			
Consultancy fees		(97,000)	(187,000)
Corporate compliance expenses		(79,013)	(138,351)
Employee benefits expense		(286,366)	(300,212)
Exploration impairment		-	(300,000)
Foreign exchange gain		-	200,075
Write back of provision		-	102,876
Share based payments	19	-	(176,011)
Other expenses		(45,432)	(97,739)
Total expenses		<u>(507,811)</u>	<u>(896,362)</u>
Other income	3	<u>34,693</u>	<u>36,317</u>
Loss before income tax from continuing operations		(473,118)	(860,045)
Income tax expense		-	-
Loss after income tax from continuing operations		<u>(473,118)</u>	<u>(860,045)</u>
Loss for the year		<u>(473,118)</u>	<u>(860,045)</u>
Other comprehensive income			
Items that may be reclassified to profit and loss		-	-
Other comprehensive income for the year net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(473,118)</u>	<u>(860,045)</u>
Loss attributable to:			
Owners of the parent		(473,118)	(860,045)
Non-controlling interests		-	-
		<u>(473,118)</u>	<u>(860,045)</u>
Total comprehensive loss attributable to:			
Owners of the parent		(473,118)	(860,045)
Non-controlling interests		-	-
		<u>(473,118)</u>	<u>(860,045)</u>
Loss per share			
From continuing operations			
Basic and diluted loss per share (cents)	17	(0.10)	(0.19)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position as at 30 June 2017**

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	5	3,885,060	4,349,753
Trade and other receivables	6	6,125	8,142
Other assets	7	8,667	10,760
Other financial assets	8	100	100
Total Current Assets		3,899,952	4,368,755
Non-Current Assets			
Exploration and evaluation expenditure	9	-	-
Total Non-Current Assets		-	-
Total Assets		3,899,952	4,368,755
Current Liabilities			
Trade and other payables	10	33,593	43,125
Provisions	11	54,222	40,375
Total Current Liabilities		87,815	83,500
Total Liabilities		87,815	83,500
Net Assets		3,812,137	4,285,255
Equity			
Issued capital	12	28,786,786	28,786,786
Reserves	13	2,297,449	2,297,449
Accumulated losses	14	(27,272,098)	(26,798,980)
Total Equity		3,812,137	4,285,255

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity for the year ended 30 June 2017**

	Issued capital \$	Accumulated losses \$	Option reserve \$	Total \$
Balance at 1 July 2015	28,630,786	(25,938,935)	2,277,438	4,969,289
Total comprehensive loss for the year				
Loss for the year	-	(860,045)	-	(860,045)
Other Comprehensive Income	-	-	-	-
Total comprehensive loss for the year	-	(860,045)	-	(860,045)
Transactions with owners in their capacity as owners				
Share based payments	156,000	-	20,011	176,011
Balance at 30 June 2016	28,786,786	(26,798,980)	2,297,449	4,285,255
Balance at 1 July 2016	28,786,786	(26,798,980)	2,297,449	4,285,255
Total comprehensive loss for the year				
Loss for the year	-	(473,118)	-	(473,118)
Other Comprehensive Income	-	-	-	-
Total comprehensive loss for the year	-	(473,118)	-	(473,118)
Balance at 30 June 2017	28,786,786	(27,272,098)	2,297,449	3,812,137

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows for the year ended 30 June 2017**

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(499,386)	(744,919)
Interest received		34,693	30,708
Net cash used in operating activities	5	(464,693)	(714,211)
Cash flows from investing activities			
Refund of exploration expenditure		-	5,609
Net cash provided by investing activities		-	5,609
Net decrease in cash and cash equivalents		(464,693)	(708,602)
Cash and cash equivalents at beginning of year		4,349,753	4,858,280
Effects of exchange rate changes on cash and cash equivalents		-	200,075
Cash and cash equivalents at the end of the year	5	3,885,060	4,349,753

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



1. Corporate Information

The financial report of Orca Energy Limited (“Orca Energy”, “Orca” or “the Company”) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 20 September 2017. Orca Energy is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company are described in the Directors’ Report.

2. Summary of Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2016 but determined that their application to the financial statements is either not relevant or not material.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (‘A-IFRS’). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the Group comply with International Financial Reporting Standards (‘IFRS’).

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

Going concern

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

The Group has incurred a net loss after tax for the year ended 30 June 2017 of \$473,118 (2016: \$860,045 loss) and experienced net cash outflows from operating activities of \$464,693 (2016: outflow of \$714,211). As at 30 June 2017, the Group had working capital of \$3,812,137 (2016: \$4,285,255). The Directors believe that there are sufficient funds to meet the Group’s working capital requirements.

The Directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. As such, the Directors believe that they will continue to be successful in securing additional funds through debt or equity issues as and when the need to raise working capital arises. Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

(a) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Orca Energy Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 16(c).

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.



The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The non-controlling interest of shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(e) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.
- Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.



Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(f) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.



With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(g) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(j) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(k) Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised;

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(m) Exploration and evaluation expenditure

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 area of interest are continuing.

Capitalised exploration costs are reviewed each reporting date to whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred.

(n) Interests in joint ventures

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint ventures with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(o) Share based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 19.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. No amount has been recognised in the financial statements in respect of the other equity-settled share-based payments.



Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(p) Critical accounting judgements and key sources of estimation uncertainty

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Deferred tax assets

The Group recognises deferred tax assets when it becomes probable that sufficient taxable income will be derived in future periods against which to offset these assets. At each reporting date, the Group assesses the level of expected future cash flows from the business and the probability associated with realising these cash flows, and makes an assessment of whether the deferred tax assets of the Group should be recognised.

(q) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)*

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- *AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).*

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.



Orca Energy Limited

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- **AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).**
AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice. The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's financial instruments.
- **Other standards not yet applicable**
There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

	2017 \$	2016 \$
3. Loss from Operations		
Other income		
Interest received	34,693	36,317
	34,693	36,317
4. Income Tax		
(a) Income tax expense		
Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate		
Loss from before income tax expense	(473,118)	(860,046)
Tax at the Australian rate of 27.5% (2016: 30%)	(130,107)	(258,014)
Add tax effect of:		
Revenue losses and other deferred tax balances not recognised	124,562	114,253
Other non-allowable items	5,546	143,761
	-	-
Less tax effect of:		
Other non-assessable items	-	-
Losses recouped not previously recognised	-	-
Allowable items	-	-
Income tax expense	-	-
(c) Deferred tax liabilities		
Exploration expenditure	-	-
Development and production assets	-	-
Deferred tax assets		
Carry forward revenue losses	-	-
	-	-
(d) Unrecognised deferred tax assets:		
Carry forward revenue losses	2,147,096	2,219,712
Carry forward capital losses	1,243,394	1,356,430
Capital raising costs	18,180	39,665
Other	49,483	62,327
	3,458,153	3,678,134

The benefit for tax losses will only be obtained if:

- i. the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- ii. the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- iii. no changes in tax legislation in Australia adversely affect the Company in realising the benefit from the deductions for the losses.



Orca Energy Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

(e) Tax consolidation:

Orca Energy Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2009. Orca Energy Limited is the head entity of the tax consolidated group.

(f) Tax losses

The Group has \$7,807,621 gross revenue tax losses arising in Australia that are available to offset against future profit of the Company in which the losses arose. Utilisation of these tax losses is subject to satisfaction of either the continuity of ownership or same business test in accordance with Australian Tax requirements. Deferred tax assets have not been recognised in respect of these losses.

	2017 \$	2016 \$
5. Cash And Cash Equivalents		
Reconciliation of cash		
Cash comprises of:		
Cash at bank	<u>3,885,060</u>	<u>4,349,753</u>
Reconciliation of operating loss after tax to net cash flow from operations		
Loss after tax	(473,118)	(860,045)
<i>Non-cash items</i>		
Share based payments expense	-	176,011
Foreign exchange differences	-	(200,075)
Impairment	-	300,000
<i>Change in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	2,017	20,665
(Increase)/decrease in prepayments	2,093	(10,760)
Increase/(decrease) in trade and other payables	(9,532)	(167,698)
Increase/(decrease) in provisions	13,847	27,691
Net cash flow (used in)/provided by operating activities	<u>(464,693)</u>	<u>(714,211)</u>
6. Trade and Other Receivables - Current		
GST receivable	<u>6,125</u>	<u>8,142</u>
	<u>6,125</u>	<u>8,142</u>
Trade debtors, prepayments and GST receivable are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectable. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.		
7. Other Assets		
Prepayments	<u>8,667</u>	<u>10,760</u>
	<u>8,667</u>	<u>10,760</u>
8. Other financial assets		
Investment in listed entity	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
9. Deferred Exploration and Evaluation Expenditure		
Opening Balance	-	300,000
Expenditure capitalised during the year	-	-
Expenditure written off during the year	-	(300,000)
Closing balance	<u>-</u>	<u>-</u>
10. Trade and Other Payables		
Trade payables	11,893	6,682
Other payables and accruals	<u>21,700</u>	<u>36,443</u>
	<u>33,593</u>	<u>43,125</u>
11. Provisions		
Current Provisions		
Employee benefits	<u>54,222</u>	<u>40,375</u>
	<u>54,222</u>	<u>40,375</u>



Orca Energy Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

	2017 \$	2016 \$
12. Issued Capital		
(a) Issued and paid up capital		
Issued and fully paid 463,382,876 (2016: 463,382,876)	28,785,986	28,785,986
Converting preference shares 100 (2016: 100)	800	800
	28,786,786	28,786,786

	No.	30 June 2017 \$	No.	30 June 2016 \$
(b) Movements in ordinary shares on issue				
Opening balance	463,382,876	28,785,986	451,382,876	28,629,986
Share based payment ¹	-	-	12,000,000	156,000
Closing balance	463,382,876	28,785,986	463,382,876	28,785,986

¹ On 18 September 2015, 708 Capital Pty Ltd was appointed as the Company's Broker to provide corporate services to Orca over a 12 month period commencing 1 September 2015. The Company issued 12,000,000 fully paid Orca shares pursuant to a Corporate Services Mandate entered into with 708 Capital.

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

	No.	30 June 2017 \$	No.	30 June 2016 \$
(c) Movements in converting preference shares				
Opening balance	2,006	800	2,006	800
Closing balance	2,006	800	2,006	800

The converting preference shares do not have any voting rights but are entitled to the payment of a dividend. The conversion terms for these shares have now expired.

(d) Capital risk management

The Company's capital comprises share capital, reserves less accumulated losses amounting to a net equity of \$3,812,137 at 30 June 2017. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Company was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 18 for further information on the Company's financial risk management policies.

(e) Share Options

As at the date of this report there were 10,500,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
10,500,000	\$0.015	31-Dec-17

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

No options were exercised during or since the year ended 30 June 2017.

	2017 \$	2016 \$
13. Reserves		
Option, share based payments and option premium reserves	2,297,449	2,297,449
Movements in Reserves		
Opening balance	2,297,449	2,277,438
Movement	-	20,011
Closing balance	2,297,449	2,297,449

The share based payments reserve arises on the grant of share options to Directors, Executives and senior employees as part of their remuneration and to consultants for services provided. Further information about share-based payments to employees is made in the remuneration report. This reserve also includes options issued at a premium on equity raising (refer to note 19).

14. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	(26,798,980)	(25,938,935)
Loss for the year	(473,118)	(860,045)
Closing balance	(27,272,098)	(26,798,980)



Orca Energy Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

	2017 \$	2016 \$
15. Auditor's Remuneration		
The auditor of Orca Energy Limited is Stantons International Audit and Consulting Pty Ltd		
Amounts paid or due and payable for:		
- an audit or review of the financial report	26,640	26,603
	26,640	26,603

16. Key Management Personnel Disclosures

(a) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Company for the financial year are as follows:

Short term employee benefits	294,000	304,000
Share based payments	-	20,011
Other benefits	26,847	45,959
Other employee expense (superannuation)	20,520	20,520
Total remuneration	341,367	390,490

(b) Other transactions with key management personnel

Mr. Jason Bontempo charged nil for reimbursement of expenses, at cost, paid on behalf of the Company during the year (2016: \$2,233).

Mr. Aaron Bertolatti charged reimbursements of expenses, at cost, paid on behalf of the Company of \$895 during the year (2016: \$679).

Mr. Greg Bandy charged nil for reimbursement of expenses, at cost, paid on behalf of the Company during the year (2016: \$997).

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms. There were no other transactions with key management personnel for the year ended 30 June 2017.

(c) Subsidiaries

The consolidated financial statements include the financial statements of Orca Energy Limited and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding	
		2017	2016
Komodo Energy Pty Limited	Australia	100%	100%
Crestwood Pty Ltd	Australia	100%	100%
Sugarbay Investments Pty Limited	Australia	100%	100%

(d) Loans to/from related parties

There were no loans made or outstanding to directors of Orca Energy and other key management personnel of the Group, including their personally related parties.

17. Loss per Share

Basic Loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the loss and share data used in the basic and diluted earnings per share computations:

	2017 \$	2016 \$
Loss attributable to owners of the parent	(473,118)	(860,045)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	463,382,876	460,785,616
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	463,382,876	460,785,616
	2017 \$	2016 \$
Loss per share		
From continuing operations (cents)	(0.10)	(0.19)



There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

18. Financial Risk Management

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash. The Group manages the risk by investing in short term deposits.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss (\$) Increase/(Decrease)		Effect on Equity including retained earnings (\$) Increase/(Decrease)	
	2017	2016	2017	2016
Increase 75 basis points	29,138	32,623	29,138	32,623
Decrease 75 basis points	(29,138)	(32,623)	(29,138)	(32,623)

A sensitivity of 75 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

	2017 \$	2016 \$
Cash and cash equivalents AA	3,885,060	4,349,753
	3,885,060	4,349,753

(d) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

No dividends were paid in 2017 and no dividends are expected to be paid in respect of financial year 2017. There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies. The Company is not subject to any externally imposed capital requirements.

(e) Foreign exchange risk

The Group operated in Australia in the year ended 30 June 2017 and had minimal exposure to foreign exchange risk.

(f) Fair value estimation

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value. The Group has performed sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.



Orca Energy Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Financial assets at fair value through profit and loss	100	-	-	100
	100	-	-	100

30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Financial assets at fair value through profit and loss	100	-	-	100
	100	-	-	100

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted prices at reporting date, excluding transaction costs. In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments. Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

19. Share Based Payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in the equity during the year were as follows:

	2017 \$	2016 \$
Corporate advisor share based payments	-	156,000
Employee, consultants and Director share based payments	-	20,011
	-	176,011

(b) Employee, Consultant and Director share based payments

There were no options granted to Employees, Consultants or Directors during the year ended 30 June 2017 and 30 June 2016. An expense of \$20,011 was recognised during the year ended 30 June 2016 in respect to options granted in the 2015 financial year.

(c) Share-based payment to suppliers

There were no options granted to suppliers during the years ended 30 June 2017 and 30 June 2016.

20. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's primary segment is one business, being project identification. During the year ended 30 June 2017 the Group operated Australia. (2016: Australia and USA).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.



Orca Energy Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2017

Segment liabilities

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

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment: - impairment of assets and other non-recurring items of revenue or expense.

	2017 \$	2016 \$
(a) Revenue/ other income by geographical region		
Revenue/ other income attributable to external customers is disclosed below, based on the location of the external customer:		
Australia	-	-
USA	-	-
Unallocated items – interest and other income	34,693	36,317
Total revenue	34,693	36,317
(b) Loss by geographical region		
Loss attributable to external customers is disclosed below, based on the location of the external customer:		
Australia	(473,118)	(560,045)
USA	-	(300,000)
Unallocated items – interest and other income	-	-
Total Loss	(473,118)	(860,045)
(c) Assets by geographical region		
The location of the segment assets is disclosed below by geographical location of the assets:		
Australia	3,899,952	4,368,755
USA	-	-
Total Assets	3,899,952	4,368,755
(d) Liabilities by geographical region		
The location of the segment liabilities is disclosed below by geographical location of the assets:		
Australia	87,815	83,500
USA	-	-
Total Liabilities	87,815	83,500

21. Parent Entity Information

The following details information related to the parent entity, Orca Energy Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in note 2.

Current assets	3,899,945	4,368,749
Total assets	3,899,945	4,368,749
Current liabilities	(87,815)	(83,500)
Total liabilities	(87,815)	(83,500)
Net assets	3,812,130	4,285,249
Issued capital	28,786,786	28,786,786
Reserves	2,297,449	2,297,449
Accumulated losses	(27,272,105)	(26,798,986)
	3,812,130	4,285,249
Profit/(loss) of the parent entity	(473,118)	1,221,148
Other comprehensive income for the year	-	-
Total comprehensive loss /(profit) of the parent entity	(473,118)	1,221,148

The parent company has not provided any guarantees and does not have any contingent liabilities.

22. Dividends

No dividend was paid or declared by the Company in the year ended 30 June 2017 or the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2017.

23. Commitments and Contingent Liabilities

The Directors are not aware of any material commitments, contingent liabilities or contingent assets at the reporting date.

24. Subsequent Events

There have been no other significant events subsequent to the end of the financial year and to the date of this report.



Directors' Declaration

In accordance with a resolution of the Directors of Orca Energy Limited, I state that:

1. In the opinion of the Directors:
 - a) the financial statements and notes of Orca Energy Limited for the year ended 30 June 2017 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's consolidated financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.
2. 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. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

On behalf of the Board

Greg Bandy
Managing Director

Perth, Western Australia
20 September 2017

20 September 2017

Board of Directors
Orca Energy Limited
35 Richardson Street
West Perth WA 6005

Dear Directors

RE: ORCA ENERGY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Orca Energy Limited.

As Audit Director for the audit of the financial statements of Orca Energy Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCA ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Orca Energy Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

During our audit, we did not come across any Key Audit Matters that require disclosure in the audit report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of Orca Energy Limited for the year ended 30 June 2017 complies with section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir R Tirodkar
Director

West Perth, Western Australia
20 September 2017



ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 18 September 2017.

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	38	5,451
1,001 - 5,000	62	236,730
5,001 - 10,000	58	485,347
10,001 - 100,000	674	31,678,165
100,001 - and over	339	430,977,183
TOTAL	1,171	463,382,876

There were 438 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

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

Name	Shares	%
Seventy Three Pty Ltd <King Super Fund No 3 A/C>	64,000,000	13.81
J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	47,750,000	10.31
Sambor Nominees Pty Ltd <Susanne & Moniak Sambor A/C>	22,500,000	4.86
HSBC Custody Nominees (Australia) Limited	18,887,051	4.08
Mr James Anthony Gleeson	16,000,000	3.45
Seefeld Investments Pty Ltd <The Seefeld A/C>	14,000,000	3.02
708 Capital Pty Ltd	12,000,000	2.59
Mr Robert Leslie Rogers	10,019,099	2.16
HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	7,700,000	1.66
Ms Merle Smith & Ms Kathryn Smith <The Mini Pension Fund A/C>	7,500,000	1.62
Seventy Three Pty Ltd <King Super Fund No 3 A/C>	6,577,856	1.42
J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	5,000,000	1.08
Ms Ingrid Joan Olsen	4,400,001	0.95
Sevenspeed Pty Ltd	4,275,000	0.92
Sonic Holdings Pty Ltd <The Austin Family Fund A/C>	4,250,000	0.92
Sonic Holdings Pty Ltd <Sonic Holdings Unit A/C>	4,156,377	0.90
Mr Barry Jennings	4,100,000	0.89
Amazing Grace Holdings Pty Ltd <The GMR Family A/C>	4,000,000	0.86
Mr Simon William Tritton <Investment A/C>	3,966,040	0.86
Sancoast Pty Ltd	3,666,850	0.79
	264,748,274	57.14

Substantial Shareholders

Name	Shares	%
Seventy Three Pty Ltd <King Super Fund No 3 A/C>	64,000,000	13.81
J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	47,750,000	10.31
	111,750,000	24.12

Unquoted Equity Securities

Options

Class	Number	Holders with more than 20%
Options over ordinary shares exercisable at \$0.015 on or before 31 December 2017	10,500,000	- Mrs Allison Jane Rayner <Rayner Investment Trust A/C> 7,500,000 options - Mrs Jaimie Marie Bertolatti 3,000,000 options

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Use of Proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial year ended 30 June 2017.

Restricted Securities subject to escrow period

There are no securities on issue subject to escrow.