

## Appendix 4E

### Preliminary final report

#### Part 1 – Details of Entity, Reporting Period

<b>Name of Entity</b>	AssetOwl Limited
<b>ABN</b>	12 122 727 342
<b>Financial Year Ended</b>	12 months ended 30 June 2017
<b>Previous Corresponding Reporting Period</b>	12 months ended 30 June 2016

#### Part 2 – Results for Announcement to the Market

	\$	Percentage increase/ (decrease) over previous corresponding period
<b>Revenue from ordinary activities</b>	15,700	2,254%
<b>Loss from ordinary activities after tax attributable to members</b>	(1,405,763)	171%
<b>Net loss attributable to members</b>	(1,405,763)	171%

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	Nil	Nil
<b>Interim Dividend</b>	Nil	Nil
<b>Record date for determining entitlements to the dividends (if any)</b>	Not Applicable	

#### **Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**

The increase in quantum of the Company's revenue and loss has arisen from the Company's acquisition of AssetOwl Technologies Pty Ltd on the 23<sup>rd</sup> of December 2017, from this date, the Company's focus changed from an exploration Company to a technology and software development Company.

Following a change in accounting policy, the carrying value of Exploration and Evaluation assets in the prior year has been transferred to the retained earnings. During the year, Exploration and Evaluation expenditure amount of \$41,995 (2016: 92,680) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The values disclosed for the 2016 Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position reflect this change in accounting policy.

In the prior year the company had \$667 interest revenue; the above revenue amount is interest revenue and has arisen due to a higher average bank balance in the year compared to the prior year, as a result of funds raised in a capital raising which was completed on the 23<sup>rd</sup> of December 2016.

The Company's reported net loss for the period includes R&D incentive of \$514,722 and 'change in fair value of contingent consideration payable' of a gain of \$387,620. Items of this nature did not exist in the comparative period.

**Part 3 – Contents of ASX Appendix 4E**

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## Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Parts	2017 (\$)	2016 (\$) restated
<b>OTHER INCOME</b>			
Interest		15,700	667
R&D tax incentive benefit	15	514,722	-
Change in Fair Value Contingent Consideration payable	19	387,620	-
<b>EXPENSES</b>			
Accounting and Audit expenses		(89,751)	(28,602)
Legal expenses		(223,605)	(78,681)
Corporate and administrative expenses		(171,914)	(145,167)
Professional consultant and contractor fees		(230,291)	(26,042)
Employee benefit expenses		(206,638)	(133,536)
Research expenses		(1,253,584)	-
Depreciation and amortisation		(18,699)	-
Exploration expenditure		(41,995)	(92,680)
Tenements administration expenses		(15,995)	(2,420)
Other expenses from ordinary activities		(71,333)	(13,657)
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,405,763)</b>	<b>(520,118)</b>
Income tax benefit		-	-
<b>LOSS FOR THE YEAR</b>		<b>(1,405,763)</b>	<b>(520,118)</b>
Loss is attributable to:			
Owners of AssetOwl Limited		(1,405,763)	(520,118)
<b>NET LOSS FOR THE YEAR</b>		<b>(1,405,763)</b>	<b>(520,118)</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>(1,405,763)</b>	<b>(520,118)</b>
Total comprehensive loss for the year is attributable to			
Owners of AssetOwl Limited		(1,405,763)	(520,118)
Basic loss (cents per share)	12	(3.16)	(4.98)

## Part 5 – Consolidated Statement of Financial Position

	Parts	2017 (\$)	2016 (\$) Restated*
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,690,810	1,097,149
Trade and other receivables	16	921,841	11,818
<b>TOTAL CURRENT ASSETS</b>		<b>2,612,651</b>	<b>1,108,967</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	17	44,801	-
Intangible Assets (including goodwill)	18	5,823,188	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,867,989</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>8,480,640</b>	<b>1,108,967</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		93,338	76,703
Employee Benefit Obligations		140,331	1,928
Contingent Consideration Payable	19	800,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,033,669</b>	<b>78,631</b>
<b>NON-CURRENT LIABILITIES</b>			
Contingent Consideration Payable	19	1,022,335	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,022,335</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,056,004</b>	<b>78,631</b>
<b>NET ASSETS</b>		<b>6,424,636</b>	<b>1,030,336</b>
<b>EQUITY</b>			
Contributed Equity	21	17,045,391	11,704,402
Reserves		1,518,435	59,361
Accumulated Losses	6	(12,139,190)	(10,733,427)
<b>TOTAL EQUITY</b>		<b>6,424,636</b>	<b>1,030,336</b>

\*The restatement includes the change in accounting policy (refer Part 23); the carrying value of Exploration and Evaluation assets in the prior year has been transferred to the retained earnings.

## Part 6 – Consolidated Accumulated Loss

	2017 (\$)	2016 (\$) Restated*
Accumulated loss at the beginning of the year	(10,733,427)	(10,213,309)
Net profit/(loss) attributable to Shareholders	(1,405,763)	(520,118)
Accumulated loss at end of the year	<b>(12,139,190)</b>	<b>(10,733,427)</b>

\*The restatement includes the change in accounting policy (refer Part 23); the carrying value of Exploration and Evaluation assets in the prior year has been transferred to the retained earnings.

## Part 7 – Consolidated Statement of Cash Flows

	Parts	2017 (\$)	2016 (\$) Restated*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,035,352)	(218,249)
Payments for exploration and evaluation expenditure		(41,995)	(92,680)
Interest received		15,700	667
Interest paid		(26,560)	-
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	10	<b>(2,088,207)</b>	<b>(310,262)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment to acquire Property, Plant & Equipment		(48,784)	-
Cash acquired on acquisition of business		16,525	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(32,259)</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		3,500,000	1,320,013
Proceeds from borrowings		-	90,945
Payment of R&D funding loan		(377,445)	-
Payment of Share Issue Costs		(408,428)	(82,003)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>2,714,127</b>	<b>1,328,955</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>593,661</b>	<b>1,018,693</b>
Cash and cash equivalents at beginning of year		1,097,149	78,456
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>		<b>1,690,810</b>	<b>1,097,149</b>

\*The restatement includes the change in accounting policy (refer Part 23); the carrying value of Exploration and Evaluation assets in the prior year has been transferred to the retained earnings.

## Part 8 – Basis of Preparation

This Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirement of ASX Appendix 4E

## Part 9 – Commentary on Results

The Company's financial performance for the 2017 financial year is not comparable with the financial performance of the Company for the 2016 financial year, due to the differing nature of the Company in the 2017 year, compared with the nature of the Company in the 2016 year.

In the 2017 financial year, since the 23<sup>rd</sup> of December 2016 when the Company acquired AssetOwl Technologies Pty Ltd, the Company's focus has changed from that of an exploration Company to a Technology and Software Development Company.

In the period before the 23<sup>rd</sup> of December 2016 and for the 2016 financial year the Company operated as an exploration company and had limited activity.

Since the 23<sup>rd</sup> of December 2016 when AssetOwl Technologies Pty Ltd, a company involved in software development, was acquired, the consolidated entity's expenditure has increased significantly, reflecting the operation of this business.

The consolidated entity has recognised a contingent consideration liability relating to the acquisition of AssetOwl Technologies Pty Ltd, the change in fair value of this contingent consideration liability is shown as a gain in the Company's Statement of Profit or Loss and Other comprehensive income.

## Part 10 – Notes to the Consolidated Statement of Cash Flows

	2017 (\$)	2016 (\$)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
Non-cash flows in profit from operating activities		
Net (Loss) after Income Tax	(1,405,763)	(520,118)
Conversion of accrued Director and Management fees to equity	-	617,200
Share Issue to advisor upon acquisition (part 20)	200,000	-
Change in fair value (part 18)	(387,620)	-
Depreciation and amortisation	18,699	-
<b>CHANGES IN ASSETS &amp; LIABILITIES FROM OPERATING ACTIVITIES</b>		
(Increase)/Decrease in receivables	(489,500)	(8,895)
Increase/(Decrease) in creditor & accruals	(24,023)	(398,449)
<b>Cash flow (used in) Operating Activities</b>	<b>(2,088,207)</b>	<b>(310,262)</b>

**Non-cash investing and financing activities.**

During the year, the Company acquired AssetOwl Technologies Pty Ltd, the acquisition was effected through the issue of shares, options and share rights, collectively valued at \$5,718,446.

**Part 11 – Details Relating to Dividends**

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total Dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

**Part 12 – Loss per share**

	2017 (\$)	2016 (\$)
Basic loss per share (cents per share)	(3.16)	(4.98)
<b>(a) RECONCILIATION OF EARNINGS TO OPERATING LOSS</b>		
<b>Loss attributable to ordinary Shareholders</b>		
Loss after tax	(1,405,763)	(520,118)
Loss used in the calculation of EPS	(1,405,763)	(520,118)
<b>(b) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR</b>		
<b>Weighted average number of ordinary shares (WANOS)</b>		
Weighted average number of ordinary shares	44,480,472	10,446,405

**Part 13 – Net Tangible Assets per Security**

	2017 (\$)	2016 (\$)
<b>NET TANGIBLE ASSET</b>		
Net tangible asset backing per ordinary security (cents per share)	1.0	3.8

## Part 14 – Details of Entities over Which Control has been Gained or Lost

On the 23<sup>rd</sup> of December 2016, AssetOwl Limited (formerly Regalpoint Resources Ltd) acquired 100% of the shares of AssetOwl Technologies Pty Ltd (formerly AssetOwl Pty Ltd), an information technology and software development company, for consideration of \$5,718,446. The acquisition has changed the nature of AssetOwl Limited (formerly Regalpoint Resources Ltd), which was previously an exploration company.

Details of the purchase consideration as measured at acquisition date, net assets acquired and goodwill are as follows:

	<b>Total</b>
<b>Purchase Consideration</b>	
15,000,000 shares, issued at 20c per share	3,000,000
5,000,000 vendor options, exercisable at 25c per option, expiring 31 March 2019	508,491
15,000,000 Class A Performance Rights	1,500,000
7,500,000 Class B Performance Rights	500,000
3,149,319 Class C Performance Rights	209,955
<b>Total Purchase Consideration</b>	<b>5,718,446</b>
Net liabilities acquired	(29,477)
<b>Fair value attributable to assets acquired (Goodwill)</b>	<b>5,747,923</b>

The provisionally accounted assets and liabilities recognised as a result of the acquisition are as follows:

	<b>Total</b>
Cash and Cash Equivalent	16,525
Office Bond Paid	400
R & D Offset Receivable	329,481
Shareholder's loan	58,081
Formation Expenses	397
Intellectual Property	89,583
Vendor receivable	161,288
Payables	(184,643)
R&D Funding	(500,589)
<b>Net Identifiable Liabilities Acquired</b>	<b>(29,477)</b>
Add: goodwill	5,747,923
	<b>5,718,446</b>



Name of Entity (or group of entities)	AssetOwl Technologies Pty Ltd
Date control gained or lost	23 December 2016
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	(847,867)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit / (loss) from ordinary activities from sale of interest leading to loss of control	Nil

Refer to part 19 for the performance milestones and the calculation of movement in fair value of contingent consideration.

## Part 15 – Research and Development

The R&D Incentive benefit recognised relates to the Company's research and development activities in the year to 30 June 2017.

As the Company's turnover is less than \$20 million, a receivable has been recognised in the Company's Statement of Financial Position for the amount of the R&D Incentive benefit to be received.

The amount of R&D incentive recognised as income in the Statement of Profit or Loss and Other Comprehensive Income relates to the period from the 23rd of December 2016, while the receivable amount disclosed below relates to the amount to be received for the entire financial year.

## Part 16 – Trade and Other Receivables

	2017 (\$)	2016 (\$)
GST Receivable	14,777	11,818
R&D offset receivable	844,203	-
Related Party Loan	52,461	-
Short term facility available	10,000	-
Office bond	400	-
	<b>921,841</b>	<b>11,818</b>

**Part 17 – Property, Plant and Equipment**

	2017 (\$)	2016 (\$)
<b>Year Ended 30 June 2017</b>		
At 1 July, net of accumulated depreciation	-	-
Additions	48,784	-
Depreciation Charge for the year	(3,983)	-
At 30 June, net of accumulated depreciation	<b>44,801</b>	-
<b>At 30 June 2017</b>		
Cost	48,784	-
Accumulated Depreciation	(3,983)	-
Net carrying amount	<b>44,801</b>	-

**Part 18 – Intangible Assets**

	2017 (\$)	2016 (\$)
Intellectual property	75,265	-
Goodwill	5,747,923	-
	<b>5,823,188</b>	-
<b>Reconciliation of Intellectual property</b>		
Acquisition Cost on Intellectual property	89,583	-
Amortisations	(3,983)	-
Net carrying amount	<b>75,265</b>	-

## Part 19 – Financial Liabilities through Profit or Loss

	2017 (\$)	2016 (\$)
<b>Contingent Consideration</b>		
<b>Current Liability</b>		
15,000,000 Class A Performance Rights – value at acquisition date	1,500,000	-
<b>Fair value increase/(decrease)</b>	<b>(700,000)</b>	-
<b>Total Current Liability</b>	<b>800,000</b>	-
<b>Non-Current Liability</b>		
7,500,000 Class B Performance Rights– value at acquisition date	500,000	-
<b>Fair value increase/(decrease)</b>	<b>220,000</b>	
3,149,319 Class C Performance Rights– value at acquisition date	209,955	-
<b>Fair value increase/(decrease)</b>	<b>92,380</b>	
<b>Total Non-Current Liability</b>	<b>1,022,335</b>	-
<b>Total Liability</b>	<b>1,822,335</b>	-

The net change in the fair value of the financial liability recognised in the Statement of Profit or Loss and Other Comprehensive Income is therefore a gain of \$387,620.

The value of the contingent consideration is the board's assessment of the fair value of performance rights issued under the agreement for the acquisition of AssetOwl Technologies Pty Ltd.

The Company's financial liability through profit or loss relates to the Company's acquisition of AssetOwl Technologies Pty Ltd on the 23rd of December 2016. The value of the financial liability is based on management's assessment of the current likelihood of pre-determined performance milestones being met over the period to 31 December 2019, the number of performance rights issued to the vendors and the Company's share price at 30 June 2017.

The contingent consideration arrangement requires AssetOwl Limited to potentially make further payments to the vendors of the acquired business based on the achievement of performance milestones over the next three years. It is at the discretion of the AssetOwl Limited whether the liability is to be settled through the payment of cash or through the issue of shares in AssetOwl Limited.

To effect this contingent consideration arrangement, AssetOwl Limited has granted 25,649,319 performance rights, which vest over the three calendar years to 31 December 2019. Should the performance rights vest, the liability can be settled in either shares in AssetOwl Limited or in cash, at the election of AssetOwl Limited.

The performance milestones in each year relate to the number of stores in which AssetOwl services are deployed, Revenue and Net profit before tax (NPBT). The milestones are as below:

### Milestone 1:

- Issue up to 15,000,000 shares (one share for each vested performance right) or pay cash of 20c per vested performance right.

- The performance rights vest upon the achievement of pre-determined targets relating to number of stores, revenue and profit. 1/3<sup>rd</sup> of the performance rights will vest for each target which is achieved. The target quantum of these metrics is listed below.

Targets for Milestone 1 relate to the calendar 2017 year, if the Milestone 1 targets disclosed below are not achieved during that year, the underlying performance rights for that year will lapse. Number of stores means the number of stores at the end of the year.

**Milestone 2:**

- Issue up to 7,500,000 shares (one share for each vested performance right) or pay cash of 40c or higher per vested performance right.
- The vesting price of the performance rights will be the higher of \$0.40 and the volume-weighted average price (VWAP) of shares traded on the ASX over the 14 trading days prior to the end of Year 2.
- The performance rights vest upon the achievement of pre-determined targets relating to number of stores, revenue and profit. 1/3<sup>rd</sup> of the performance rights will vest for each target which is achieved. The target quantum of these metrics is listed below.

Targets for Milestone 2 relate to the calendar 2018 year, if the Milestone 2 targets disclosed below are not achieved during that year, the underlying performance rights for that year will lapse. Number of stores means the number of stores at the end of the year.

**Milestone 3:**

- Issue up to 3,149,319 shares (one share for each vested performance right) or pay cash of 40c or higher per vested performance right.
- The vesting price of the performance rights will be the higher of \$0.40 and the volume-weighted average price (VWAP) of shares traded on the ASX over the 14 trading days prior to the end of Year 3.
- The performance rights vest upon the achievement of pre-determined targets relating to number of stores, revenue and profit. 1/3<sup>rd</sup> of the performance rights will vest for each target which is achieved. The target quantum of these metrics is listed below.

On acquisition date, AssetOwl granted 3,149,319 performance rights to the Vendors of AssetOwl Technologies Pty Ltd. The total number of performance rights which may be issued under Milestone 3 is 7,500,000, the additional 4,350,681 performance rights is subject to the below targets being met and the company receiving shareholder approval to issue the additional performance rights.

Targets for Milestone 3 relate to the calendar 2019 year, if the Milestone 3 targets disclosed below are not achieved during that year, the underlying performance rights for that year will lapse. Number of stores means the number of stores at the end of the year.

**Milestone targets:**

The milestone targets for milestones 1, 2 and 3 are as below, 33% of each year's maximum performance rights will vest upon achievement of each of the stated targets.

	<b>Milestone 1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>
<b>Number of Stores</b>	320	1,152	1,408
<b>Revenue</b>	\$3,008,000	\$5,760,000	\$10,400,000
<b>NPBT</b>	Break-even	\$1,792,000	\$5,696,000

For all milestones, there is no minimum amount payable.

**If liability settled in cash (at the election of AssetOwl Limited):**

For each performance right that vests, the amount payable in cash is equivalent to the deemed vesting price of each performance right.

**Significant Judgement**

At acquisition date on the 23<sup>rd</sup> of December 2016, the directors assessed the fair value of the contingent consideration at \$2,209,955. This value was based on the likelihood of performance targets being met; the number of performance rights which may vest under the share purchase agreement for the acquisition of AssetOwl Technologies Pty Ltd; and the price of shares issued by the company in December 2016 to acquire the Company, 20c per share.

At 30 June 2017, the value of the contingent consideration has been re-assessed and the following changes have resulted in a decrease in the value of the liability to \$1,822,335, being a reduction of \$387,620.

- The liability at acquisition date was calculated based on the share price of AssetOwl Limited of 20c, at 30 June 2017, the closing price of AssetOwl Limited's shares on the ASX was 16c per share.
- The likelihood of performance targets relating to class A performance rights being met has been decreased from 50% to 33⅓%.
- The likelihood of performance targets relating to class B performance rights being met has been increased from 33⅓% to 60%.
- The likelihood of performance targets relating to class C performance rights being met has been increased from 33⅓% to 60%.

The financial liability is a level 3 financial instrument due to the use of unobservable inputs. The following table summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement:

Description	Fair Value at 30 June 2017	Unobservable inputs	Range of Inputs
Contingent consideration	\$1,822,335	Probability of achieving milestones disclosed above	Milestone 1: 33⅓% Milestone 2: 60% Milestone 3: 60%

*Sensitivity of fair value measurement to changes in unobservable inputs*

If the probability of achieving each milestone was 10% higher or lower, the fair value would increase/decrease by \$410,389.

## Part 20 – Details of Associates and Joint Venture Entities

	Ownership interest		Contribution to net profit/(loss)	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
<b>Name of Entity</b>	N/A	N/A	N/A	N/A
<b>Associate</b>	N/A	N/A	N/A	N/A
<b>Joint Venture Entities</b>	N/A	N/A	N/A	N/A
<b>Aggregate Share of Losses</b>	N/A	N/A	N/A	N/A

## Part 21 – Issued Securities

	2017 (\$)	2016 (\$)
Opening balance at the beginning of the year	11,704,402	9,758,246
Rights issue allotment	-	2,028,159
Shares issued for capital raising	3,500,000	-
Shares issued for acquisition of AssetOwl Technologies Pty Ltd	3,000,000	-
Shares issued for advisory services in relation to the acquisition of AssetOwl Technologies Pty Ltd	200,000	-
Share Issue costs	(1,359,011)	(82,003)
<b>Total Share Capital</b>	<b>17,045,391</b>	<b>11,704,402</b>

## Movements of share capital during the year

Date	Details	No of shares	Issue price( \$)	\$
01.07.2016	Balance at 30 June 2016	<b>270,421,120</b>		<b>11,704,402</b>
17.11.2016	Share Consolidations 1 for 10 Basis	(243,379,004)		-
23.12.2016	Public Offer	17,500,000	0.20	3,500,000
23.12.2016	Acquisition of AssetOwl Technologies Pty Ltd	15,000,000	0.20	3,000,000
23.12.2016	Advisory fee for acquisition of AssetOwl Technologies Pty Ltd	1,000,000	0.20	200,000
23.12.2016	Share Issue costs			(1,359,011)
<b>Closing Balance as at 30/06/2017</b>		<b>60,542,116</b>		<b>17,045,391</b>

## Options

The following options to subscribe for ordinary fully paid shares are outstanding at balance date:

- 19,750,000 Options expiring 30 June 2019, exercisable at 40 cents
- 10,140,793 Options expiring 30 September 2018, exercisable at 20 cents
- 5,000,000 Options expiring 31 March 2019, exercisable at 25 cents

## Performance Rights

The following Performance Rights are outstanding at balance date:

- 15,000,000 Class A Performance Rights convertible to 1 fully paid ordinary share each, subject to performance milestones being achieved in 2017
- 7,500,000 Class B Performance Rights convertible to 1 fully paid ordinary share each, subject to performance milestones being achieved in 2018
- 3,149,319 Class C Performance Rights convertible to 1 fully paid ordinary share each, subject to performance milestones being achieved in 2019

## Part 22 – Segment Information

For the year ended 30 June 2017, the Consolidated Entity had only one geographical location being Australia and operated in two business segments being a Software Development and mineral exploration. The operating segment of Software Development was acquired on the 23<sup>rd</sup> of December 2016 and the results shown below therefore only include the period since the date of acquisition.

From 23 December 2016, when AssetOwl Technologies Pty Ltd (formerly AssetOwl Pty Ltd) was acquired, the nature of the company changed to that of a software development company, and management monitors the business of AssetOwl Technologies Pty Ltd as a separate segment to the mineral exploration segment.

	<b>Software Development</b>	<b>Mineral Exploration</b>	<b>Corporate Administration</b>	<b>Total</b>
<b>30 June 2017</b>				
Reportable segment profit/(loss)	(847,867)	(57,990)	-	(905,857)
Other profit/(loss)	-	-	(499,906)	(499,906)
Reportable segment assets	5,074,531	-	3,406,109	8,480,640
Reportable segment liabilities	(2,026,287)	-	(29,717)	(2,056,004)
	<b>Software Development</b>	<b>Mineral Exploration</b>	<b>Corporate Administration</b>	<b>Total (Restated*)</b>
<b>30 June 2016 (Restated)</b>				
Reportable segment profit/(loss)	N/A	(95,100)	-	(95,100)
Other profit/(loss)	N/A	-	(425,018)	(425,018)
Reportable segment assets	N/A	-*	1,108,967	1,108,967
Reportable segment liabilities	N/A	(1,650)	(76,981)	(78,631)

\* During the year the Group elected to change the method of accounting for exploration and evaluation expenditure, and to this end, the Group's consolidated Statement of Financial Position now reflects that exploration and evaluation expenditure which was previously capitalised is now expensed as incurred.



**Reconciliation of reportable segment loss to the Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2016 (Restated*)
	Software Development	Mineral Exploration	Corporate Administration	Total	
Reportable segment profit/(loss)	-	(57,990)		(57,990)	(95,100)
Other profit/(loss)					
• Interest revenue	17	-	15,683	15,700	667
• R & D Benefit	514,722	-	-	514,722	-
• Depreciation and amortisation	(18,699)	-	-	(18,699)	-
• Corporate and administration	(76)	-	(171,838)	(171,914)	(145,167)
• Accounting expenses	(23,244)	-	(66,508)	(89,752)	(28,602)
• Legal expenses	(11,676)	-	(211,929)	(223,605)	(78,681)
• Professional consultant and contractor fees	(29,091)	-	(201,200)	(230,291)	(26,042)
• Employee benefit expenses	(10,072)	-	(196,566)	(206,638)	(133,536)
• Research and development expenses	(1,253,584)			(1,253,584)	
• Change in Fair Value Contingent Consideration payable	-	-	387,620	387,620	387,620
• Other expenses	(16,164)	-	(55,168)	(71,332)	(13,657)
<b>Profit/(Loss) after income tax benefit</b>	<b>(847,867)</b>	<b>(57,990)</b>	<b>(499,906)</b>	<b>(1,405,763)</b>	<b>(520,118)</b>

\* During the year the Group elected to change the method of accounting for exploration and evaluation expenditure, and to this end, the Group's consolidated Statement of Financial Position now reflects that exploration and evaluation expenditure which was previously capitalised is now expensed as incurred.

## Part 23 – Change in Accounting Policy

As a result of the change in accounting policy; Exploration and Evaluation expenditure which was previously capitalised has now been expensed and the prior year financial statements had to be restated. The below table shows the adjustments recognised for each individual line item, line items not affected by the change have not been included.

Statement of Profit or Loss and Other Comprehensive Income (Extract)

	30 June 2016 (Previously stated)	Impact of restatement	30 June 2016 Restated
	\$	\$	\$
<b>Revenue from continuing operations</b>	667		667
Accounting expenses	(28,602)	-	(28,602)
Legal expenses	(78,681)	-	(78,681)
Corporate and administrative expenses	(304,745)	-	(304,745)
Exploration expenditure	(2,626)	(90,054)	(92,680)
Tenements administration expenses	(2,420)		(2,420)
Other expenses	(13,657)	-	(13,657)
<b>LOSS BEFORE INCOME TAX</b>	<b>(430,064)</b>	<b>(90,054)</b>	<b>(520,118)</b>
Income tax benefit	-	-	-
<b>LOSS AFTER INCOME TAX</b>	<b>(430,064)</b>	<b>-</b>	<b>(520,118)</b>
Other Comprehensive Income	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(430,064)</b>	<b>-</b>	<b>(520,118)</b>

## Appendix 4E

Preliminary Final Report

### Statement of Financial Position (Extract)

	30 June 2016 (Previously stated)	Impact of restatement	30 June 2016 (Restated)
	\$		\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,097,149	-	1,097,149
Trade and other receivables	11,818	-	11,818
<b>Total Current Assets</b>	<b>1,108,967</b>	<b>-</b>	<b>1,108,967</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	1,582,707	(1,582,707)	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,582,707</b>	<b>(1,582,707)</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>2,691,674</b>	<b>(1,582,707)</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	76,703	-	76,703
Employee Benefit Obligation	1,928	-	1,928
<b>Total Current Liabilities</b>	<b>78,631</b>	<b>-</b>	<b>78,631</b>
<b>TOTAL LIABILITIES</b>	<b>78,631</b>	<b>-</b>	<b>78,631</b>
<b>NET ASSETS</b>	<b>2,613,043</b>	<b>(1,582,707)</b>	<b>1,030,336</b>

As a result of this restatement there was an impact on opening retained earnings at 1 July 2015 and 1 July 2016 of:

	1 July 2015 (Previously stated)	Impact of restatement	1 July 2015 Restated
	\$	\$	\$
Accumulated Losses	<b>(8,720,656)</b>	(1,492,653)	(10,213,309)

	1 July 2016 (Previously stated)	Impact of restatement	1 July 2016 Restated
	\$	\$	\$
Accumulated Losses	<b>(9,150,720)</b>	(1,582,707)	(10,733,427)

**Part 24 – Subsequent Events**

On the 10th of July 2017, AssetOwl Limited (AssetOwl) (ASX:AO1) announced that 7-Eleven Stores Pty Ltd (7-Eleven) and AssetOwl have executed a software service agreement to use the AssetOwl’s management platform for managing merchandise standards across its national store network.

As a software-as-a-service platform, AssetOwl will provide 7-Eleven access to its Audits and Properties modules along with a pay per action fee for use of these modules.

There were no other significant events subsequent to 30 June 2017 and prior to date of this report that have not been dealt with elsewhere in this report.

**Part 25 – Audit/Review Status**

**This report is based on accounts to which one of the following applies:**

(tick one)

The accounts have been audited	<input type="checkbox"/>	The Accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

Not Applicable

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the likely dispute or qualification:**

Not Applicable