



NUHEARA LIMITED
ABN 29 125 167 133

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

CORPORATE DIRECTORY

Directors

Justin Miller
Executive Chairman
Managing Director/Chief Executive Officer

David Cannington
Executive Director/
Executive Vice President of Sales &
Marketing

Dr Michael Ottaviano
Independent Non-Executive Director

Company Secretary

Susan Hunter

ASX Code

NUH

Website and Email

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Principal Place of Business

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Auditors

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MESSAGE FROM THE MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER

Dear Fellow Shareholders

Nuheara Limited ("Nuheara" or "Company") is pleased to present its Annual Report for the financial year ended 30 June 2016 ("FY16").

On 2 March 2016, the Company successfully listed on the Australian Securities Exchange (ASX) via a reverse takeover of Wild Acre Metals Limited. The Company secured \$3.5m of new equity upon the completion of the reverse takeover. The Company finished the financial year in a positive position, with \$1.99m in cash, \$940k in unearned income from a successful pre-order campaign and no debt. In addition, the Company's share price has traded successfully in both volume and price, to finish the financial year at 125% increase to the share price at listing.

Since listing, Nuheara, now co-located in offices in Perth and San Francisco, has continued to develop its IQbuds™ product from the successful stage-one working wearable prototype, launched in January 2016. The technology team has taken feedback from hundreds of beta testers, integrated this consumer feedback into the product development process and is now well down the path of scalable manufactured product with the Company's contact manufacturer of choice, Flextronics. The Company is now well positioned to achieve its remaining production milestones and will commence shipping in December 2016.

The overwhelming positive consumer response of the early stage prototype provided an opportunity for the Company to test the market sentiment and more importantly, the purchasing intent of a well-developed database of IQbuds™ followers. In a bold statement of the product's potential, the Company then successfully pre-sold in excess of AUD \$1m worth of IQbuds™ in a 60-day campaign period utilising the Indiegogo platform. A result that has seen the product pre-sold directly to consumers in 82 countries.

This has now fostered a diversified range of interested global retailers and distributors including:

- Multi-national Consumer Electronics Retailers
- Speciality Retail/Duty Free
- Pharmacies/Drug Stores
- Audiological practitioners and hearing chains

With the strong position afforded by the Company's technological and corporate achievements of 2016, the Company is poised to target the following milestones by 30 June 2017:

- Commence shipping of IQbuds™ from December 2016
- Global launch of IQbuds™ at the Consumer Electronics Show in Las Vegas in January 2016
- Establish diversified retail and distribution partners in Australia, North America and Europe
- Forge strategic partnerships with industry related technology partners

On behalf of the Board of Directors I would sincerely like to thank our shareholders, employees, and partners for their support during what has been an exciting and defining year. I would also extend our appreciation to our pre-order customers who have demonstrated the great potential of IQbuds™ and how our sophisticated augmented hearing technology is providing us with a unique global market opportunity.



INTELLIGENT
WIRELESS EARBUDS

Yours faithfully
Justin Miller

A handwritten signature in black ink, appearing to read "Justin Miller", written over a white background.

Managing Director/Chief Executive Officer

DIRECTORS' REPORT

The Directors have the pleasure in presenting their report, together with the financial statements of the Company, being the Company and its controlled entities, for the year ended 30 June 2016.

1. Directors

The Directors in office at any time during or since the end of the financial year are:

Dr Michael Ottaviano *B.Eng, MSc, DBA, MAICD, M.I.EngAus* (Independent Non-Executive Director)
Appointed: 25 February 2016

Dr Ottaviano has been employed by Carnegie Wave Energy Ltd (Carnegie) since January 2006 and was made Managing Director in March 2007. Dr Ottaviano oversees all activities that Carnegie undertakes including all commercial and technical aspects of Carnegie's operations, engineering and design, intellectual property and finance and administration. During his time as CEO Dr Ottaviano has lead Carnegie's development of its CETO Wave Energy technology from proof of concept, through a pilot plant phase and into the initial commercial demonstration stages and has been responsible for raising \$77m in equity, \$35m in Government grant funding and \$20m in a loan facility.

Dr Ottaviano has previously worked in research and development and was a divisional manager for a private Australian engineering company. Prior to joining Carnegie, he was a senior manager specialising in technology and innovation consulting at a global accounting and advisory firm. He has advised companies on new product development, intellectual property, innovation portfolio management and technology commercialisation across various industries and ranging from start-ups to ASX-listed companies with market capitalisation in excess of \$1 billion. He has also been a board member of the Clean Energy Council, Australia's clean energy peak industry group, and a member of the Australian Government's Energy White Paper High Level Consultative Committee.

During the past three years, Dr Ottaviano served as a director of the following listed company:

- Carnegie Wave Energy Limited – appointed 16 March 2007*

**Denotes current directorship*

Justin Miller (Executive Chairman and Chief Executive Officer)
Appointed: 25 February 2016

Mr Miller is a serial entrepreneur who has developed a thorough knowledge of the global technology and innovation marketplace during his 25-year executive career. Throughout the course of his career, Mr Miller has successfully founded and managed the aggressive and profitable growth of technology, manufacturing and service related companies. This includes strategic acquisitions, capital raisings, research & development, product development & onshore/offshore manufacture, significant staff growth and multi-million dollar sales deals involving both direct & channel sales models.

Mr Miller founded ASX-listed IT services company Empired Limited and most recently was the founder and CEO of industrial hearing and communication company, Sensear Pty Ltd, where he was responsible for growing the global business from the San Francisco bay area.

Mr Miller did not have any directorships in other listed companies during the past three years.

David Cannington (Executive Director and Executive Vice President of Sales & Marketing)
Appointed: 25 February 2016

Mr Cannington has over 25 years' global sales and marketing experience. He has held senior positions in sales and marketing for companies spanning consumer packaged goods (Cadbury Schweppes), advertising (McCann Erickson) data analytics (Neochange) and hearing technology (Sensear Pty Ltd). He has advised many start-ups on go-to-market and growth strategies and was the founding CEO of ANZA Technology Network, a leading cross-pacific technology entrepreneurs network. Mr Cannington has been recognised as one of the most influential Australian technology executives in Silicon Valley and brings a global perspective to technology commercialisation.

Mr Cannington did not have any directorships in other listed companies during the past three years.

DIRECTORS' REPORT

1. Directors (continued)

William R (Rick) Brown - Non-Executive Director, resigned 25 February 2016

Jeffrey Moore - Non-Executive Director, resigned 25 February 2016

Grant Mooney – Executive Chairman, resigned 6 June 2016

Directorships of other listed companies held by former Directors in the past three years are as follows:

Former Director	Company	Period of Directorship
William R (Rick) Brown	Quia Resources Inc.	4 January 2011 to 16 December 2013
Jeffrey Moore	Riedel Resources Ltd	September 2010 to present
Grant Mooney	Attila Resources Limited	16 February 2010 to 10 October 2012
	Barra Resources Limited	29 November 2002 to present
	Carbine Resources Limited	18 January 2012 to 2 September 2014
	Carnegie Wave Energy Limited	19 February 2008 to present
	Phosphate Australia Limited	14 October 2008 to present
	Talga Resources Limited	20 February 2014 to present

2. Company Secretary

Susan Hunter *BCom, ACA, F Fin, GAICD, AGIA* – Company Secretary

Appointed: 6 June 2016

Ms. Hunter has over 20 years' experience in the corporate finance industry and is founder and Managing Director of consulting firm Hunter Corporate Pty Ltd which specialises in the provision of corporate governance and company secretarial advice to ASX listed companies. Ms. Hunter holds a Bachelor of Commerce degree from the University of Western Australia majoring in accounting and finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Member of the Governance Institute of Australia and is a Member of the Australian Institute of Company Directors.

Grant Mooney – Company Secretary, resigned 6 June 2016

3. Principal Activities

The principal activity of the Company is the development and commercialisation of its proprietary hearing and wearables technology platform.

4. Dividends

No dividend has been declared or paid by the Company since the start of the financial year and the Directors do not recommend a dividend in relation to the financial year ended 30 June 2016.

5. Operating and Financial Review

Our Business Model and Objectives

Nuheara is an innovative audio Wearables company. It is developing proprietary hardware and software to deliver multi-functional intelligent hearing technology that augments a user's hearing and facilitates cable free connection to smart devices. With Nuheara IQbuds™, it is intended that consumers will be able to augment their hearing according to their personal hearing preferences and connect hands free with other voice enabled smart devices. Nuheara's mission is to improve people's lives by allowing them to seamlessly listen, communicate and connect to their physical and digital world.

DIRECTORS' REPORT

5. Operating and Financial Review (continued)

Operating Results

The comprehensive loss of the Company after income tax for the financial year amounted to \$6,716,807 (2015: loss of \$1,406). Revenues of \$12,431 related solely to interest income (2015: Nil revenue). Expenditure incurred relates to research, prototype, design and other associated costs to progress with the commercialisation of the Company's hearing and wearables platform.

Peru mining tenements

Whilst the Company recognises the value in its resources project in Peru, the directors are also cognisant of the fact that raising funds for continued exploration and development of this project is difficult in the current economic environment. Accordingly, the directors have decided to divest these assets within the next 12 months.

Review of Operations

Since listing, Nuheara, now co-located in offices in Perth and San Francisco, has continued to develop its IQbuds™ product from the successful stage-one working wearable prototype, launched in January 2016. The technology team has taken feedback from hundreds of beta testers, integrated this consumer feedback into the product development process and is now well down the path of scalable manufactured product with the Company's contact manufacturer of choice, Flextronics. The Company is now well positioned to achieve its remaining production milestones and will commence shipping in December 2016.

Performance Indicators

Management and the Board monitor the Company's overall performance, from the execution of its strategic plan through to the performance of the Company against operating plans and financial budgets.

The Board, together with management have identified key performance indicators (KPI's) that are used to monitor performance. Directors receive the KP'Is for review prior to each monthly Board meeting allowing all directors to actively monitor the Company's performance.

Shareholder Returns

The Company's return to shareholders is as follows:

	2016	2015
Basic loss per share (cents per share)	(2.22)	(0.00)
Diluted loss per share (cents per share)	(2.09)	(0.00)

Review of Financial Condition

Liquidity and Capital Resources

The Statement of Cash Flows illustrates that cash used in operating activities amounted to \$1,277,708 (2015: outflow of \$1,406). This increase in outgoings in comparison to 2015 is largely due to the research, prototype, design and other associated costs to progress with the commercialisation of the Company's hearing and wearables platform. Net outflows of \$16,175 used in investing activities comprised: \$160,879 to acquire plant and equipment, \$24,136 for deposits paid, offset by the sale of mining tenements in Australia of \$131,364 and \$37,476 cash received as part of the acquisition of Nuheara IP Pty Ltd. The net increase in the cash outflows from operating and investing activities was funded by \$3.5m cash received from the raising of funds from the public offering in February 2016, less \$212,089 share raising expenses.

DIRECTORS' REPORT

5. Operating and Financial Review (continued)

The net tangible asset backing of the Group was 0.348 cents per share (2015: \$(13.06) per share).

Asset and capital structure

	2016	2015
	\$	\$
Debts:		
Trade and other payables	571,645	-
Less: Cash and cash equivalents	(1,994,128)	(100)
Net cash	(1,422,483)	(100)
Total equity	1,927,033	(1,306)
Total capital employed	504,550	(1,406)

The level of gearing in the Company is within acceptable limits set by the Directors.

Share issues during the year

The Company issued 390,427,321 shares during the year:

- 16 October 2015 issue 12,500,000 shares @ \$0.008 each to raise funds for working capital
- 29 October 2015 issue 9,375,000 shares @ \$0.016 each to raise funds for working capital
- 9 December 2015 issue 2,500,000 shares to Teck Resources Limited in consideration for 100% interest in Salvador Project
- 25 February 2016 issue 140,000,000 shares pursuant to Prospectus @ \$0.025 each
- 25 February 2016 issue 201,250,000 shares issued to Nuheara shareholders
- 25 February 2016 issue 24,802,321 shares to facilitator at \$0.025 each

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee. Instead sub-committees are convened as appropriate in response to issues and risks identified by the Board as a whole and the sub-committee further examines the issue and reports back to the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved budget and Board monitoring of progress against budget, including the establishment and monitoring of financial KPI's; and
- The establishment of committees to report on specific business risks.

6. Significant Changes in the State of Affairs

Significant changes in the state of affairs during the year ended 30 June 2016 are as follows:

- 18 May 2015 - Nuheara Limited (formerly Wild Acre Metals Limited) entered into a binding agreement to acquire Nuheara IP Pty Ltd. Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd under the reverse acquisition rules under Australian Accounting Standard AASB3: *Business Combinations*.
- 25 January 2016 - the Company issued a prospectus for the purposes of raising \$3.5m in new equity for the acquisition of Nuheara IP Pty Ltd (formerly Nuheara Pty Ltd). The prospectus was oversubscribed and the Company was successfully reinstated to trading on the Australian Stock Exchange on 2 March 2016. The Company's activities were changed from that of mining exploration to technology development.
- 7 March 2016 - consistent with the Company's new business of technology development, it disposed of its 100% interest in mineral leases at Mt Ida, Western Australia for \$136,363 (\$5,000 deposit was received prior to acquisition), whilst retaining a 1.5% net smelter royalty (NSR) over all gold and base metals produced from the mineral leases with the NSR from gold production commencing after 10,000 ounces of production.
- 5 April 2016 – 60-day global pre-order sales and marketing campaign launched through the Indiegogo crowdfunding campaign online platform.
- 3 June 2016 – Indiegogo campaign officially closed with sales exceeding \$1m, representing 3,632 sets of IQbuds™.

DIRECTORS' REPORT

7. Likely Developments

Consistent with the Company's business plan, Nuheara will continue to work towards its productisation and commercialisation timelines. Commercial production of IQbuds™ is planned for the end of the 2016 calendar year, with shipment to "early supporters" to commence in December 2016.

Whilst these dates may be subject to change due to factors outside of the Company's control, management are confident that they are achievable based on the current development stage of the IQbuds™ and the management team's previous product development experience.

Nuheara will formally launch IQbuds™ at the world's largest and high profiled consumer electronics trade fair, the Consumer Electronics Show in Las Vegas, USA in January 2017.

8. Significant Events after Balance Date

There were no events subsequent to the end of the financial year that would have a material effect on these financial statements.

9. Environmental Regulation

The Company's operations are not subject to any significant environmental, Commonwealth or State, regulations or laws.

10. Share Options

As at the date of this report, the Company has 85,469,445 options over ordinary shares. These options have been issued on the following terms.

Number of Unlisted Options	Exercise Price	Expiry Date
2,000,000	\$0.20 each	28 October 2016
7,900,000	\$0.15 each	31 January 2017
2,000,000	\$0.10 each	27 May 2017
8,319,445	\$0.10 each	15 September 2017
500,000	\$0.10 each	20 November 2017
20,000,000	\$0.03 each	25 February 2019 ⁽¹⁾
30,000,000	\$0.05 each	31 May 2019 ⁽²⁾
6,000,000	\$0.04 each	18 April 2019
5,500,000	\$0.06 each	18 April 2019
3,250,000	\$0.09 each	20 April 2019
TOTAL	85,469,445	

(1) ASX escrow for 24 months from quotation of securities

(2) ASX escrow for 24 months from quotation of securities

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

DIRECTORS' REPORT

11. Remuneration Report (Audited)

This report, which forms part of the Directors' Report, details the amount and nature of remuneration of each Key Management Personnel of the Company. Other than Directors, there were no executive officers of the Company included in Key Management Personnel during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component, performance related bonus and a specific equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning executives' objectives with shareholder and business objectives.

The remuneration policy in regards to settling terms and conditions for the Executive Directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of Non-Executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of Non-Executive Directors is \$250,000 per annum. The apportionment of Non-Executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. Remuneration is not linked to specific performance criteria.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the Non-Executive Directors and reviews their remuneration on an individual basis, based on market practices, duties and accountability. Independent external advice is sought when required. Remuneration is not linked to the performance of the Company.

There are no service or performance criteria on the options granted to Directors as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. The Board has a policy of granting options to Directors with exercise prices above the respective share price at the time that the options were agreed to be granted. As such, options granted to Directors will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising the options granted. Given the stage of development of the Company and the high risk nature of its activities, the Board considers that the prospects of the Company and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings.

Executives receive a superannuation guarantee contribution required by the Government, currently 9.5% and do not receive any other retirement benefit. The Directors are not entitled to any termination benefits.

The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in relation to the options issued by the Company.

DIRECTORS' REPORT

11. Remuneration Report (Audited) (continued)

Details of remuneration provided to Directors during the year are as follows:

		Short-Term Employee Benefits		Post-Employment Benefits	Share-Based Payments		Total	% of Total Consisting of Options
		Salary & Consulting Fees	Bonus	Superannuation	Shares	Options		
		\$	\$	\$	\$	\$	\$	
Grant Mooney	2016	30,444	-	2,850	-	-	33,294	-
<i>(resigned 6 June 2016)</i>	2015	18,404	-	3,656	20,080	-	42,140	-
Justin Miller ⁽¹⁾	2016	79,886	-	6,606	-	117,916	204,408	58%
	2015	-	-	-	-	-	-	-
David Cannington ⁽¹⁾	2016	91,302	-	-	-	117,916	209,218	56%
	2015	-	-	-	-	-	-	-
Michael Ottaviano	2016	10,000	-	950	-	-	10,950	-
	2015	-	-	-	-	-	-	-
Rick Brown	2016	19,603	-	-	-	-	19,603	-
<i>(resigned 25 February 2016)</i>	2015	23,530	-	-	12,500	-	36,030	-
Jeffrey Moore	2016	19,603	-	1,862	-	-	21,465	-
<i>(resigned 25 February 2016)</i>	2015	17,158	-	2,817	12,500	1,365	33,840	4%
Philip Snowden	2016	-	-	-	-	-	-	-
<i>(resigned 8 September 2014)</i>	2015	5,658	-	537	-	-	6,195	-
TOTAL	2016	250,838	-	12,268	-	235,832	498,938	47%
TOTAL	2015	64,750	-	7,010	45,080	1,365	118,205	1%

Notes:

(1) Justin Miller and David Cannington received 10,000,000 options each as part of the Nuheara Pty Ltd acquisition. As at the date of this report, 6,666,667 of these options had vested.

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.

DIRECTORS' REPORT

11. Remuneration Report (Audited) (continued)

Services Agreements

Justin Miller – Chief Executive Officer

Mr Miller has been engaged as an Executive Director of the Company pursuant to an employment and services agreement between the Company and Mr Miller (Miller Agreement).

The total annual remuneration payable to Mr Miller under the Miller Agreement is a salary of \$210,000 per annum. Mr Miller will also be entitled to participate in short term and long term incentives agreed between the Company and Mr Miller.

The Miller Agreement commenced on 2 March 2016 and employment under the Miller Agreement will continue until terminated in accordance with the Miller Agreement (Term). During the Term, the Miller Agreement may be terminated by the Company at any time:

- by 6 months' written notice to Mr Miller, at which time the Company will immediately pay Mr Miller 6 months' base salary in lieu;
- by 3 written months' notice to Mr Miller in cases of prolonged illness or incapacity (mental or physical); or
- by summary notice in circumstances where Mr Miller neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Miller Agreement may be terminated by Mr Miller at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Miller may also terminate the Miller Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Miller Agreement.

In the event of a change of control, Mr Miller will receive a bonus payment comprising of a lump sum gross payment of 12 months' base salary.

Mr Miller is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Miller Agreement contains additional provisions considered standard for agreements of this nature.

David Cannington – Executive Vice President of Sales and Marketing

Mr David Cannington has been engaged as an Executive Director of the pursuant to an employment and services agreement between the Company and Mr Cannington (Cannington Agreement).

The total annual remuneration payable to Mr Cannington under the Cannington Agreement is a salary of US\$175,000 per annum and a health care allowance of US\$750 per month. Mr Cannington will also be entitled to participate in short term and long term incentives as agreed between the Company and Mr Cannington.

The Cannington Agreement commenced on 2 March 2016 and employment under the Cannington Agreement will continue until terminated in accordance with the Cannington Agreement (Term). During the Term, the Cannington Agreement may be terminated by the Company at any time:

- by 6 months' written notice to Mr Cannington, at which time the Company will immediately pay Mr Cannington 6 months' base salary in lieu;
- by 3 months' written notice to Mr Cannington in cases of prolonged illness or incapacity (mental or physical); or
- by summary notice in circumstances where Mr Cannington neglects to perform his duties or comply with reasonable or proper direction or engages in serious misconduct.

Otherwise, the Cannington Agreement may be terminated by Mr Cannington at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Cannington may also terminate the Cannington Agreement immediately by giving notice if at any time the Company is in breach of a material term of the Cannington Agreement.

In the event of a change of control, Mr Cannington will receive a bonus payment comprising of a lump sum gross payment of 12 months' base salary.

DIRECTORS' REPORT

11. Remuneration Report (Audited) (continued)

Services Agreements (continued)

Mr Cannington is also subject to restrictions in relation to the use of confidential information during and after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company and for a period of 12 months after his employment with the Company ceases, on terms which are otherwise considered standard for agreements of this nature.

The Cannington Agreement contains additional provisions considered standard for agreements of this nature.

Directors' Interests

The relevant beneficial interest of each director in the ordinary share capital of the Company shown in the register of Directors' shareholdings are as follows:

Ordinary Shares	Opening balance 1 July 2015 or balance on appointment	Issued during the year	Purchased during the year	Closing Balance 30 June 2016 or resignation date
Grant Mooney ⁽¹⁾ (resigned 6 June 2016)	21,334,604	0	0	21,334,604
Justin Miller ⁽²⁾	0	63,142,857	0	63,142,857
David Cannington	0	63,142,857	0	63,142,857
Michael Ottaviano	0	24,802,321	0	24,802,321
Rick Brown (resigned 25 February 2016)	5,056,875	0	0	5,056,875
Jeffrey Moore ⁽³⁾ (resigned 25 February 2016)	2,499,375	0	0	2,499,375
Total	28,890,854	151,088,035	0	179,978,889

Notes:

- (1) 10,624,604 shares are held by Grant Mooney, 1,596,500 shares are held by spouse and children of Grant Mooney and 816,075 shares are held by Mooney & Partners Pty Ltd of which Grant Mooney is a director and shareholder. 5,297,425 shares are held by Ocean Flyers Pty Ltd as trustee for S&G Mooney Superannuation A/c of which Grant Mooney is a director and beneficiary. 3,000,000 shares are held by Shoal Capital Pty Ltd – Grant Mooney is a director and shareholder.
- (2) 63,142,857 shares are held by Wasagi Corporation Pty Ltd as trustee for the Wasagi Family Trust of which Justin Miller is a beneficiary.
- (3) 2,421,875 shares are held by Jeffrey Moore. 77,500 shares are held by Manyhills Pty Ltd – Jeffrey Moore is a director and shareholder.

The relevant beneficial interest of each director in the options over ordinary share capital of the Company shown in the register of directors' option holdings are as follows:

Options	Opening balance 1 July 2015 or balance on appointment	Issued during the year	Expired during the year	Closing Balance 30 June 2016 or resignation date
Grant Mooney ⁽¹⁾ (resigned 6 June 2016)	1,751,389	0	0	1,751,389
Justin Miller ⁽²⁾	0	10,000,000	0	10,000,000
David Cannington	0	10,000,000	0	10,000,000
Michael Ottaviano	0	0	0	0
Rick Brown (resigned 25 February 2016)	1,366,667	0	0	1,366,667
Jeffrey Moore (resigned 25 February 2016)	500,000	0	0	500,000
Total	3,618,056	20,000,000	0	23,618,056

Notes:

- (1) 1,025,694 unlisted options are held by Grant Mooney. 725,695 unlisted options are held by Ocean Flyers Pty Ltd as trustee for S&G Mooney Superannuation A/c of which Grant Mooney is a beneficiary.
- (2) 10,000,000 unlisted options are held by Wasagi Corporation Pty Ltd as trustee for the Wasagi Family Trust of which Justin Miller is a beneficiary.

DIRECTORS' REPORT

11. Remuneration Report (Audited) (continued)

Options Granted

There were 20,000,000 options issued to Directors for the year ended 30 June 2016. These were options issued pursuant to the Company Prospectus dated 25 January 2016.

2016	Grant Details			For the financial year ended 30 June 2016				Overall			
	Date	No. ⁽¹⁾	Value \$	Exercised No.	Exercised \$	Lapsed No.	Lapsed \$	Vested No.	Vested %	Unvested % ⁽³⁾	Lapsed %
Justin Miller	25/02/2016	10,000,000 ⁽²⁾	147,000	-	-	-	-	6,666,666	66.6%	33.4%	-
David Cannington	25/02/2016	10,000,000	147,000	-	-	-	-	6,666,666	66.6%	33.4%	-

Notes:

(1) The options issued to Justin Miller and David Cannington were issued pursuant to the prospectus dated 25 January 2016.

(2) 10,000,000 unlisted options are held by Wasagi Corporation Pty Ltd as trustee for the Wasagi Family Trust of which Justin Miller is a beneficiary.

(3) The unvested options will vest with the achievement of a milestone of commercial production commencing by December 2016.

Option values at grant date were determined using the Black-Scholes method.

Shares issued

2016:

During the 2016 year, the following shares were issued to Directors or their nominees, pursuant to the prospectus:

- 63,142,857 shares were issued to Justin Miller or his nominee
- 63,142,857 shares were issued to David Cannington or his nominee
- 24,802,321 shares were issued to Michael Ottaviano or his nominee

2015:

During the 2015 year, the following shares we issued in remuneration:

- 5,116,290 shares were issued to Grant Mooney or his nominee.
- 1,560,605 shares were issued to Rick Brown.
- 1,560,605 shares were issued to Jeff Moore.

Other Transactions with KMP and/or their related parties

During the year, companies associated with Grant Mooney were paid for company secretarial services provided to the Company totalling \$88,000 (2015: \$48,000).

During the year, Grant Mooney was paid for rental of office premises totalling \$13,500 including GST (2015: \$18,150) pursuant to lease and sub-lease arrangements.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

12. Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2016 and the number of meetings attended by each Director:

Director	Number Attended	Number Eligible to Attend
Grant Mooney (<i>resigned 6 June 2016</i>)	1	1
Justin Miller (<i>appointed 25 February 2016</i>)	2	2
David Cannington (<i>appointed 25 February 2016</i>)	2	2
Michael Ottaviano (<i>appointed 25 February 2016</i>)	2	2
Rick Brown (<i>resigned 25 February 2016</i>)	-	-
Jeffrey Moore (<i>resigned 25 February 2016</i>)	-	-

In addition, there were 15 circular resolutions undertaken during the year.

13. Indemnifying Officers or Auditor

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has paid premiums to insure all Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums in total amounted to \$25,450 (including GST).

14. Proceedings on Behalf of the Company

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

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

15. Auditor

Hall Chadwick WA Audit (formally Maxim Audit) has been appointed auditor of the Company in accordance with section 327 of Corporations Act 2001. In accordance with section 324DAA of the Corporations Act 2001, the Company has resolved to extend the appointment of Mr Mark A Lester as lead auditor for a period of two years ending on 30 June 2016. The Directors are of the opinion that the auditor has procedures in place to ensure there will be no deterioration of audit quality as a result of the extension and the extension will not give rise to a conflict of interest situation.

16. Non Audit Services

The Board of Directors is satisfied that there was no provision of non-audit services during the year.

17. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 13 of the financial report.

Made and signed in accordance with a resolution of the Directors.



Justin Miller
Managing Director/Chief Executive Officer

Perth, 27 September 2016

PERTH

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Australia

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF NUHEARA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been no contraventions of:

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

Hall Chadwick WA Audit

Hall Chadwick WA Audit
Chartered Accountants

M A Lester

M A Lester

Perth, WA

Dated this 27th day of September 2016

NUHEARA LIMITED
ABN 29 125 167 133

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$	2015 \$
Interest earned		12,431	-
		<u>12,431</u>	<u>-</u>
Employee benefits		(440,981)	-
Prototyping and design		(603,289)	-
Marketing and promotional		(305,110)	-
Research		(117,294)	-
Patents, trademarks and intellectual property		(9,760)	-
Depreciation		(5,077)	-
Professional fees		(426,820)	-
Occupancy costs		(28,920)	-
Share based payments		(31,919)	-
Loss on disposal of assets		(3,558)	-
Administrative expenses		(217,988)	(1,406)
Listing costs	22	(4,509,966)	-
Foreign exchange loss		(306)	-
Total expenses		(6,700,988)	(1,406)
Loss before tax from continuing operations		(6,688,557)	(1,406)
Income tax benefit	2	-	-
Net loss after tax from continuing operations		(6,688,557)	(1,406)
Loss from discontinued operations			
Change in carrying value of disposal group		(2,443)	-
Loss on disposal group		(25,807)	-
Total loss from discontinued operations		(28,250)	-
Other comprehensive profit		-	-
Total other comprehensive profit for the year		-	-
Total comprehensive loss for the year		(6,716,807)	(1,406)
Total comprehensive loss attributable to:			
Equity holders		(6,716,807)	(1,406)
Total comprehensive loss		(6,716,807)	(1,406)
Earnings per share			
Basic loss per share (cents per share)	15	(2.22)	(0.00)
Diluted loss per share (cents per share)	15	(2.09)	(0.00)

The accompanying notes form part of these financial statements.

NUHEARA LIMITED
ABN 29 125 167 133

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	NOTES	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents		1,994,128	100
Trade and other receivables	3	948,369	-
Inventory		15,147	-
Disposal group – mining tenements held for sale		206,233	-
Other current assets	4	113,778	-
TOTAL CURRENT ASSETS		3,277,655	100
NON-CURRENT ASSETS			
Plant and equipment	5	160,399	-
Security deposits		24,136	-
TOTAL NON-CURRENT ASSETS		184,535	-
TOTAL ASSETS		3,462,190	100
CURRENT LIABILITIES			
Trade and other payables	6	571,645	-
Unearned income		939,210	-
Provisions	7	24,302	-
TOTAL CURRENT LIABILITIES		1,535,157	-
NON-CURRENT LIABILITIES			
Trade and other payables	6	-	1,406
TOTAL NON-CURRENT LIABILITIES		-	1,406
TOTAL LIABILITIES		1,535,157	1,406
NET ASSETS		1,927,033	(1,306)
EQUITY			
Issued capital	8	8,229,327	100
Share option reserve		415,919	-
Accumulated losses		(6,718,213)	(1,406)
TOTAL EQUITY		1,927,033	(1,306)

The accompanying notes form part of these financial statements.

NUHEARA LIMITED
ABN 29 125 167 133

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Ordinary Shares \$	Accumulated Losses \$	Share Option Reserve \$	Total \$
Balance at 1 July 2014	-	-	-	-
Comprehensive Income				
Loss for the year	-	(1,406)	-	(1,406)
Total comprehensive loss for the year	-	(1,406)	-	(1,406)
Transactions with owners in their capacity as owners				
Shares issued during the year	100	-	-	100
Balance at 30 June 2015	100	(1,406)	-	(1,306)
Balance at 1 July 2015	100	(1,406)	-	(1,306)
Comprehensive Income				
Loss for the year	-	(6,716,807)	-	(6,716,807)
Total comprehensive loss for the year	-	(6,716,807)		(6,716,807)
Transactions with owners in their capacity as owners				
Shares issued during the year	8,825,315	-	-	8,825,315
Share issue costs	(596,088)	-	-	(596,088)
Options issued during the year	-	-	415,919	415,919
	8,229,227	-	415,919	8,645,146
Balance at 30 June 2016	8,229,327	(6,718,213)	415,919	1,927,033

The accompanying notes form part of these financial statements.

NUHEARA LIMITED
ABN 29 125 167 133

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,289,709)	(1,406)
Interest received		12,001	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	23	<u>(1,277,708)</u>	<u>(1,406)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(160,879)	-
Deposits paid		(24,136)	-
Proceeds from disposal of mining tenements		131,364	-
Cash acquired as part of acquisition	22	37,476	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(16,175)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share and option issues		3,500,000	100
Share raising costs		(212,089)	-
Proceeds from shareholders' loans		-	1,406
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>3,287,911</u>	<u>1,506</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		1,994,028	100
Cash and cash equivalent at beginning of the financial year		100	-
Cash and cash equivalent at the end of the financial year		<u>1,994,128</u>	<u>100</u>

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

It is important to read the following definitions in order to assist with understanding this report.

For the purposes of this report:

Nuheara IP Pty Ltd or **Company** refers to the company purchased by Nuheara Limited on 25 February 2016. As required by Australian Accounting Standard *AASB3: Business Combinations*, Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd as at 25 February 2016 under the reverse acquisition rules. While the financial statements are headed with the legal acquirer, Nuheara Limited, the financial statements presented are a continuation of those of the accounting acquirer, Nuheara IP Pty Ltd.

Nuheara Limited or **Listed Entity** means only the legal entity of Nuheara Limited, which is listed on the Australian Securities Exchange (ASX: NUH). Nuheara Limited is the legal parent of Nuheara IP Pty Ltd although Nuheara IP Pty Ltd has been treated as the acquirer for accounting purposes in the financial statements.

Wild Acre Metals Limited (ASX: WAC) means Nuheara Limited and all its controlled entities prior to the purchase of Nuheara IP Pty Ltd. On 25 February 2016, the company's name was changed from Wild Acre Metals Limited to Nuheara Limited and the ASX code was subsequently changed from WAC to NUH.

The financial report for Nuheara Limited for the year ended 30 June 2016 was authorised for issue in accordance with a resolution by the board of directors.

Nuheara Limited is incorporated in Australia, and is a listed public Company whose shares are publicly traded on the Australian Securities Exchange (ASX). Its registered office and principal place of business is located at 5/28 John Street, Northbridge, Western Australia.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, interpretations of the Australian Accounting Standards Board ("AASB"), International Financial Reporting Standards as issued by the International Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

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

Reporting Basis and Conventions

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 13.

Going concern

For the year ended 30 June 2016, the Company has incurred a loss of \$6,716,807 and generated net cash outflows of \$1,277,708 from operating activities, as disclosed in the statement of profit or loss and other comprehensive income and the statement of cash flows, respectively. As a result of the loss and cash outflows from operations the Directors have assessed the Company's ability to continue as a going concern and to pay its debts as and when they fall due.

The Company will be required to raise additional funds to be applied towards the ongoing development and production of the Nuheara wearable technology and for general working capital.

The ability of the Company to continue as a going concern and pay its debts as and when they fall due will depend upon some or all of the following initiatives being actioned:

- Ongoing pre-sales and sales of IQbuds™ through growth in distribution channels;
- Active management of the current level of discretionary expenditure in line with the funds available to the Company;
- Raising additional working capital through the issue of securities and/or other funding;
- Variation of remuneration arrangements with Directors and executive management for payment in shares in lieu of cash and/or deferral of cash payments; and
- The successful sale of mining interests, held for sale at 30 June 2016.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

Going concern (continued)

Should the Company at any time 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 nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined 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.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the Company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

New Accounting Standards for Application in Future Periods (continued)

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016).

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB3.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

- AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

New Accounting Standards for Application in Future Periods (continued)

This Standard amends AASB 10: Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

b) Business Combinations

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

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

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

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

c) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

d) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets

(i) Research phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when incurred.

(ii) Development phase

An intangible asset arising from development (or from the development of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs include costs directly attributable to the development activities. Development costs not capitalised are recognised as an expense when incurred.

Following initial recognition, the Company will adopt the cost model. As a result, any development costs carried forward will be carried forward at its cost less any accumulated amortization and any accumulated impairment losses.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

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

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Foreign Currency Transactions and Balances (continued)

Foreign controlled entities

The financial results and position of foreign operations, whose functional currency is different from the Company's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.
- Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

i) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

k) Plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each annual reporting period.

The following depreciation rates that are used in the calculation of depreciation:

- Office equipment - 10% - 25%
- Plant & Equipment - 15%
- Leasehold improvement - 40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

l) Principles of Consolidation

On 25 February 2016, Nuheara Limited acquired all of the issued shares of Nuheara IP Pty Ltd, resulting in Nuheara IP Pty Ltd becoming a wholly owned subsidiary of Nuheara Limited. The acquisition resulted in the original shareholders of Nuheara IP Pty Ltd holding a controlling interest in Nuheara Limited (formally known as Wild Acre Metals Limited). Pursuant to AASB 3: *Business Combinations*, this transaction represents a reverse acquisition with the result that Nuheara IP Pty Ltd was identified as the acquirer, for accounting purposes, of Nuheara Limited (the "acquiree" and "legal parent"). Wild Acre Metals Limited was not considered a business as it only held disposal groups in Australia and Peru. Accordingly, it was treated as an asset purchase and the excess consideration paid was disclosed as listing costs on the Statement of Profit or Loss and Other Comprehensive Income. The financial statements reflect a full year of Nuheara IP Pty Ltd, and entities it controlled from 25 February 2016 to 30 June 2016. The comparative information reflects Nuheara IP Pty Ltd only.

A list of controlled entities is contained in Note 20.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Revenue recognition

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

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of tenement interests is recognised at the time of the transfer of the significant risks and rewards of ownership.

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

n) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value of options 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. The fair value of shares is the market value of the shares at the grant date.

The fair value determined at the grant date of options issued as part of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

o) Taxes

(i) Income Tax

The income tax expense income for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Taxes (continued)

(ii) Goods and Services Tax (GST)

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

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

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

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

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

p) New and Amended Accounting Policies Adopted by the Company

Standards and Interpretations applicable to 30 June 2016

In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company accounting policies.

2. INCOME TAX

a) Income tax expense

Current income tax
Deferred income tax
Income tax expense

2016 \$	2015 \$
-	-
-	-
-	-

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

Loss from continuing operations before income tax expense
Loss before tax from disposal group
Loss before income tax
Tax credit at the Australian tax rate of 28.5% (2015: 30%)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:
Non-deductible expenses
NANE related expenditure/(income)
Temporary differences
Tax loss not brought to account as a deferred tax asset
Income tax expense

(6,688,557)	(1,406)
(28,250)	-
(6,716,807)	(1,406)
(1,914,290)	(422)
1,194,075	-
(16,451)	-
233,339	-
503,327	422
-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. INCOME TAX (continued)

c) Unrecognised deferred tax assets

Unrecognised temporary differences

Unrecognised deferred tax asset at 30 June relates to the following:

Investments	440,873	-
Trade and other payables	275,370	-
Provisions	6,926	-
Capital raising costs recognised directly in equity	364,426	-
Tax losses	1,916,361	422

Potential unrecognised deferred tax asset @ 28.5% (2015: 30%)

Statement of Financial Position 2016 \$	Statement of Financial Position 2015 \$
440,873	-
275,370	-
6,926	-
364,426	-
1,916,361	422
3,003,956	422

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

3. TRADE AND OTHER RECEIVABLES

Trade and other receivables

Credit Risk – Trade and other receivables

The Company has no significant credit risk with respect to any single counterparty. The class of assets described as Trade and other receivables is considered to be the main source of credit risk related to the Company. The Trade and other receivables as at 30 June are considered to be of medium credit quality. No trade or other receivables are past due at balance date.

2016 \$	2015 \$
948,369	-

4. OTHER CURRENT ASSETS

Prepayments

113,778	-
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5. PLANT AND EQUIPMENT

Plant and equipment – at cost
Less: accumulated depreciation

142,377	-
(3,914)	-
138,463	-

Leasehold improvement – at cost
Less: accumulated depreciation

9,655	-
(338)	-
9,317	-

Office equipment – at cost
Less: accumulated depreciation

13,444	-
(825)	-
12,619	-

Total plant and equipment

160,399	-
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

5. PLANT AND EQUIPMENT (continued)

	Plant & Equipment \$	Leasehold Improvement s	Office Equipment \$	Total \$
Balance as at 1 July 2014	-	-	-	-
Balance as at 30 June 2015	-	-	-	-
Additions	142,377	9,655	13,444	165,476
Depreciation	(3,914)	(338)	(825)	(5,077)
Balance as at 30 June 2016	138,463	9,317	12,619	160,399

6. TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	341,734	-
Other creditors and accrued expenses	229,911	-
	571,645	-

NON-CURRENT

Loans payable – related parties	-	1,406
	-	1,406

	2016 \$	2015 \$
	341,734	-
	229,911	-
	571,645	-
	-	1,406
	-	1,406

7. PROVISIONS – CURRENT

Employee provisions	24,302	-
	24,302	-

	24,302	-
	24,302	-

8. ISSUED CAPITAL

Ordinary shares

(i) Issued and Paid Up Capital

553,822,613 (2015: 100) Ordinary shares, fully paid

	2016 \$	2015 \$
	8,229,327	100

(ii) Movements during the period number of shares

Opening Balance shares

Issue of 100 shares on incorporation 7 May 2015	-	100
Issue of 5 shares on 23 November 2015	5	-
Shares transferred to Nuheara Limited on acquisition	(105)	-
Opening balance of Nuheara Limited shares	163,395,292	-
16 October 2015 issue 12,500,000 shares @ \$0.008 each to raise funds for working capital	12,500,000	-
29 October 2015 issue 9,375,000 shares @ \$0.016 each to raise funds for working capital	9,375,000	-
9 December 2015 issue 2,500,000 shares to Teck Resources Limited in consideration for 100% interest in Salvador Project	2,500,000	-
25 February 2016 issue 140,000,000 shares pursuant to Prospectus @ \$0.025 each	140,000,000	-
25 February 2016 issue 201,250,000 shares issued to Nuheara shareholders	201,250,000	-
25 February 2016 issue 24,802,321 shares to facilitator at \$0.025 each	24,802,321	-
Balance shares at 30 June 2016	553,822,613	100

	Number of Shares 2016	Number of Shares 2015
	100	-
	-	100
	5	-
	(105)	-
	163,395,292	-
	12,500,000	-
	9,375,000	-
	2,500,000	-
	140,000,000	-
	201,250,000	-
	24,802,321	-
	553,822,613	100

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. ISSUED CAPITAL (continued)

(iii) Movements during the period

Balance shares at 1 July 2015

Issue of 100 shares on incorporation 7 May 2015

Issue of 5 shares on 23 November 2015

25 February 2016 issue 140,000,000 shares pursuant to Prospectus
@ \$0.025 each

25 February 2016 issue 201,250,000 shares issued to Nuheara
shareholders

Less share issue costs

Balance shares at 30 June 2016

	2016 \$	2015 \$
Balance shares at 1 July 2015	100	-
Issue of 100 shares on incorporation 7 May 2015	-	100
Issue of 5 shares on 23 November 2015	11,000	-
25 February 2016 issue 140,000,000 shares pursuant to Prospectus @ \$0.025 each	3,500,000	-
25 February 2016 issue 201,250,000 shares issued to Nuheara shareholders	5,314,315	-
Less share issue costs	(596,088)	-
Balance shares at 30 June 2016	8,229,327	100

(iv) Holders of Ordinary Shares

Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Unlisted Options

(i) Issued unlisted options

85,469,445 (2015: Nil) unlisted options

	2016 \$	2015 \$
Issued unlisted options	415,919	-

Description	Number	Grant Date	Exercise Price	Expiry Date	Weighted Average time until expiry 2016
Unlisted Options	2,000,000	28/10/2013	\$0.20	28/10/2016	4 months
Unlisted Options	6,400,000	31/01/2014	\$0.15	31/01/2017	7 months
Unlisted Options	1,500,000	21/11/2014	\$0.15	31/01/2017	7 months
Unlisted Options	2,000,000	27/05/2014	\$0.10	27/05/2017	11 months
Unlisted Options	8,319,445	21/11/2014	\$0.10	15/09/2017	15 months
Unlisted Options	500,000	21/11/2014	\$0.10	20/11/2017	17 months
Unlisted Options	20,000,000	25/02/2016	\$0.03	23/02/2019	32 months
Unlisted Options	30,000,000	25/02/2016	\$0.05	31/05/2019	35 months
Unlisted Options	6,000,000	18/04/2016	\$0.04	18/04/2019	34 months
Unlisted Options	5,500,000	18/04/2016	\$0.06	18/04/2019	34 months
Unlisted Options	3,250,000	20/04/2016	\$0.09	20/04/2019	34 months
Total Unlisted Options	85,469,445				

For information relating to share options issued to key management personnel and consultants including details of options issued, exercised and lapsed during the financial year, refer to Note 21 Share Based Payments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

8. ISSUED CAPITAL (continued)

Unlisted Options (continued)

(ii) Movements during the period for number of options

Balance unlisted options at 30 June 2015

Opening balance of Nuheara Ltd unlisted options

Issue of Management options in Nuheara acquisition

Issue of Underwriter options pursuant to Prospectus dated 25 January 2016

Issue of Employee options @ \$0.04 each on 18 April 2016

Issue of Employee options @ \$0.06 each on 18 April 2016

Issue of Employee options @ \$0.09 each on 18 April 2016

Balance unlisted options at 30 June 2016

Unlisted Options 2016 No.	2016 \$
-	-
20,719,445	-
20,000,000	-
30,000,000	384,000
6,000,000	15,246
5,500,000	12,452
3,250,000	4,221
85,469,445	415,919

No options were issued during the 2015 financial year.

(iii) Capital Management

As the Company is a start-up operation in the field of consumer electronics, with no current sales revenue, it is not prudent to expose the Company to the financial risk of borrowing. The Company is therefore funded 100% by equity at a level to ensure that the Company can fund its operations and continue as a going concern.

The Company's capital only comprises of ordinary share capital and options.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial requirements and raising additional capital as required to fund the Company's operations.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

9. OPERATING SEGMENTS

Nuheara Limited, Nuheara IP Pty Ltd and Nuheara, Inc are operating within the consumer electronics sector and have been aggregated to one reportable segment given the similarity of the products manufactured for sale, method in which products are delivered, types of customers and regulatory environment.

10. RELATED PARTY DISCLOSURES

Key Management Personnel (KMP)

Any person(s) having authority and responsibility for planning, directing, controlling the activities of the Company, directly or indirectly (whether executive or otherwise) of that Company, are considered KMP. For details of disclosures relating to KMP refer to Note 17, Interests of Key Management Personnel.

Transactions with director related entities

During the year, companies associated with Grant Mooney were paid for company secretarial & corporate advisory services provided to the Company totalling \$88,000 (2015: \$48,000)

During the year, Grant Mooney was paid for rental of office premises totalling \$13,500 including GST (2015: \$18,150) pursuant to lease and sub-lease arrangements.

11. EVENTS OCCURRING AFTER BALANCE DATE

There were no events subsequent to the end of the financial year that would have a material effect on these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

12. COMMITMENTS FOR EXPENDITURE

These amounts are payable, if required, over various times over the next five years.

Operating Lease Commitment

The Company has entered into a rental agreement commencing 1 April 2016 for a period of 24 months, with a 2 month rent free period.

Office Lease	2016	2015
	\$	\$
Due within 1 year	95,776	-
Due 1 to 5 years	72,633	-

The Company has entered into fixed term agreements to provide contractors to the Company. The amounts due under these fixed term contracts are as follows:

Contractors	2016	2015
	\$	\$
Due within 1 year	230,980	-
Due 1 to 5 years	-	-

Exploration Expenditure Commitments

The Company has minimum statutory commitments as a condition of tenure of certain Peru mining tenements. Whilst these obligations may vary, a reasonable estimate of the annual minimum commitments is \$10,721. The Directors intend to dispose of these tenements within 12 months of balance date.

13. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(i) Estimated impairment of assets

The Company assesses impairment of its assets at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Where impairment has been triggered, assets are written down to their recoverable amounts.

(ii) Valuation of options

Share-based payment transaction:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 21 (b).

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 21 (b).

(iii) Reverse acquisition

For every business combination the Company identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Judgement is applied in determining whether control is transferred from one party to another, in the determination of whether one of those entities was a business, as defined Australian Accounting Standard AASB3: *Business Combinations*, and in assessing the fair values of assets and liabilities acquired and consideration paid (refer note 22).

(iv) Capitalisation of development costs

Under AASB 138: *Intangible Assets*, an entity is required to recognise an intangible asset if, and only if, certain criteria are met. Judgement has been made in the determination that research and development expenditure incurred during the year did not meet the definition of an intangible asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

13. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(v) Government grants

Under AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance*, an entity shall not recognise a government grant until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Management has assessed that no reasonable assurance exists to require recognition of the 2016 R&D tax credit as at 30 June 2016 under the Standard.

(vi) Assets held for sale

Judgement was used in the determination that mining tenements in Australia and Peru met the requirements for classification as disposal groups under AASB 5: *Non-Current Assets held for Sale and Discontinued Operations*.

(vii) Change of control and Contingent Purchase Consideration

On 10 December 2015 Nuheara Limited (formerly Wild Acre Metals Limited) announced that its controlled entity, Wild Acre Metals (Peru) SAC, had entered into an acquisition agreement to acquire the Salvador exploration project from Teck Peru S.A., a subsidiary of Teck Resources Limited. Management has assessed that the Nuheara acquisition did not constitute a change of control under that agreement. Under the agreement, contingent purchase consideration of USD\$2m (production bonus) is payable to Teck Peru S.A. upon making a production decision. As the Company intends to dispose of all its Peru tenements within 12 months of balance date, management has ascertained the probability of a production bonus being payable as being assessed at nil at balance date.

(viii) Net Smelter Royalties

The Company holds an 80% interest in Terrace Gold Pty Ltd ("Terrace"). Terrace holds a 0.5% Net Smelter Royalty over the El Molino Gold Project and part of the El Galeno Copper Project located in Northern Peru, currently owned under joint venture by China Minmetals and Jiangxi Copper, and a 1.5% Net Smelter Royalty over the Mt Ida gold project located in Western Australia.

Management has ascertained that the probability of Net Smelter Royalty revenue was nil at balance date.

14. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from their use of financial instruments:

- interest rate risk
- credit risk
- liquidity risk
- foreign exchange risk

This note presents information about the Company's exposure to each of the above risks.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established by the board of directors to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company's principal financial instruments are cash, short-term deposits, receivables and payables.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

14. FINANCIAL INSTRUMENTS (continued)

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

30 June 2016	Weighted Average Effective Interest Rate %	Interest Bearing \$	Non-Interest Bearing \$	Total \$
Financial Assets				
Cash at Bank	1.03%	1,982,569	11,559	1,994,128
Trade and other receivables	-	-	948,369	948,369
	-	1,982,569	959,928	2,942,497
Financial Liabilities				
Trade and other payables	-	-	571,645	571,645

30 June 2015	Weighted Average Effective Interest Rate %	Interest Bearing \$	Non-Interest Bearing \$	Total \$
Financial Assets				
Cash at Bank	-	-	100	100
Trade and other receivables	-	-	-	-
Other current assets	-	-	-	-
	-	-	100	100
Financial Liabilities				
Trade and other payables	-	-	-	-

It is the Company's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

Sensitivity analysis

If interest rates on cash balances had weakened/strengthened by 1% at 30 June, there would be no material impact on the statement of profit or loss and other comprehensive income. There would be no material effect on the equity reserves other than those directly related to the statement of profit or loss and other comprehensive income movements.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowances for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	2016		2015	
	Carrying Amount	Under 6 Months	Carrying Amount	Under 6 Months
Non derivative financial liabilities:				
Trade and other payables	571,645	571,645	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

14. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk (continued)

Net Fair Values

The net fair value of cash and non-interest bearing monetary assets and financial liabilities of the Company approximates their carrying amount.

(d) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

With instruments being held by overseas operations, fluctuations in the US dollar and Peruvian Soles may impact on the Company's financial results unless those exposures are appropriately hedged.

It is the Company's policy that hedging is not necessary, as the Company does not hold funds of any significance in any other domination than Australian dollars.

The foreign currency risk on net financial assets/ (liabilities) in the books of the Company at balance date in 2016 is not material (2015 not material).

15. EARNINGS PER SHARE

Basic loss per share (cents per share)
Diluted loss per share (cents per share)

2016 Cents	2015 Cents
(2.22)	(0.00)
(2.09)	(0.00)

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss

2016 \$	2015 \$
(6,716,807)	(1,406)

Weighted average number of ordinary shares – basic loss per share
Weighted average number of ordinary shares – diluted loss per share

2016 No.	2015 No.
301,952,369	24,396,608
321,842,095	24,396,608

16. AUDITOR'S REMUNERATION

Amounts received, or due and receivable by the current auditors for audit or review of the financial report
Amounts received, or due and receivable by the Peruvian auditors for audit or review of the financial report

2016 \$	2015 \$
32,000	2,200
9,137	-
41,137	2,200

17. INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2016.

The totals of remuneration paid to KMP of the Company during the year are as follows:

Short term benefits
Post-employment benefits
Share based payments - shares
Share based payments - options

2016 \$	2015 \$
413,913	-
10,843	-
-	-
-	-
424,756	-

The remuneration disclosed for the Company differs from the Remuneration Report in the Directors' Report which discloses remuneration paid by the legal acquirer, Nuheara Limited, for key management personnel.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

18. CONTINGENT LIABILITIES

There are no known contingent liabilities.

19. COMPANY DETAILS

Registered Office

The registered office is at Suite 5, 28 John Street, Northbridge, Western Australia 6003.

Principal Place of Business

The principal place of business in Australian is at Suite 5, 28 John Street, Northbridge, Western Australia 6003.

The principal place of business in Peru is Berlin 748, Of. 202, Miraflores, Lima, Peru.

20. INFORMATION ABOUT CONTROLLED ENTITIES

The controlled entities listed below have share capital consisting solely of ordinary shares which are held directly by the Company. The proportion of ownership interests held equals the voting rights held by the Company. Each controlled entity's principal place of business is also its country of incorporation.

Name of Controlled Entity	Principal Place of Business	Ownership interest held by the Company		Proportion of non-controlling interest	
		2016	2015	2016	2015
Wild Acre Metals (Peru) SAC	Lima, Peru	100%	100%	0%	0%
Nuheara, Inc	San Francisco, USA	100%	-	0%	-
Terrace Gold Pty Ltd	Perth, Australia	80%	80%	20%	20%

The Company holds an 80% interest in Terrace Gold Pty Ltd ("Terrace"). Terrace holds a 0.5% Net Smelter Royalty over the El Molino Gold Project and part of the El Galeno Copper Project located in Northern Peru, currently owned under joint venture by China Minmetals and Jiangxi Copper, and a 1.5% Net Smelter Royalty over the Mt Ida gold project located in Western Australia.

Nuheara, Inc was incorporated on 16 June 2016 and did not trade during the period from incorporation to 30 June 2016.

21. SHARE BASED PAYMENTS

The following share-based payment arrangement existed:

(a) Shares and Options granted to key management personnel are as follows:

Grant Date	No. of Options	No. of Shares
25 February 2016	20,000,000 ⁽ⁱ⁾	151,088,035

(i) 10,000,000 Management Options were issued to Mr Justin Miller pursuant to Prospectus dated 25 January 2016 and 10,000,000 Management Options were issued to Mr David Cannington pursuant to Prospectus dated 25 January 2016.

The options referred to above vest immediately on grant date. The options hold no voting or dividend rights and are unlisted. These options do not lapse when the Director ceases their employment with the Company.

During the financial year 20,000,000 options vested with key management personnel (2015: nil).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

21. SHARE BASED PAYMENTS (continued)

(b) Shares and options issued to non-key management personnel are as follows:

Grant Date	No. of Options	No. of Shares
25 February 2016	30,000,000	RM Capital Pty Ltd

A summary of the movements of all company options issues is as follows:

	No.	Weighted Average Exercise Price
Options outstanding and exercisable as at 30 June 2014	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding and exercisable as at 30 June 2015	-	-
Transferred in	20,719,445	\$0.13
Granted	65,750,000	\$0.05
Forfeited	-	-
Exercised	-	-
Options outstanding and exercisable as at 30 June 2016	85,469,445	\$0.07

The weighted average remaining contractual life of options outstanding at year end was 2.34 years (2015: nil). The weighted average exercise price of outstanding options at the end of the reporting period was \$0.07.

The fair value of options granted during the year was \$31,919 (2015: \$Nil). These values were calculated using the Black-Scholes option pricing model, applying the following inputs:

	Management	Underwriter	Employee	Employee	Employee
Grant Date	25/02/2016	25/02/2016	18/04/2016	18/04/2016	24/05/2016
Share price on issue date	\$0.025	\$0.025	\$0.055	\$0.055	\$0.059
Expected volatility	100%	100%	100%	100%	100%
Exercise price	\$0.030	\$0.050	\$0.040	\$0.060	\$0.090
Expiry date	24/02/2019	31/05/2019	18/04/2019	18/04/2019	20/04/2019
Risk free interest rate	2.00%	2.00%	2.00%	2.00%	2.00%
Number issued	20,000,000	30,000,000	6,000,000	5,500,000	3,250,000
Value per option	\$0.0147	\$0.0128	\$0.0376	\$0.0335	\$0.0362
Total	\$294,000	\$384,000	\$225,600	\$184,250	\$117,650

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

22. NUHEARA LIMITED ACQUISITION OF NUHEARA IP PTY LTD

On 25 February 2016, Nuheara Limited (formerly Wild Acre Metals Limited) acquired Nuheara IP Pty Ltd. As required by Australian Accounting Standard *AASB3: Business Combinations*, Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd at that date, under the reverse acquisition rules. However, the acquisition was not treated as a Business Combination as Wild Acre Metals Limited was not a business as defined in that Standard.

The details of the acquisition were as follows:

	\$
Consideration Paid	5,314,315
Assets and liabilities acquired at fair value:	
Cash and cash equivalents	37,476
Trade and other receivables	10,150
Mineral tenements held for sale	345,040
Other current assets	8,327
Property, plant and equipment	9,433
Trade and other payables	(66,044)
	344,382
	4,969,933
Adjustment for subsequent settlement of inter entity loan and Australian tenement sale	(459,967)
Listing costs	4,509,966

23. NOTES TO THE STATEMENT OF CASHFLOWS

Reconciliation of Net Loss to Net Cash Flows used in Operating activities

	2016	2015
	\$	\$
Loss from ordinary activities after income tax	(6,716,807)	(1,406)
Cash on acquisition	(37,476)	-
Depreciation expense	5,077	-
Share based payments	5,303,315	-
Other acquisition adjustments	(289,679)	-
Changes in assets and liabilities		
Increase in trade debtors	(948,369)	-
Increase in current assets	(113,778)	-
Increase in inventories	(15,147)	-
Increase in creditors	571,644	-
Increase in provision for employee entitlements	24,302	-
Increase in unearned income	939,210	-
Net cash used in Operating Activities	(1,277,708)	(1,406)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

24. PARENT ENTITY FINANCIAL INFORMATION

Nuheara IP Pty Ltd was acquired by Nuheara Limited (previously Wild Acre Metals Limited) on 25 February 2016. As required by Australian Accounting Standard *AASB3: Business Combinations*, Nuheara Limited is deemed to have been acquired by Nuheara IP Pty Ltd as at 25 February 2016 under the reverse acquisition rules. Accordingly, Nuheara IP Pty Ltd is the Parent Entity for accounting purposes.

The following information has been extracted from the books and records of the legal parent, Nuheara Limited, and has been prepared in accordance with Australian Accounting Standards.

	2016	2015
	\$	\$
Results for the parent entity:		
Net Profit/(loss)	(2,020,949)	(599,484)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,202,949)	(599,484)
Current assets	3,055,128	380,279
Non-current assets	5,510,792	4,215
Total Assets	8,565,920	384,494
Current Liabilities	1,556,635	97,720
Total Liabilities	1,556,635	97,720
Net Assets	7,009,285	286,774
Total Equity of the parent entity		
Contributed Equity	15,045,690	6,872,148
Reserves	603,263	33,344
Accumulated losses	(8,639,668)	(6,618,718)
Total Equity	7,009,285	286,774

DIRECTORS' DECLARATION

The Directors of Nuheara Limited declare that:

1. the financial statements and notes, as set out on pages 14 to 38, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards which, as stated in the accounting policy Note 1 to the financial statements, constitutes compliance with International Accounting Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company;
2. the Directors have given the declarations required by S295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer;
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board of Directors:



Justin Miller
Managing Director/Chief Executive Officer

Perth, 27 September 2016

PERTH255 Hay Street
Subiaco WA 6008
AustraliaPO Box 8217
Subiaco East WA 6008Ph: +61 8 9489 2555
Fx: +61 8 9489 2556**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NUHEARA LIMITED****Report on the Financial Report**

We have audited the accompanying financial report of Nuheara Limited which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nuheara Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Nuheara Limited 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 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report, which indicates that the company incurred a net loss of \$6,716,807 and had net cash outflows of \$1,277,708 from operating activities during the year ended 30 June 2016. These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 11 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Nuheara Limited for the year ended 30 June 2016 complies with s 300A of the *Corporations Act 2001*.



Hall Chadwick WA Audit

Chartered Accountants



M A Lester

Perth W.A.

Dated this 27th day of September 2016

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 21 September 2016.

(a) Distribution schedule and number of holders of equity securities as at 21 September 2016

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Fully Paid Ordinary Shares (NUH)	64	30	222	880	485	1,681
Unlisted Options – \$0.20 28/10/16	-	-	-	-	2	2
Unlisted Options – \$0.15 31/1/17	-	-	-	-	12	12
Unlisted Options – \$0.10 27/5/17	-	-	-	-	1	1
Unlisted Options – \$0.10 15/9/17	-	-	-	-	10	10
Unlisted Options – \$0.10 20/11/17	-	-	-	-	1	1
Unlisted Options – \$0.03 25/2/19	-	-	-	-	1	1
Unlisted Options – \$0.04 18/4/19	-	-	-	-	2	2
Unlisted Options – \$0.06 18/4/19	-	-	-	-	5	5
Unlisted Options – \$0.09 20/4/19	-	-	-	-	2	2
Unlisted Options – \$0.05 31/5/19	-	-	-	-	5	5

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 21 September 2016 is 139.

(b) 20 Largest holders of quoted equity securities as at 21 September 2016

The names of the twenty largest holders of fully paid ordinary shares (ASX code: NUH) as at 21 September 2016 are:

Rank	Name	Shares	% of Total Shares
1	David Cannington	63,142,857	11.40
2	Wasagi Corporation Pty Ltd	63,142,857	11.40
3	S A Coupe Pty Ltd	25,000,000	4.51
4	Inkling Cap Pty Ltd	24,802,321	4.48
5	Satori International Pty Ltd	10,000,000	1.81
6	Skiffington Super Pty Ltd	9,400,000	1.70
7	Grant Jonathan Mooney	8,364,604	1.51
8	Kevin Fynn	8,095,238	1.46
9	Power Edge Pty Ltd	8,095,238	1.46
10	Kellie Anne Davis	8,095,238	1.46
11	Alan Davis	8,095,238	1.46
12	Sven Nordholm	8,095,238	1.46
13	Flourish Super Pty Ltd	7,687,500	1.39
14	Keith Charles Brooks	7,450,000	1.35
15	Gary + E + L Tatasciore	5,725,000	1.03
16	Eleven O'clock Pty Ltd	5,666,666	1.02
17	Willingvale Pty Ltd	5,300,000	0.96
18	Ocean Flyers Pty Ltd	5,297,425	0.96
19	Paul Gregory + J O Brown	5,000,000	0.90
20	National Nominees Ltd	4,850,000	0.88
	TOTAL	291,305,420	52.60

ADDITIONAL ASX INFORMATION

Stock Exchange Listing – Listing has been granted for 553,822,613 ordinary fully paid shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 21 September 2016 are detailed below in part (d).

(c) Substantial shareholders

Substantial shareholders in Nuheara Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Name	Fully Paid Ordinary Shares
Wasagi Corporation Pty Ltd	63,142,857
David Cannington	63,142,857

(d) Unquoted Securities

The number of unquoted securities on issue as at 21 September 2016:

Security	Number on issue
Unlisted options expiring 28 October 2016 exercisable at \$0.20 each.	2,000,000
Unlisted options expiring 31 January 2017 exercisable at \$0.15 each.	7,900,000
Unlisted options expiring 27 May 2017 exercisable at \$0.10 each.	2,000,000
Unlisted options expiring 15 September 2017 exercisable at \$0.10 each	8,319,445
Unlisted options expiring 20 November 2017 exercisable at \$0.10 each	500,000
Unlisted options expiring 25 February 2019 exercisable at \$0.03 each	20,000,000
Unlisted options expiring 31 May 2019 exercisable at \$0.05 each	30,000,000
Unlisted options expiring 18 April 2019 exercisable at \$0.04 each	6,000,000
Unlisted options expiring 18 April 2019 exercisable at \$0.06 each	5,500,000

(e) Holder Details of Unquoted Securities

The holders that hold more than 20% of a given class of unquoted securities that were not issued under an employee incentive scheme as at 21 September 2016 are detailed below:

Security	Name	Number of Securities
Unlisted Options – \$0.03 25 February 2019	David Cannington	10,000,000
Unlisted Options – \$0.03 25 February 2019	Wasagi Corporation Pty Ltd	10,000,000
Unlisted Options – \$0.05 31 May 2019	Meriwa Street Pty Ltd	8,014,286
Unlisted Options – \$0.05 31 May 2019	Prosperion Wealth Management Pty Ltd	10,000,000

ADDITIONAL ASX INFORMATION

(f) Restricted Securities as at 21 September 2016

The Company had the following restricted securities as at 21 September 2016:

Security	Escrow Period
11,250,000 fully paid ordinary shares.	Under escrow until 2 March 2017.
194,802,321 fully paid ordinary shares.	Under escrow until 2 March 2018.
20,000,000 unlisted options exercisable at \$0.03 expiring on 25 February 2019	Under escrow until 2 March 2018.
30,000,000 unlisted options exercisable at \$0.05 expiring on 31 May 2019.	Under escrow until 2 March 2018.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(h) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

(i) Corporate Governance

The Board Nuheara Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound corporate governance practices will assist in the creation of shareholder wealth and provide accountability.

In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its corporate governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's corporate governance practices is set out on the Company's website at www.nuheara.com.

(j) Application of Funds

During the financial year, the Company has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with its business objectives.

(k) Schedule of Interests in Mining Tenements

The schedule of interests in mining tenements both as at 30 June 2016 and as at 21 September 2016 is as follows:

MINING TENEMENT REGISTER		
	Tenement	Interest %
PERU:		
Sambalay 1	010180210	100%
Sambalay 2	010180310	100%
Sambalay 3	010185310	100%
Salvador	010227410	100%
Salvador	010328310	100%