



ResApp Health Limited
(formerly Narhex Life Sciences Limited)

ABN 51 094 468 318

ANNUAL REPORT
for the year ended 30 June 2015

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Corporate Information

This annual report is for ResApp Health Limited (formerly Narhex Life Sciences Limited) (the “Company”). Unless otherwise stated, all amounts are presented in Australian Dollars.

A description of the Company’s operations and of its principal activities is included in the review of operations and activities in the directors’ report on pages 4 to 5. The directors’ report is not part of the financial statements.

Directors

Mr Cyril D’Silva (Director) (*appointed on 16 May 2013 and resigned 21 January 2015*)

Mr Adam Sierakowski (Director) (*appointed as Alternate Director on 16 May 2013, resigned as Alternate Director on 20 December 2013 and appointed on 20 December 2013*)

Dr Robert Ramsay (Director) (*appointed 20 December 2013, resigned on 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Dr Tony Keating (*appointed 2 July 2015*)

Dr Roger Aston (*appointed 2 July 2015*)

Company Secretary

Ms. Nicki Farley (*appointed 7 November 2012*)

Registered and Principal Office

Level 24, 44 St Georges Tce,
PERTH WA 6000

Share Registry & Register

Link Market Services Ltd
Ground Floor, 178 St Georges Tce
PERTH WA 6000

Bankers

National Australia Bank
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PERTH WA 6000

Contact Information

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Somes Cooke
Level 2, 35 Outram St
PERTH WA 6005

Solicitors

Price Sierakowski Corporate
Level 24, 44 St Georges Tce
PERTH WA 6000

Stock Exchange Listing

ResApp Health Limited Limited
(formerly Narhex Life Sciences) is listed on
the Australian Securities Exchange.
ASX Code: RAP (formerly NLS)

Web Site

www.resapphealth.com.au

Directors' report

The directors of ResApp Health Limited (formerly Narhex Life Sciences Limited) (the "Company") submit herewith the annual financial statements of the Company for the financial year ended 30 June 2015. These financial statements cover the period from 1 July 2014 to 30 June 2015. In order to comply with the provision of the Corporations Act 2001, the directors' report is as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Particulars
Mr Cyril D'Silva (appointed on 16 May 2013 and resigned 21 January 2015)	Director Cyril D'Silva is a Singapore-born entrepreneur, with extensive working experience and a network of business contacts in the South East Asia region. He is currently the Executive Chairman of Golden Saint Resources Ltd (BVI) which was listed on 19th July on AIM. Cyril is also the Executive Chairman of Golden Saint Australia Limited and a director for both Golden Saint Liberia Ltd (in Liberia) and Golden Saint Resources Africa (in Sierra Leone). Through Golden Saint Capital Pte Ltd (Singapore) Cyril has raised funds for the initial mining ventures in Sierra Leone and Liberia. Cyril is currently based in Perth, Western Australia.
Dr. Robert Ramsay (appointed 20 December 2013, resigned on 2 July 2015)	Director Dr Ramsay is a geologist with over 30 years experience working with Rio Tinto, Striker Resources, BHP Billiton, and several junior explorers. During 20 years with Rio Tinto and Striker Resources, Dr Ramsay specialized in diamond exploration and the assessment of diamond-pipe prospectivity using indicator-mineral geochemistry. Most recently Dr Ramsay was the Senior Project Geologist with Speewah Metals Ltd where he was responsible for the planning and implementation of drilling programmes from discovery through to a JORC compliant resources of 4.7Billion tonnes on the V-Ti – magnetite along with mapping and drilling of an epithermal, vein style deposit of fluorite adjacent to the V-Ti -magnetite deposit leading to the expansion of a JORC compliant resource of 6.7Mt. Dr. Ramsay is also a Director of ASX listed Coziron Resources Limited (ASX: CZR).
Mr Adam Sierakowski (appointed as non-executive director on 20 December 2013) (appointed as Chairman on 21 January 2015, resigned as Chairman on 2 July 2015.)	Non-Executive Director Adam Sierakowski is a lawyer and founding director of the legal firm Price Sierakowski. He has over 20 years' experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. He is the co-founder and director of Perth based corporate advisory business, Trident Capital, where he has for years advised a variety of large private and public companies on structuring their transactions and coordinating fundraising both domestically and overseas. Mr Sierakowski has held a number of board positions with ASX listed companies and is currently a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.
Mr Chris Ntoumenopoulos (appointed 21 January 2015)	Non-Executive Director Mr Ntoumenopoulos is a partner at CPS Capital, a WA based Stockbroking and Corporate Advisory firm. He has worked in financial markets for the past 12 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO. He is an executive director of various private companies which span across finance, technology and medical sectors. Mr Ntoumenopoulos has a Bachelor of Commerce degree from the University of WA, majoring in Money and Banking, Investment Finance and Electronic Commerce.

Dr Tony Keating (appointed 2 July 2015)	Managing Director and Chief Executive Officer Dr Tony Keating has over 9 years' experience in commercialising technology. Dr Keating created the initial business strategy for ResApp and has led the commercialization of ResApp's technology to date. Previously, Dr Keating was Director, Commercial Engagement at UniQuest Pty Ltd, one of the global leaders in commercialisation of university technology. While at UniQuest, Dr Keating held roles as interim Chief Executive Officer and Non-Executive Director for a number of privately-held, venture-capital funded start-up companies. Prior to joining UniQuest Dr Keating held business development and engineering management roles at Exa Corporation, a US-based software company that is now listed on the NASDAQ. Dr Keating holds a Bachelor of Engineering, a Master of Engineering Science and a Doctor of Philosophy (Mechanical Engineering) from The University of Queensland. Dr Keating also has an Executive Certificate of Management and Leadership from the MIT Sloan School of Management, and is a Graduate Member of the Australian Institute of Company Directors.
Dr Roger Aston (appointed 2 July 2015)	Non-Executive Chairman Dr Roger Aston, BSc (Hons) PhD is currently the Executive Chairman of OncoSil Medical. He has had extensive experience on boards of many pharmaceutical companies, and has been Chief Executive Officer of Pitney Pharmaceuticals Ltd, PSIMedica, pSiOncology Pte Ltd, Peptech and Cambridge Antibody Technology. In 2001, Dr Aston co-founded pSivida Limited. He served as the Chief Executive Officer of Mayne Pharma Group Limited until 15 February 2012. During his career, Dr Aston has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include FDA and EU product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors. Dr Aston is both a scientist and a seasoned biotechnology entrepreneur, with a successful track record in both fields. He currently has several executive and non-executive board positions with prominent biotechnology companies.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Adam Sierakowski	Flexiroam Limited Coziron Resources Limited iWebGate Limited Kinetiko Energy Limited	18 March 2015 - current 21 October 2010 – current 23 July 2012 – current 8 December 2010 – current
Robert Ramsay	Coziron Resources Limited	20 December 2012 - current
Roger Aston	Immuron Limited Regeneus Ltd PharmAust Limited Oncosil Medical Limited IDT Australia Limited Polynovo Limited	25 May 2012 – current 21 September 2012 – current 20 August 2013 – current 28 March 2013 – current 20 March 2012 – 20 November 2013 15 November 2013 – 10 September 2014
Chris Ntoumenopoulos	Nil	Nil
Tony Keating	Nil	Nil

Company secretary

Name	Particulars
Ms Nicki Farley (appointed 7 November 2012)	Ms Farley has over 10 years' experience working within the legal and corporate advisory area providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley has also held a number of company secretarial roles for ASX listed companies. Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia.

Principal activities

During the year, the Company proceeded with its acquisition of ResApp Diagnostics Pty Ltd ("ResApp"), having signed a Share Sale Agreement to acquire 100% of the rights and title to ResApp.

Operating results and financial position

The net loss for the year ended 30 June 2015 was \$489,321 compared with a net loss of \$578,388 for the previous year. The Company had a net asset position as at 30 June 2015 of \$484,941 (2014: \$121,412). The loss for the current year is attributable to increased legal services performed in relation to the acquisition of ResApp Diagnostics Pty Ltd. The prior year loss is attributable to due diligence expenses of the Company's previous proposed acquisition of a Guinea and Liberian project.

Review of operations

Acquisition of ResApp Diagnostics Pty Ltd

On 2 October 2014 the Company announced it had entered into a binding Heads of Agreement ("HOA") to acquire 100% of the issued capital of ResApp. ResApp through the exclusive licence it has been granted by the University of Queensland ("UQ") is developing mobile medical applications for the diagnosis and management of respiratory disease. The technology is based on a machine learning algorithm that uses sound alone to diagnose and measure the severity of a respiratory condition. The algorithm has been tested for pneumonia and asthma diagnosis in a clinical proof of concept study of 91 patients by UQ through funding from the Bill and Melinda Gates Foundation.

On 17 December 2014, the Company announced it would raise \$900,000 under a placement by issuing 180 million shares at \$0.005. Sophisticated investors who participate in the placement were also issued one free attaching option (exercisable at \$0.01 and have an expiry date of 31 December 2016) for every 2 shares subscribed for. The Placement was completed in 2 tranches, with funds raised used for working capital and the costs associated with re-compliance with Chapters 1 & 2 of the ASX Listing Rules.

On 22 January 2015, the Company announced that Mr Chris Ntoumenopoulos had been appointed as a non-executive director of the Company replacing Mr Cyril D'Silva. Mr Adam Sierakowski, an existing non-executive director was also appointed as Chairman of the Company.

On 20 February 2015 the Company, ResApp, UniQuest Pty Ltd ("UniQuest") and the ResApp Vendors entered into the Share Sale Agreement. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in ResApp, and the ResApp Vendors and UniQuest agreed to sell all of their ordinary shares in ResApp to the Company.

On 8 May 2015 the Company issued a Prospectus offering up to 200,000,000 Shares to the public at \$0.02 to raise up to \$4 million before costs. A Replacement Prospectus was subsequently lodged on 26 May 2015.

On 27 May 2015 at a General Meeting of the Company, Shareholders approved the following resolutions:

- Capital Consolidation: The Company consolidating its issued capital on a 3 for 8 basis, which was subsequently completed on 3 June 2015.
- Change in nature and scale: The Company changing the nature and scale of its activities as a result of the acquisition of ResApp.
- Approval of Performance Shares: The Company approving the Performance Shares.
- Issue of Shares and Performance Shares to the ResApp Vendors and UniQuest: The Company issuing the 250,000,000 Consideration Shares (on a pre-Consolidation basis) and the 250,000,000 Performance Shares (on a pre-Consolidation basis) to the ResApp Vendors and UniQuest in consideration of acquiring 100% of the securities in ResApp.

Review of operations (continued)

- Public Offer: The Company offering up to 200,000,000 Shares to the public under this Prospectus to raise up to \$4,000,000 before costs.
- Issue of Facilitation Shares to Related Parties: The Company issuing 25,000,000 Facilitation Shares (on a pre-Consolidation basis) to Trident Capital Pty Ltd and 5,625,000 Facilitation Shares (on a pre-Consolidation basis) to SOBOL Capital Pty Ltd under the Prospectus.
- Facilitation Shares to Non-Related Parties: The Company issuing 16,666,667 Facilitation Shares (on a pre-Consolidation basis) to Seamist Enterprises Pty Ltd and 2,708,333 Facilitation Shares (on a pre-Consolidation basis) to CPS Capital Group Pty Ltd.
- Ratification of Placement Shares and Placement Options issued to Sophisticated Investors: the Company ratifying the previous issues to sophisticated investors of 10,000,000 Placement Shares (on a pre-Consolidation basis) on 19 December 2014 and 60,000,000 Placement Shares (on a pre-Consolidation basis) on 24 March 2015.
- Issue of Placement Options to Sophisticated Investors: the Company issuing 30,000,000 Placement Options to sophisticated investors.
- Issue of Placement Shares and Placement Options to Trident Capital Pty Ltd: the Company issuing 10,000,000 Placement Shares and 5,000,000 Placement Options to Trident Capital (both on a pre-Consolidation basis).
- Change of name: The Company changing its name from “Narhex Life Sciences Limited” to “ResApp Health Limited”.
- Appointment of Dr Tony Keating as Director.
- Approval of Issue of Incentive Options to Dr Tony Keating: the Company issuing 20,000,000 Incentive Options to Dr Tony Keating.

On 12 June 2015 the Company announced that its Capital Raising had closed oversubscribed, with funds totalling \$4 million having been raised under the Company’s Replacement Prospectus dated 26 May 2015.

Subsequent Events

On 2 July 2015, the Company announced that the Share Sale Agreement dated 20 February 2015 between the Company, ResApp, the Shareholders of ResApp and UniQuest had completed with the Company acquiring 100% of ResApp.

In accordance with the Company’s Replacement Prospectus dated 26 May 2015 and as approved by Shareholders at the General Meeting held on 27 May 2015, the following securities were issued (on a post consolidation basis):

- (a) Public Offer – 200,000,000 Shares at \$0.02 per Share having raised \$4 million;
- (b) Vendor Offer – 93,750,000 Shares and 93,750,000 Performance Shares issued in consideration for the acquisition of ResApp;
- (c) Facilitation Offer – 18,749,999 Shares to the Facilitators for services provided; and
- (d) Incentive Options – 20 million Incentive Options.

Following completion of the acquisition, Dr Tony Keating was appointed to the Board of the Company in the position of Managing Director and Chief Executive Officer. Dr Roger Aston has also been appointed as a non-executive director, replacing Dr Rob Ramsay. Dr Roger Ashton was subsequently appointed as Chairman of the Company, replacing Mr Adam Sierakowski who remains on the Board as a non-executive director.

In addition, the Company changed its name from Narhex Life Sciences Limited to ResApp Health Limited and was reinstated to official quotation on the ASX on 14 July 2015 under the new ASX Code “RAP”.

Future developments

The Company will continue the development and commercialisation of the ResApp technology for the purpose of providing health care solutions to assist doctors and consumers diagnose respiratory disease.

Environmental regulation

The company’s operations are not subject to significant environmental regulations under the law of the Commonwealth or of a State, or Territory.

Dividends

No dividend has been proposed or paid.

Indemnification of officers and auditors

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors	Board of directors	
	Held	Attended
Mr Cyril D'Silva ¹	-	-
Dr Robert Ramsay ²	-	-
Mr Adam Sierakowski	1	1
Mr Chris Ntoumenopoulos ³	1	1

¹ Cyril resigned on 21 January 2015

² Robert resigned on 2 July 2015

³ Chris was appointed on 21 January 2015

The Board of Directors also approved thirteen (13) circular resolution during the year ended 30 June 2015 which was signed by all Directors of the Company. The audit, compliance and corporate governance committee did not hold any meetings during the financial year.

Corporate Governance Statement

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations. In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.resapphealth.com.au, under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Security Trading Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communication and Investor Relations Policy;
- (i) Risk Committee Charter;
- (j) Risk Management Policy; and
- (k) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

Recommendation 1.1(continued)

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors and the Incoming Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board, following the Company's reinstatement to the ASX.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually. During the reporting period, an evaluation of the Board, its committees and individual directors has taken place in accordance with the Company's policy.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience; and
- (b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Dr Roger Aston (Chairman);
- (b) Dr Anthony Keating (Managing Director and CEO);
- (c) Mr Adam Sierakowski (Non-executive Director); and
- (d) Mr Chris Ntoumenopoulos (Non-executive Director).

Recommendation 2.3(continued)

Dr Keating and Dr Aston were appointed to the Board on 2 July 2015. Dr Keating is an executive director of the Company and is therefore a non-independent director. Dr Aston is an independent, non-executive Chairman of the Board. Mr Sierakowski has been a director of the Company since 20 December 2013. He is a director and shareholder of Trident, a provider of material professional services, and accordingly, is also not independent. Mr Ntoumenopoulos is an independent director who was appointed to the Board on 21 January 2015.

Recommendation 2.4

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

Recommendation 2.5

Dr Aston is an independent Chairman of the Board.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company. The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board. The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff. The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.resapphealth.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

Recommendation 6.2 (continued)

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is to be developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks as outlined in the Company's Prospectus.

The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company does not currently have an equity-based remuneration scheme.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

Remuneration report (audited)

Non- executive Director Remuneration

The board policy is to remunerate non-executive directors at a level which provides the company with the ability to attract and retain directors with the experience and qualification appropriate to the development strategy of the company's Intellectual Property.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. This was set at \$200,000 per annum by shareholders on 18 November 2005. Directors' fees are reviewed annually. For the year ended 30 June 2015, Chairman and non-executive director fees were \$75,000 and \$48,000 per annum respectively.

Non-executive directors' fees are not linked to the performance of the company. However to align directors interests with shareholder interests, the directors are encouraged to hold shares in the company. During the year to 30 June 2015, the Company did not engage in any remuneration consultants.

Executive Directors' Remuneration

The board policy is to remunerate executive directors at a level that provides the company with the ability to attract and retain executives with the experience and qualification appropriate to the development strategy of the company's Intellectual Property.

Relationship between the remuneration policy and company performance

Aside from the matters described above, no Director held or holds any contract for performance-based remuneration with the Company.

Director and executive remuneration

The directors incurred the following amounts as compensation for their services as directors and executives of the company during the year.

2015	Short-term employee benefits			Post employment benefits	Share-based payment	Total \$	% Consisting of share-based payments \$
	Salary & fees \$	Bonus \$	Other \$	Superannuation \$	Options & rights \$		
Directors							
Mr Cyril D'Silva ⁵	-	-	-	-	-	-	-
Mr Adam Sierakowski ⁶	48,000	-	-	-	-	48,000	-
Dr Robert Ramsay ⁷	48,000	-	-	-	-	48,000	-
Mr Chris Ntoumenopoulos ¹	21,290	-	-	-	-	21,290	-
Total	117,290	-	-	-	-	117,290	-

1 Chris was appointed on 21 January 2015 and his director fees were paid to Sobol Capital Pty Ltd.

2014	Short-term employee benefits			Post employment benefits	Share-based payment	Total \$	% Consisting of share-based payments \$
	Salary & fees \$	Bonus \$	Other \$	Superannuation \$	Options & rights \$		
Directors							
Mr David Mandel ²	17,000	-	-	-	-	17,000	-
Mr Peter Christie ³	18,889	-	-	-	-	18,889	-
Mr Simon Lill ⁴	18,000	-	-	-	-	18,000	-
Mr Cyril D'Silva ⁵	46,023	-	-	-	-	46,023	-
Mr Adam Sierakowski ⁶	24,000	-	-	-	-	24,000	-
Dr Robert Ramsay ⁷	24,000	-	-	-	-	24,000	-
Total	147,912	-	-	-	-	147,912	-

2 David resigned on 20 December 2013 and his director fees were paid to Chastain Corporate Pty Ltd.

3 Peter resigned on 20 December 2013 and his director fees were paid to Hawkins Christie Management Services Pty Ltd.

4 Simon resigned on 20 December 2013 and his director fees were paid to Trident Capital Pty Ltd.

5 Cyril resigned on 21 January 2015 and his director fees are paid to Clayhill Capital Consultants Pty Ltd.

6 Adam was appointed on 20 December 2013 and his director fees are paid to Trident Capital Pty Ltd.

7 Robert was appointed on 20 December 2013 and his director fees are paid to himself. Robert resigned on 2 July 2015.

Transactions with key management personnel and related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Company secretarial and accounting services

Adam Sierakowski is a Director and shareholder of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. The amount incurred for the year ended 30 June 2015 was \$70,041 (2014: \$82,387). The amount payable as at 30 June 2015 is \$4,550 (2014: \$73,093). Debt forgiven and written off for the year ended 30 June 2015 was \$58,653 (incl gst) (2014: \$nil).

Corporate finance and office services

Adam Sierakowski is a Director and shareholder of Trident Capital Pty Ltd ("Trident Capital") which provides corporate advisory services and office accommodation. The amount incurred for the year ended 30 June 2015 was \$69,000 (2014: \$84,000). The amount payable as at 30 June 2015 is \$nil (2014: \$69,300). Debt forgiven and written off for the year ended 30 June 2015 was \$83,600 (incl gst) (2014: \$nil).

Legal fees

Adam Sierakowski is a Director and shareholder of Price Sierakowski Pty Ltd ("Price Sierakowski") which provides legal services. The amount incurred for the year ended 30 June 2015 was \$172,179 (2014: \$36,310). The amount payable as at 30 June 2015 is \$64,844 (2014: \$18,854).

Capital raising fees

Trident Capital and Price Sierakowski also provided capital raising services. The amount incurred during the year and payable as at 30 June 2015 is as shown below:

	Amount Incurred for the year ended 30 June 2015	Amount Payable as at 30 June 2015
Trident Capital	\$27,500	\$22,000
Price Sierakowski	\$33,724	\$11,592

Nil capital raising fees were incurred or payable as at 30 June 2014.

Reimbursement

For the year ended 30 June 2015, \$6,072 (2014: \$194) was paid to Adam Sierakowski as a reimbursement of expenses. Cyril D'Silva is a Director and shareholder of Golden Saint Australia Ltd ("Golden Saint Australia"). For the year ended 30 June 2014, \$2,285 was paid to Golden Saint Australia as a reimbursement of expenses. For the year ended 30 June 2014, \$10,000 was paid to Cyril D'Silva for travel expenses.

Loan advancement

\$20,300 of interest was charged on the loan to Golden Saint Minerals Guinea ("GSMG"). Cyril D'Silva is a Director and shareholder of GSMG.

Director fees

Amounts of Director fees incurred during the current and prior year are set out on page 13. The amount payable as at 30 June 2015 to Clayhill Capital Consultants Pty Ltd is \$nil. The amount payable as at 30 June 2015 to Trident Capital Pty Ltd is \$4,000. The amount payable as at 30 June 2015 to Rob Ramsay is \$8,000. The amount payable as at 30 June 2015 to Sobol Capital Pty Ltd is \$4,000.

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of the Company during the year and as at 30 June 2015.

	Balance at 1 July 2014 or on date of appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at 30 June 2015 or on date of resignation
2015					
Mr Cyril D'Silva	1,100,000	-	-	(687,500) ⁽ⁱ⁾	412,500 ⁽ⁱⁱ⁾
Mr Adam Sierakowski	22,195,939	-	-	(13,872,462) ⁽ⁱ⁾	8,323,477
Dr Robert Ramsay	-	-	-	-	-
Mr Chris Ntoumenopoulos	-	-	-	-	-
Total	23,295,939	-	-	(14,559,962)	23,295,939

(i) The Company's share capital was consolidated on a 3:8 basis as at 4 June 2015.

(ii) Shareholding shown on a post-consolidation basis for consistency.

	Balance at 1 July 2013 or on date of appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at 30 June 2014 or on date of resignation
2014					
Mr David Mandel	150,000	-	-	-	150,000
Mr Simon Lill	4,000,000	-	-	-	4,000,000
Mr Peter Christie	-	-	-	-	-
Mr Cyril D'Silva	-	-	-	1,100,000	1,100,000
Mr Adam Sierakowski	21,195,939	-	-	1,000,000	22,195,939
Dr Robert Ramsay	-	-	-	-	-
Total	25,345,939	-	-	2,100,000	27,445,939

The directors held nil options during the years to 30 June 2014 and 2015.

The performance of the Company depends upon the quality of its directors and executives to prosper. It is imperative that the company attract, motivate and retain appropriately experienced and qualified directors and executives. To this end, the company's remuneration framework is embodied with the principles of providing competitive rewards to attract high calibre executives and link executives' rewards to shareholder value.

In accordance with best practice corporate governance, the structure of non-executive directors and executive management remuneration is separate and distinct.

Currently, the Board consists of three non-executive Directors.

End of audited Remuneration Report

The relevant interest of each director in the shares issued by the Company as notified by the directors to the Australian Securities Exchange in accordance with Section 205G(1) of the Corporations Act 2001, as at the date of this report are as follows:

Director	Ordinary Shares	Performance Shares
Mr Adam Sierakowski ¹	17,698,477	-
Dr Robert Ramsay	-	-
Mr Chris Ntoumenopoulos ²	2,109,375	-
Dr Tony Keating	-	-
Dr Roger Aston ³	8,437,500	8,437,500

¹ Mr Sierakowski holds 6,448,477 Shares in IML Holdings Limited and 11,250,000 Shares in Trident Capital Pty Ltd, entities of which he is a director and shareholder.

² Mr Ntoumenopoulos holds 2,109,375 Shares in Sobol Capital Pty Ltd, an entity of which he is a director and shareholder.

³ Dr Aston holds 8,437,500 Shares and 8,437,500 Performance Shares in Newtonmore Biosciences Pty Ltd, an entity of which he is a director and shareholder.

Unlisted share options granted to directors

At the date of this report, there are 20 million unlisted options on issue as follows:

Director/Consultant	Grant date	Exercise price	Number	Value	Expiry date
Tony Keating	2 July 2015	\$0.025	5,000,000	\$95,000	2 July 2020
Tony Keating	2 July 2015	\$0.05	5,000,000	\$85,000	2 July 2020
Tony Keating	2 July 2015	\$0.10	10,000,000	\$150,000	2 July 2020
Dr Udantha Abeyratne	22 September 2015	\$0.05	3,000,000	- ¹	
Dr Udantha Abeyratne	22 September 2015	\$0.10	2,000,000	- ¹	
Total			25,000,000	\$330,000	

¹ As at the date of this report, these options issued have not yet been valued.

In 2011 unlisted options were granted to directors and an external consultant in consideration for their role as directors and for consulting services rendered. The details are as follows:

Director/Consultant	Grant date	Exercise price	Number	Value	Expiry date
Peter Christie ¹	25 May 2011	\$0.02	2,500,000	\$52,500	14 July 2014
David Mandel ²	25 May 2011	\$0.02	2,500,000	\$52,500	14 July 2014
Total			5,000,000	\$105,000	

¹ Peter resigned on 20 December 2013

² David resigned on 20 December 2013

Voting and comments made at the Company's 2014 Annual General Meeting

The Company received more than 99% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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.

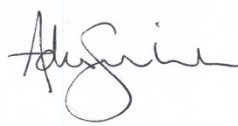
Non-audit services

During the year \$nil was paid to the auditor for the provision of non-audit services (2014: nil).

Auditor's independence declaration

The auditor's independence declaration is included on page 19 of the annual report.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', is written over a light blue rectangular background.

Adam Sierakowski
Director

Perth
30 September 2015

Auditor's Independence Declaration

To those charged with the governance of ResApp Health Limited

As auditor for the audit of ResApp Health Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth

30 September 2015

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2015

	Note	2015 \$	2014 \$
Other revenue	5	173,427	1,467
Administration expenses	6	(662,128)	(457,441)
Exploration costs		-	(12,896)
Finance costs		(620)	(902)
Due diligence costs		-	(108,616)
Profit/(loss) before income tax		(489,321)	(578,388)
Income tax benefit	8		
Loss for the year		(489,321)	(578,388)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(489,321)	(578,388)
Loss per share (basic and diluted) (cents)	13	(0.24)	(0.35)

The accompanying notes form an integral part of this Statement of profit or loss or other comprehensive income.

Statement of financial position as at 30 June 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	14	4,097,129	38,034
Trade receivables		65,017	5,514
Other receivables	9	520,300	290,000
Other assets		98,143	4,878
Total Current Assets		4,780,589	338,426
Total Assets		4,780,589	338,426
CURRENT LIABILITIES			
Trade and other payables	10	487,126	215,269
Annual leave provision		-	1,745
Funds received in advance of share issue	11	3,808,522	-
Total Current Liabilities		4,295,648	217,014
Total Liabilities		4,295,648	217,014
Net Assets		484,941	121,412
EQUITY			
Issued capital	12	4,004,499	3,151,649
Reserves		-	210,000
Accumulated losses		(3,519,558)	(3,240,237)
Total Equity		484,941	121,412

The accompanying notes form an integral part of this Statement of financial position.

Statement of changes in equity for the financial year ended 30 June 2015

	Fully paid ordinary shares \$	Equity-settled benefits reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2013	2,623,029	210,000	(2,661,849)	171,180
Loss for the year	-	-	(578,388)	(578,388)
Total comprehensive income	-	-	(578,388)	(578,388)
Transactions with owners, in their capacity as owners				
Issue of shares	546,120	-	-	546,120
Costs directly attributable to issue of share capital	(17,500)	-	-	(17,500)
Balance at 30 June 2014	3,151,649	210,000	(3,240,237)	121,412
Balance at 1 July 2014	3,151,649	210,000	(3,240,237)	121,412
Loss for the year	-	-	(489,321)	(489,321)
Total comprehensive income	-	-	(489,321)	(489,321)
Transactions with owners, in their capacity as owners				
Expiration of options	-	(210,000)	210,000	-
Issue of shares	900,000	-	-	900,000
Costs directly attributable to issue of share capital	(47,150)	-	-	(47,150)
Balance at 30 June 2015	4,004,499	-	(3,519,558)	484,941

The accompanying notes form an integral part of this Statement of changes in equity.

Statement of cash flows for the financial year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash payments to suppliers and employees		(394,163)	(350,640)
Interest paid		(620)	(902)
Interest received		2,506	1,467
Net cash flows used in operating activities	14	(392,277)	(350,075)
Cash flows from investing activities			
Advance to Golden Saint Minerals Guinea	9	-	(290,000)
Advance to ResApp Diagnostics	9	(210,000)	-
Net cash flows used in investing activities		(210,000)	(290,000)
Cash flows from financing activities			
Costs of capital raising		(233,628)	(17,500)
Proceeds from Issue of share capital		900,000	546,120
Monies raised in advance of share issues		3,995,000	-
Net cash flows provided by financing activities		4,661,372	528,620
Net decrease in cash and cash equivalents		4,059,095	(111,455)
Cash and cash equivalents at the beginning of the financial year		38,034	149,489
Cash and cash equivalents at the end of the financial year	14	4,097,129	38,034

The accompanying notes form an integral part of this Statement of cash flows.

Notes to the financial statements

NOTE 1 REPORTING ENTITY

This annual financial report includes the financial statements and notes of ResApp Health Limited (“the Company”). The Company is a for-profit entity primarily and is domiciled in Australia. The Company, through an exclusive license is developing smart phone applications for respiratory disease diagnostics and management. Its registered address is Level 24, 44 St George’s Terrace, Perth, Western Australia.

NOTE 2 GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The entity incurred an operating loss of \$489,321 for the year ended 30 June 2015 (2014: \$578,388) and a net cash outflow from operating activities amounting to \$392,277 (2014: \$350,075).

The Company successfully completed a public capital raising of \$4,000,000 under a Replacement Prospectus dated 26 May 2015. The shares were issued on 2 July 2015 and the Company’s securities were re-instated to trading on 14 July 2015.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. The Directors believe there are sufficient funds to meet the Company’s working capital requirements and as at the date of this report, the Company believes it can meet all liabilities as and when they fall due.

NOTE 3 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

There are a number of new Accounting standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company and have not been applied in preparing these consolidated financial statements. The Company does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Company in the current or future reporting periods.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements include the financial statements of the Resapp Health Limited (the “Company”). These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards are equivalent to International Financial Reporting Standards (“IFRS”). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for the 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 at fair value of selected non-current assets, financial assets and financial liabilities.

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Australian dollars which is the Company’s functional and presentation currency.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are then classified and measured as set out below.

Classification and Subsequent Measurement

All financial instruments of the Company are subsequently measured at amortised cost, using the effective interest rate method.

Amortised Cost

Amortised cost is calculated as a) the amount at which the financial asset or liability is measured at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and d) less any reduction for impairment.

Effective Interest Rate 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 exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Derecognition

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

Fair value

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

Impairment of financial assets

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

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

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Financial instruments (cont'd)

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

c) Impairment of other tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) Income Tax

Current tax

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

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

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

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Income Tax (cont'd)

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

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred Tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

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

e) Research and development costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

f) Share-based payments

Equity-settled share-based payments are measured at fair value of the equity instrument at the grant date. Fair value is measured by the use of a binomial 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.

g) Critical accounting judgements and key sources of estimation uncertainty

The directors make a number of estimates and assumptions in preparing general purpose financial statements. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant.

The following key judgement and estimate was made in preparing these financial statements:

Recoverability of loan to Golden Saint Minerals Guinee SA.

Based on discussions with the directors of Golden Saint Minerals Guinee (GSMG), the directors believe that the loan to GSMG of \$290,000 plus interest is recoverable. However this is subject to ongoing assessment and if the amount is deemed unrecoverable in future periods, it will be impaired accordingly.

NOTE 5 OTHER REVENUE

During the year, with the Company having limited funds, the Directors, Trident Capital Pty Ltd and Trident Management Services Pty Ltd agreed to write off amounts owing to Trident Capital Pty Ltd in relation to corporate advisory fees, office services fees, directors' fees and Trident Management Services Pty Ltd in relation to accounting fees and company secretarial fees.

	2015 \$	2014 \$
Creditors debts forgiven	142,253	-
Other revenue	8,369	-
Interest income	22,806	1,467
	<u>173,428</u>	<u>1,467</u>

NOTE 6 ADMINISTRATION EXPENSES

	2015 \$	2014 \$
Corporate fees	(45,000)	(60,000)
Consulting fees	(35,786)	(8,231)
Director fees	(117,290)	(147,912)
Professional fees (including legal fees)	(275,286)	(120,147)
Administration expenses	(188,766)	(121,151)
	<u>(662,128)</u>	<u>(457,441)</u>

NOTE 7 REMUNERATION OF AUDITORS

	2015 \$	2014 \$
Auditor of the Company – Nexia Melbourne (resigned as auditor on 27 November 2013)		
Audit or review of the financial statements	-	12,400
	<u>-</u>	<u>12,400</u>
Auditor of the Company – Somes Cooke (appointed as auditor on 27 November 2013)		
Audit or review of the financial statements	27,200	22,000
	<u>27,200</u>	<u>22,000</u>

NOTE 8 INCOME TAXES

	2015 \$	2014 \$
(a) Income tax recognised in profit or loss		
Tax expense/(income) comprises:		
Current tax expense/(income)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
Total tax expense/(income)	-	-
(b) The prima face income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Loss from operations	(489,321)	(578,388)
Income tax benefit calculated at 30%	(146,796)	(173,516)
Tax effect of:		
- Other timing differences	1,126	(347)
- Non deductible items	51,669	10,893
- Non deductible share based payments	-	-
- Capital raising costs	(11,875)	(3,263)
- Capitalised acquisition expenses	-	-
- Tax effect of current year revenue losses for which no deferred tax asset has been recognised	105,876	166,233
Income Tax Expense	-	-
(c) Unrecognised deferred tax balances		
The following deferred tax assets (at 30%) have not been brought to account:		
Unrecognised deferred tax asset – tax losses	729,009	623,133
Unrecognised deferred tax asset – other temporary differences	4,500	3,374
Unrecognised deferred tax liability – capitalised acquisition expenses claimed for tax purposes	-	-
Net deferred tax assets	733,509	626,507
The net deferred tax assets not brought to account will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company is able to meet the continuity of ownership and/or continuity of business tests.		

NOTE 9 OTHER RECEIVABLES

Loan Receivable from Golden Saint Minerals Guinea

On 30 December 2013, the Company entered into a loan agreement to advance \$290,000 to Golden Saint Minerals Guinea SA (“GSMG”) to provide working capital to GSMG. As at 30 June 2015, the principal loan amount of \$290,000 and interest of \$20,300 is due and receivable by GSMG. Cyril D’Silva is a Director and shareholder of GSMG.

Loan Receivable from ResApp Diagnostics Pty Ltd

On 17 March 2015, the Company entered into a loan agreement to advance \$210,000 to ResApp Diagnostics Pty Ltd (“ResApp Diagnostics”) to provide working capital to ResApp Diagnostics. On 2 July 2015, the Company completed its acquisition of ResApp Diagnostics and as such, interest on the loan was forgiven.

NOTE 10 TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade and other payables ¹	389,620	196,486
Accruals	97,506	18,783
	487,126	215,269

¹ Amounts payable to related parties are detailed in note 16.

NOTE 11 FUNDS RECEIVED IN ADVANCE OF SHARE ISSUE

As at 30 June 2015, the Company had raised funds totalling \$3,995,000 under the Company's Replacement Prospectus dated 26 May 2015 for which shares had yet to be issued. The shares were issued subsequent to year end, on 2 July 2015.

	2015 \$	2014 \$
Funds received in advance of share issue	3,995,000	-
Costs directly attributable to shares not yet issued	(186,478)	-
	<u>3,808,522</u>	<u>-</u>

NOTE 12 ISSUED CAPITAL

	2015 \$	2014 \$
Fully paid ordinary shares and authorised capital		
Balance at beginning of financial year	3,151,649	2,623,029
<i>Shares issued</i>	900,000	546,120
<i>Costs directly attributable to shares issued</i>	<u>(47,150)</u>	<u>(17,500)</u>
	<u>4,004,499</u>	<u>3,151,649</u>
<i>Number of shares</i>	No	No
Fully paid ordinary shares and authorised capital		
Balance at beginning of financial year	484,729,407	430,117,350
Shares issued 19 December 2013 ⁽ⁱ⁾	-	54,612,057
Shares issued 19 December 2014 ⁽ⁱⁱ⁾	110,000,000	-
Shares issued 24 March 2015 ⁽ⁱⁱⁱ⁾	60,000,000	-
Shares issued 26 June 2015 ^(iv)	3,750,000	-
Capital Consolidation 4 June 2015 ^(v)	<u>(409,206,054)</u>	<u>-</u>
	<u>249,273,353</u>	<u>484,729,407</u>

⁽ⁱ⁾ On 19 December 2013, 54,612,057 shares were issued at \$0.01 per share under a Sophisticated Placement Raising.

⁽ⁱⁱ⁾ On 19 December 2014, 110,000,000 shares were issued at \$0.005 per share under a Sophisticated Placement Raising.

⁽ⁱⁱⁱ⁾ On 24 March 2015, 60,000,000 shares were issued at \$0.005 per share under a Sophisticated Placement Raising.

^(iv) On 26 June 2015, 3,750,000 shares were issued at \$0.0133 per share under a Sophisticated Placement Raising.

^(v) On 4 June 2015, the Company's issued capital was consolidated on a 3:8 basis as approved by Shareholders at the Company's General Meeting held on 27 May 2015.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the 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.

NOTE 13 LOSS PER SHARE

	2015 \$	2014 \$
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The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations.	(489,321)	(578,388)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation	205,330,089	172,122,904
Earnings per share (basic and diluted) (cents)*	(0.24)	(0.35)

* For the purposes of comparability between the 2014 and 2015 financial years, the basic and diluted EPS have been calculated with the assumption that the shares have always been consolidated on the basis of 3:8 that occurred on 4 June 2015

NOTE 14 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	2015 \$	2014 \$
Cash at bank	4,097,129	38,034
	4,097,129	38,034

	2015 \$	2014 \$
--	------------	------------

(b) Reconciliation of loss for the period to net cash flows from operating activities

Net Loss	(489,321)	(578,388)
Adjustments for		
Assets written off	-	80,443
Trade and other payables forgiven	(150,621)	-
Interest accrued	(20,300)	-
Changes in assets and liabilities		
(Increase)/decrease in assets:		
Receivables and other assets	(152,768)	4,939
(Decrease)/increase in liabilities:		
Trade and other payables	422,478	141,186
(Decrease)/increase in provisions:		
Annual leave provision	(1,745)	1,745
Net cash flows from operating activities	(392,277)	(350,075)

NOTE 15 FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	14	4,097,129	38,034
Trade receivables		65,017	5,514
Other receivables		520,300	290,000
Total financial assets		<u>4,682,446</u>	<u>333,548</u>
Financial Liabilities			
Trade and other payables		<u>487,126</u>	<u>215,269</u>
Total financial liabilities		<u>487,126</u>	<u>215,269</u>

(a) Financial risk management policies

The Company's principal financial instruments comprise cash and short-term deposits, trade and other payables and financial liabilities as disclosed in the financial statements. The main purpose of these financial instruments is to manage the working capital needs of the Company's operations. It is the Company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Company's financial instruments is liquidity risk. The board reviews and agrees policies for managing this risk is summarized below.

(i) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 4 to the financial statements.

(ii) Credit risk management

The Company is not currently exposed to credit risk other than in the normal course of business.

At the balance sheet date, the significant concentrations of credit risk are attributable to cash and cash equivalents, as well as the loan receivable from Golden Saint Minerals Guinea SA (refer to note 9).

Based on discussions with the directors of Golden Saint Minerals Guinee (GSMG), the directors believe that the loan to GSMG of \$290,000 plus interest is recoverable. However this is subject to ongoing assessment and if the amount is deemed unrecoverable in future periods, it will be impaired accordingly.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2015 \$	2014 \$
Cash and cash equivalents			
-AA rated		<u>4,097,129</u>	<u>38,034</u>
	14	<u>4,097,129</u>	<u>38,034</u>

NOTE 15 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

	Note	2015 \$	2014 \$
Financial liabilities due for payment			
Trade and other payables		487,126	215,269
Total expected outflows		487,126	215,269
Financial assets – cash flow realisable			
Cash and cash equivalents	14	4,097,129	38,034
Trade receivables		65,017	5,514
Other receivables		520,300	290,000
Total anticipated inflows		4,682,446	333,548
Net inflow on financial instruments		4,195,320	118,279

(iv) Interest rate risk

The financial instruments which primarily expose the Company to interest rate risk are cash and cash equivalents. The Company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Effective interest rate	Floating interest rate \$	1 year or less \$	1 to 5 years \$	Non- interest bearing \$	Total \$
30 June 2015							
<i>Financial assets</i>							
Cash assets	14	1.50%	4,097,129	-	-	-	4,097,129
Trade receivables		-	-	-	-	65,017	65,017
Other receivables	9	7.00%	-	520,300	-	-	520,300
Total financial assets			4,097,129	520,300	-	65,017	4,682,446
<i>Financial liabilities</i>							
Trade and other payables		-	-	-	-	487,126	487,126
Total financial liabilities			-	-	-	487,126	487,126

NOTE 15 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Interest rate risk (cont'd)

	Note	Effective interest rate	Floating interest rate \$	1 year or less \$	1 to 5 years \$	Non-interest bearing \$	Total \$
30 June 2014							
<i>Financial assets</i>							
Cash assets	14	2.30%	38,034	-	-	-	38,034
Trade receivables		-	-	-	-	10,392	10,392
Other receivables	9	7.00%	-	290,000	-	-	290,000
Total financial assets			38,034	290,000	-	10,392	338,426
<i>Financial liabilities</i>							
Trade and other payables		-	-	-	-	215,269	215,269
Total financial liabilities			-	-	-	215,269	215,269

(v) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The directors consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements, approximate their fair values.

	Note	2015 Carrying Amount \$	2015 Fair Value \$	2014 Carrying Amount \$	2014 Fair Value \$
Financial assets					
Cash and cash equivalents	14	4,097,129	4,097,129	38,034	38,034
Trade receivables		65,017	65,017	10,392	10,392
Other receivables	9	520,300	520,300	290,000	290,000
Total financial assets		4,682,446	4,682,446	338,426	338,426
<i>Financial liabilities</i>					
Trade and other payables		487,126	487,126	215,269	215,269
Total financial liabilities		487,126	487,126	215,269	215,269

NOTE 16 RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

i. Key management personnel compensation

The aggregate compensation made to key management personnel of the company and the Company is set out below:

	2015 \$	2014 \$
Short term employee benefits	117,290	147,912
Post-employment benefits	-	-
Termination benefits	-	-
Other benefits	-	-
Share-based payments	-	-
	117,290	147,912

ii. Transactions with key management personnel and related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Company secretarial and accounting services

Adam Sierakowski is a Director and shareholder of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. The amount incurred for the year ended 30 June 2015 was \$70,041 (2014: \$82,387). The amount payable as at 30 June 2015 is \$4,550 (2014: \$73,093). The amount written off for the year ended 30 June 2015 was \$58,653 (incl gst) (2014: \$nil). The debt forgiven and written off in the year ended 30 June 2015 but was incurred in the previous year.

Corporate finance and office services

Adam Sierakowski is a Director and shareholder of Trident Capital Pty Ltd ("Trident Capital") which provides corporate advisory services and office accommodation. The amount incurred for the year ended 30 June 2015 was \$69,000 (2014: \$84,000). The amount payable as at 30 June 2015 is \$nil (2014: \$69,300). The amount written off for the year ended 30 June 2015 was \$83,600 (incl gst) (2014: \$nil). The debt forgiven and written off in the year ended 30 June 2015 but was incurred in the previous year.

Legal fees

Adam Sierakowski is a Director and shareholder of Price Sierakowski Pty Ltd ("Price Sierakowski") which provides legal services. The amount incurred for the year ended 30 June 2015 was \$172,179 (2014: \$36,310). The amount payable as at 30 June 2015 is \$64,844 (2014: \$18,854).

Capital raising fees

Trident Capital and Price Sierakowski also provided capital raising services. The amount incurred during the year and payable as at 30 June 2015 is as shown below:

	Amount Incurred for the year ended 30 June 2015	Amount Payable as at 30 June 2015
Trident Capital	\$27,500	\$22,000
Price Sierakowski	\$33,724	\$11,592

Nil capital raising fees were incurred or payable as at 30 June 2014.

NOTE 16 RELATED PARTY TRANSACTIONS (CONT'D)

(a) Transactions with key management personnel (cont'd)

Reimbursement

For the year ended 30 June 2015, \$6,072.65 (2014: \$194) was paid to Adam Sierakowski as a reimbursement of expenses. Cyril D'Silva is a Director and shareholder of Golden Saint Australia Ltd ("Golden Saint Australia"). For the year ended 30 June 2014, \$2,285 was paid to Golden Saint Australia as a reimbursement of expenses. For the year ended 30 June 2014, \$10,000 was paid to Cyril D'Silva for travel expenses)

Loan advancement

\$20,300 of interest was charged on the loan to Golden Saint Minerals Guinea ("GSMG"). Cyril D'Silva is a Director and shareholder of GSMG.

Director fees

Amounts of Director fees incurred during the current and prior year are set out on page 11. The amount payable as at 30 June 2015 to Clayhill Capital Consultants Pty Ltd is \$nil. The amount payable as at 30 June 2015 to Trident Capital Pty Ltd is \$4,000. The amount payable as at 30 June 2015 to Rob Ramsay is \$8,000. The amount payable as at 30 June 2015 to Sobol Capital Pty Ltd is \$4,000.

NOTE 17 COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments and contingent liabilities as at the date of this report.

NOTE 18 SUBSEQUENT EVENTS

On 2 July 2015, the Company announced that the Share Sale Agreement dated 20 February 2015 between the Company, ResApp, the Shareholders of ResApp and UniQuest had completed with the Company acquiring 100% of ResApp.

In accordance with the Company's Replacement Prospectus dated 26 May 2015 and as approved by Shareholders at the General Meeting held on 27 May 2015, the following securities were issued (on a post consolidation basis):

- (a) Public Offer – 200,000,000 Shares at \$0.02 per Share having raised \$4 million;
- (b) Vendor Offer – 93,750,000 Shares and 93,750,000 Performance Shares issued in consideration for the acquisition of ResApp;
- (c) Facilitation Offer – 18,749,999 Shares to the Facilitators for services provided; and
- (d) Incentive Options – 20 million Incentive Options.

Following completion of the acquisition, Dr Tony Keating was appointed to the Board of the Company in the position of Managing Director and Chief Executive Officer. Dr Roger Aston has also been appointed as a non-executive director, replacing Dr Rob Ramsay. Dr Roger Aston was subsequently appointed as Chairman of the Company, replacing Mr Adam Sierakowski who remains on the Board as a non-executive director.

In addition, the Company changed its name from Narhex Life Sciences Limited to ResApp Health Limited and was reinstated to official quotation on the ASX on 14 July 2015 under the new ASX Code "RAP".

NOTE 19 SEGMENT NOTE

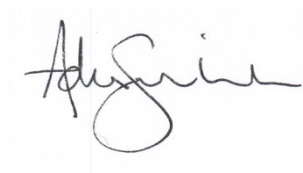
The Company was operating under one business segment, being health technology. The Company also operates in one geographical location, being Australia. The Board of Directors' review internal management reports that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows, in this Annual Report.

Directors' declaration

The directors of the company declare that:

1. in the directors' opinion, the financial statements and accompanying notes set out on pages 24 to 36 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date;
2. note 4 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
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;
4. the remuneration disclosures included in pages 13 to 16 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the *Corporations Act 2001*; and

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



Adam Sierakowski
Director

Perth
30 September 2015

Independent Auditor's Report

To the members of ResApp Health Limited

Report on the Financial Report

We have audited the accompanying financial report of ResApp Health Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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 4, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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*.

Opinion

In our opinion:

- (a) the financial report of ResApp Health Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the entity's financial position as at 30 June 2015 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 4.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of ResApp Health Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth

30 September 2015

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange, the shareholder information set out below was applicable as at 21 September 2015.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	No. of shareholders	Number of Shares
1 to 1,000	493	245,596
1,001 to 5,000	286	677,389
5,001 to 10,000	52	381,489
10,001 to 100,000	197	10,259,369
100,001 and Over	386	550,209,509
Total	1,414	561,773,352

There were 845 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number	% of shares
UniQuest Pty Ltd	42,187,500	7.51
Freeman Road Pty Ltd <The Avenue A/C>	30,000,000	5.34
HSBC Custody Nominees (Australia) Limited	28,473,438	5.07

C. Twenty Largest Shareholders

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

Shareholder Name	No. Shares	%
UniQuest Pty Ltd	42,187,500	7.51
Freeman Road Pty Ltd <The Avenue A/C>	30,000,000	5.34
HSBC Custody Nominees (Australia) Limited	28,473,438	5.07
Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C>	19,088,642	3.40
Mr Brian Leedman & Mrs Natasha Leedman	18,750,000	3.34
Narhex Life Sciences Developments Limited	15,000,000	2.67
Mr Philip Coulson	12,975,000	2.31
Trident Capital Pty Ltd	11,250,000	2.00
Paticoa Nominees Pty Ltd	10,697,170	1.90
Dead Knick Pty Ltd	10,562,500	1.88
Mr Mark John Bahen & Mrs Margaret Patricia Bahen <Superannuation Account>	10,250,000	1.82
Seamist Enterprises Pty Ltd	10,000,000	1.78
Pershing Australia Nominees Pty Ltd <Accum A/C>	8,606,137	1.53
Newtonmore Biosciences Pty Ltd <The Newtonmore Superannuation Fund	8,437,500	1.50
Mr Brian Leedman & Mrs Natasha Leedman	7,310,000	1.30
Mr Peter Jacob Terpstra	7,292,421	1.30
Mr Victor John Wilk	6,000,000	1.07
Wilk Holdings Pty Ltd <Wilk Family A/C>	6,000,000	1.07
Mr Gavin Michael Zischke	4,730,000	0.84
Tashtech Pty Ltd	4,500,000	0.80
Comsec Nominees Pty Limited	4,043,603	0.72
TOTAL	276,153,911	49.16

D. Listed Options

As at the date of this report there were nil listed options on issue in the Company.

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

F. Unquoted Securities

Unlisted Options - \$0.026; 31 Dec 2016

Number of Options	33,750,000
Number of Holders	31
Holders with more than 20%	Freeman Road Pty Ltd <the Avenue A.C> - 44.44%

Performance Shares

Number of Performance Shares	93,750,000
Number of Holders	8
Holders with more than 20%	Uniquet Pty Ltd – 45% Brian Leedman & Natasha Leedman – 20%

Incentive Options - \$0.025; expiring 2 July 2020

Number of Performance Shares	5,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

Incentive Options - \$0.05; expiring 2 July 2020

Number of Performance Shares	5,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

Incentive Options - \$0.10; expiring 2 July 2020

Number of Performance Shares	10,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

Incentive Options - - \$0.05; expiring 22 September 2020

Number of Performance Shares	3,000,000
Number of Holders	1
Holders with more than 20%	Dr Udantha Abeyratne – 100%

Incentive Options- \$0.10; expiring 22 September 2020

Number of Performance Shares	2,000,000
Number of Holders	1
Holder with more than 20%	Dr Udantha Abeyratne – 100%

G. On Market Buy-Back

There is no current on market buy-back for any of the Company's securities.

H. Restricted Securities

Shares	No. Shares
Shares - Escrowed 12 months to 19 December 2015	8,750,000
Shares - Escrowed 12 months to 2 July 2016	55,312,500
Shares - Escrowed 24 months to 14 July 2017	57,187,499
Total	121,249,999

Unlisted Options - \$0.026; 31 Dec 2016

Unlisted Options - Escrowed 12 months to 19 December 2015	18,750,000
Unlisted Options - Escrowed 12 months to 2 June 2016	8,812,500
Unlisted Options - Escrowed 12 months to 26 June 2016	937,500
Unlisted Options - Escrowed 24 months to 14 July 2017	5,250,000
Total	33,750,000

Performance Shares

Performance Shares - Escrowed 12 months to 2 July 2016	55,312,500
Performance Shares - Escrowed 24 months to 14 July 2017	38,437,500
Total	93,750,000