

## Appendix 4E (Rule 4.3A)

### Preliminary Final Report

VERILUMA LIMITED (ASX: VRI) – ABN: 48 142 901 353

#### 1. Reporting period – year ended 30 June 2017

Previous corresponding period – year ended 30 June 2016

#### 2. Results for announcement to the market

	2017 A\$'000	% change
2.1 Revenue from continuing operations	146	1850%
2.2 Loss after income tax expense	(14,424)	1424%
Loss after income tax expense before listing expense on acquisition of Parmelia Resources Ltd	(1,863)	97%
2.3 Total comprehensive loss for the period attributable to me members of the Company	(14,424)	1424%

#### 2.4 Dividend and distribution information

##### *Current period*

No final dividends were declared for the period ending 30 June 2017.

For the period ended 31 December 2016, no interim dividend was declared.

##### *Previous corresponding period*

No final dividends were declared for the period ending 30 June 2016.

For the period ended 31 December 2015, no interim dividend was declared

#### 2.5 Record date for determining entitlements to dividends:

N/A

#### 2.6 Brief explanation of figures 2.1 to 2.4 (if necessary):

The loss includes the reverse acquisition costs of \$12,560,500

**3. Consolidated Statement of Comprehensive Income**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revenue	<b>146,266</b>	7,500
Other income	<b>441,682</b>	247,783
Audit fees	<b>(55,375)</b>	(2,500)
Consulting and professional fees	<b>(826,306)</b>	(434,033)
Employee costs	<b>(753,141)</b>	(554,791)
Non – Executive Directors fees	<b>(87,156)</b>	-
Marketing and public relations expense	<b>(226,116)</b>	(6,262)
Exploration expenditure expensed	<b>(120,024)</b>	-
Reverse acquisition costs	<b>(12,560,500)</b>	-
Share Registry and Listing Fees	<b>(65,225)</b>	-
Other expenses	<b>(308,586)</b>	(171,339)
Finance costs	<b>(11,266)</b>	(32,557)
Share of net profits of equity-accounted associates and joint ventures	<b>1,663</b>	-
<b>Loss before income tax</b>	<b>(14,424,084)</b>	(946,199)
Income tax expense	-	-
<b>Loss for the year</b>	<b>(14,424,084)</b>	(946,199)
<b>Other comprehensive income, net of income tax</b>	-	-
<b>Total comprehensive loss for the year</b>	<b>(14,424,084)</b>	(946,199)
Loss attributable to:		
Members of the parent entity	<b>(14,424,084)</b>	(946,199)

**4. Consolidated statement of Financial Position**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	362,273	17,522
Trade and other receivables	514,072	301,587
Other assets	42,661	1,951
<b>TOTAL CURRENT ASSETS</b>	<b>919,006</b>	<b>321,060</b>
NON-CURRENT ASSETS		
Other assets	<b>12,684</b>	450
Investments in associates	<b>1,663</b>	-
Property, plant and equipment	<b>7,002</b>	8,876
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21,349</b>	<b>9,326</b>
<b>TOTAL ASSETS</b>	<b>940,355</b>	<b>330,386</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	<b>337,244</b>	1,356,206
Income not yet recognised	<b>50,000</b>	-
Employee benefits	<b>161,625</b>	124,825
Other liabilities	-	200,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>548,869</b>	<b>1,681,031</b>
NON-CURRENT LIABILITIES		
Employee benefits	<b>50,314</b>	34,783
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>50,314</b>	<b>34,783</b>
<b>TOTAL LIABILITIES</b>	<b>599,183</b>	<b>1,715,814</b>
<b>NET ASSETS</b>	<b>341,172</b>	<b>(1,385,427)</b>
<b>EQUITY</b>		
Issued capital	14,361,745	423,109
Reserves	<b>11,099</b>	-
Retained earnings	(14,031,672)	(1,808,536)
<b>Total equity attributable to Shareholders of the Company</b>	<b>341,172</b>	<b>(1,385,427)</b>
<b>TOTAL EQUITY</b>	<b>341,172</b>	<b>(1,385,427)</b>

**5. Consolidated Statement of Cashflows**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	146,266	179,652
Payments to suppliers and employees	<b>(2,675,026)</b>	(837,409)
Interest received	<b>1,442</b>	372
Interest paid	<b>(12,708)</b>	-
Receipt from grants	247,783	-
Net cash provided by/(used in) operating activities	<u>(2,292,243)</u>	<u>(657,385)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Receipt of non-refundable deposit	<b>50,000</b>	-
Purchase of property, plant and equipment	<b>(787)</b>	-
Net cash provided by investing activities	<u>49,213</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	<b>1,370</b>	423,009
Repayment of related party loans	<b>(662,281)</b>	-
Advances to associates	<b>(89,593)</b>	-
Bank guarantee	<b>(12,684)</b>	-
Proceeds from loans and borrowings	-	250,246
Net cash provided by/(used in) financing activities	<u>(763,188)</u>	<u>673,255</u>
Net increase/(decrease) in cash and cash equivalents held	<b>(3,006,218)</b>	15,870
Cash and cash equivalents at beginning of year	<b>17,522</b>	1,653
Cash acquired	<b>3,350,969</b>	-
Cash and cash equivalents at end of financial year	<u><b>362,273</b></u>	<u>17,523</u>

**Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
<b>Net loss</b>	(14,424,084)	(946,199)
Cash flows excluded from profit attributable to operating activities		
Non-cashflows in profit:		
- Depreciation and amortisation	<b>2,660</b>	1,626
- impairment of related party loans	134,557	-
- listing expense on acquisition of PML	12,371,376	-
- accrued finance costs	-	32,928
Share of net profits of equity accounted associates and joint ventures	<b>(1,663)</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(212,485)</b>	(82,980)
- (increase)/decrease in non-current other assets	<b>(12,234)</b>	(46,450)
- (increase)/decrease in prepayments	<b>(40,710)</b>	-
- increase/(decrease) in trade and other payables	<b>(161,991)</b>	282,682
- increase/(decrease) in employee benefits	<b>52,331</b>	101,008
Cashflows from operations	<b>(2,292,243)</b>	(657,385)

6. Statement of Changes in Equity

	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	423,109	(1,808,536)	-	(1,385,427)
Profit/loss attributable to members of the parent entity the parent	-	(14,424,084)	-	(14,424,084)
<b>Transactions with owners in their capacity as owners</b>				
Share based payment - settlement of liability	200,000	-	-	200,000
Share based payment - acquisition of PML	13,737,266	-	2,212,047	15,949,313
Issue of shares on exercise of options	1,370	-	-	1,370
Lapsed options	-	2,200,948	(2,200,948)	-
<b>Balance at 30 June 2017</b>	14,361,745	(14,031,672)	11,099	341,172
<b>2016</b>				
	Ordinary Shares	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	100	(862,337)	-	(862,237)
Profit attributable to members of the parent entity	-	(946,199)	-	(946,199)
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the year	450,009	-	-	450,009
Transaction costs	(27,000)	-	-	(27,000)
<b>Balance at 30 June 2016</b>	423,109	(1,808,536)	-	(1,385,427)

7. Dividends

N/A

8. Dividend reinvestment plan

N/A

9. Net tangible asset per ordinary share

	30-Jun-17	30-Jun-16
	\$	\$
Net tangible asset backing per ordinary share	0.0009	-5.10

10. Details of entities over which control has been gained or lost

N/A

## 11. Details of associates and joint venture entities

### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
<b>Subsidiaries:</b>			
Toro Mining Pty Ltd	Australia	100	-
Veriluma Software Pty Ltd <sup>1</sup>	Australia	100	-
St Nicholas Mines Pty Ltd	Australia	100	-
Niquaero LLC	Mongolia	100	-

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

<sup>1</sup> Veriluma Software Pty Ltd acquired the Group through a reverse acquisition on 8 September 2016

## 12. Any other significant information

On 8 December 2015, Veriluma Pty Ltd (ACN 117 490 785) and Parmelia Resources Limited (ASX: PML) signed a legally binding Heads of Agreement to acquire 100% of the issued capital in Veriluma Pty Ltd, a software technology development company.

On 29 July 2016, Parmelia Resources Limited issued the prospectus seeking to raise \$3,500,000 through the issue of 50,000,000 fully paid ordinary shares in the capital of the Company at \$0.07 per share. On 30 August 2016, the Company confirmed the oversubscriptions of the Prospectus offer to raise \$3.5 million at an issue price of \$0.07.

On 8 September 2016, the acquisition was completed and the Company appointed Mr Richard Anstey as Non-Executive Chairman and Ms Elizabeth Whitelock as Managing Director and Chief Executive Officer. At the same time, Mr Peter Ellery and Mr Jay Stephenson resigned as Directors. The transaction has been accounted for as a reverse acquisition with Veriluma Pty Ltd considered to be the acquirer for accounting purposes. The following equities were issued on 8 September 2016:

- 50,000,000 ordinary shares were issued pursuant to the prospectus dated 29 July 2016
- 162,857,400 ordinary shares and 40,000,000 performance shares were issued as consideration for the acquisition of Veriluma Pty Ltd
- 2,857,143 ordinary shares were issued for the payment of outstanding loans which are owed by Veriluma Pty Ltd to SJSM Pty Ltd
- 17,465,883 ordinary shares were issued to a Corporate Advisor and Lead Manager

As approved by the Parmelia Resources Limited shareholders on 13 July 2016 the name of the Company was changed from "Parmelia Resources Limited" to "Veriluma Limited" on 12 September 2016, and the principal activities of Parmelia Resources Limited were changed to product development, marketing and commercialisation of software, products and services.

The Company was reinstated to official quotation on the ASX on 27 September 2016 following the completion of the fund raising under the Prospectus dated 29 July 2016 and the completion of the Veriluma acquisition on 8 September 2016 having been suspended from quotation on the Official List of the ASX since 12 July 2016.

### 13. Accounting Standards

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

### 14. Results for the period

#### 14.1 Earnings per security

	<b>2017</b>	<b>2016</b>
Weighted average number of shares on issue	<b>322,007,252</b>	156,857,272
Basic/diluted loss per share(cents)	<b>(4.48)</b>	(0.60)

#### 14.2 Returns to Shareholders

N/A

#### 14.3 Significant features of operating performance

##### Highlights

- Successful completion of Phase 1 trial with the Australian Government Department of Defence generates over \$124k of revenue, with the Company now discussing the potential progression to a materially larger Phase 2 trial
- Partnership with US company Diamond Capture Associates provides Veriluma with direct access to US government agencies and corporations
- Gilbert + Tobin pilot successfully completed, with discussions on trial outcomes and future potential commercialisation opportunities ongoing
- Legal Logix on track to launch its first Veriluma developed application in 1Q18
- Veriluma's SAMI application is receiving strong interest from the financial services sector, with a number of financial services organisations interested in trials
- Discussions with several of the Big 4 accounting firms continue, with the commercial application of Veriluma's technology under consideration
- Conditional sale of West Australian Jaurdi Hills tenements

#### 14.4 Segment results

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

The Group has identified it only operates in one business segment, being the product development, marketing and commercialisation of software, products and services in Australia. As all significant assets and liabilities and the financial result relates to the one business segment, no detailed segment analysis has been performed. No seasonality in the business segment has been identified that would have a significant impact on the interim results of the Group.

#### 14.5 Trends in performance

Revenue has increased compared with prior period due to new contracts. The loss has increased as a result of the one off reverse acquisition expense.



**14.6 Any other factors which have affected the results in the period which are likely to affect the result in the future, including those where the effect could not be quantified:**

N/A

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

- The accounts are in the process of being audited or subject to review.

**16. Description of any likely audit dispute or qualification**

N/A

Signed

A handwritten signature in black ink that reads "E.A. Whitelock". The signature is written in a cursive style with a large, looped 'W'.

Elizabeth Whitelock

Company Director

31<sup>st</sup> August 2017