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BARD1AG S.A.

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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BARD1AG S.A.  
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FOR THE YEAR ENDED 31 DECEMBER 2015

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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2015.

Directors

The names of the directors in office at any time during or since the end of the year are:

Irmgard Irminger-Finger (appointed 10/7/2010)

Roman Vuille (appointed 1/12/2012)

Florian Irminger: (appointed 23.11.2015)

Tony Walker (appointed 10/7/2010: resigned 1/7/2015)

Christophe Bonny (appointed 1/1/2011: resigned 1/7/2015)

Jacques Billy (appointed 30/10/2013 resigned 1/7/2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

The loss of the company for the financial year after providing for income tax amounted to CHF 63,207 (31 December 2014: CHF 73,879).

Principal activities

The principal activity of the company during the financial year was the development of techniques for the early detection, diagnosis and treatment of cancer.

Significant changes in state of affairs

No significant change in the nature of these activities occurred during the year.

Significant events after year end

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future development, prospects and business strategy

The company will continue activities in relation to the development of techniques for the early detection, diagnosis and treatment of cancer.

Dividend paid and recommended

No dividends have been declared, provided for or paid in respect of the financial year ended 31 December 2015.

DIRECTORS' REPORT

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report. There were no shares issued on the exercise of options during the financial year.

Indemnifying officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor 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.

Signed in accordance with a resolution of the Board of Directors:



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Irmgard Irminger-Finger  
Director

Dated: 1 March 2016

BARD1AG S.A.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 CHF	2014 CHF
Patent and research and development costs		(37,909)	(23,472)
Administration costs		(10,532)	(9,511)
Depreciation and amortisation		(15,155)	(14,355)
Travel expense costs		(3,743)	-
Impairment expenses		-	(20,000)
Foreign exchange gain		7,132	1,384
Finance costs		(776)	(6,559)
Other expenses		(1,076)	(1,366)
		<u>(62,059)</u>	<u>(71,679)</u>
Profit/(loss) before income tax expense		(62,059)	(71,679)
Income tax expense		-	-
		<u>(62,059)</u>	<u>(71,679)</u>
Profit/(loss) after income tax expense		(62,059)	(71,679)
Other comprehensive income for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income attributable to Owners of the entity		<u><u>(62,059)</u></u>	<u><u>(71,679)</u></u>

The accompanying notes form part of these financial statements.

## BARD1AG S.A.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

	Note	2015 CHF	2014 CHF
CURRENT ASSETS			
Cash and cash equivalents		48,522	20,125
Trade and other receivables		3,317	2,788
TOTAL CURRENT ASSETS		<u>51,839</u>	<u>22,913</u>
NON-CURRENT ASSETS			
Property, plant and equipment		8,858	21,013
TOTAL NON-CURRENT ASSETS		<u>8,858</u>	<u>21,013</u>
TOTAL ASSETS		<u><u>60,697</u></u>	<u><u>43,926</u></u>
CURRENT LIABILITIES			
Trade and other payables		234,205	205,544
Borrowings		50,500	-
TOTAL CURRENT LIABILITIES		<u>284,705</u>	<u>205,544</u>
TOTAL LIABILITIES		<u><u>284,705</u></u>	<u><u>205,544</u></u>
NET ASSETS		<u><u>(223,677)</u></u>	<u><u>(161,618)</u></u>
EQUITY			
Issued capital		300,000	300,000
Retained earnings		(523,677)	(461,618)
TOTAL EQUITY		<u><u>(223,677)</u></u>	<u><u>(161,618)</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Issued Capital CHF	Retained Earnings CHF	Total Equity CHF
At 1 January 2014	300,000	(389,939)	(89,939)
Profit after income tax for the year	-	(71,679)	(71,679)
Other comprehensive income for the year, net of tax	-	-	-
Total Comprehensive income	-	(71,679)	(71,679)
At 31 December 2014	<u>300,000</u>	<u>(461,618)</u>	<u>(161,618)</u>
Profit after income tax for the year	-	(62,059)	(62,059)
Other comprehensive income for the year, net of tax	-	-	-
Total Comprehensive income	-	(62,059)	(62,059)
At 31 December 2015	<u><u>300,000</u></u>	<u><u>(523,677)</u></u>	<u><u>(223,677)</u></u>

The accompanying notes form part of these financial statements.

## BARD1AG S.A.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 CHF	2014 CHF
Cash flow from operating activities			
Payments to suppliers and employees		(21,327)	(96,394)
Borrowing costs paid		(776)	(6,559)
Net cash provided by operating activities		<u>(22,103)</u>	<u>(102,953)</u>
Cash flow from financing activities			
Proceeds from borrowings		<u>50,500</u>	<u>-</u>
Net cash used in financing activities		<u>50,500</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents		28,397	(102,953)
Cash and cash equivalents at the beginning of the year		<u>20,125</u>	<u>123,078</u>
Cash and cash equivalents at the end of the year	4	<u><u>48,522</u></u>	<u><u>20,125</u></u>

The accompanying notes form part of these financial statements.

BARD1AG S.A.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Summary of significant accounting policies

The financial statements cover BARD1AG S.A. as an individual entity. The financial statements are presented in Swiss Francs, which is BARD1AG S.A. functional and presentation currency.

Reporting Basis and Conventions

The directors have prepared the financial report on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses if any.

(b) Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

(c) Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful lives
Plant and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(e) Patents, research and development costs

Expenditure on the acquisition and maintenance of patents and research and development expenses have been expensed in the year the expenses were incurred.

Development expenditures are tested for impairment in accordance with the policy on impairment of assets.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled plus on cost.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of past events for which it is probable that an outflow of benefits will result and can be reasonably measured. Provisions recognised represents the best estimate of the amounts required to settle the obligation at the end of reporting period.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks and highly liquid investments with original maturities of three months or less.

BARD1AG S.A.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Summary of significant accounting policies (continued)

(i) Revenues

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) with no deferred tax expense (income) calculated for the year.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(l) Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

- (i) where the amount of VAT incurred is not recoverable. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables, with the exception of accrued expenses and expense provisions, are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The VAT components of cash flows arising from investing and financing activities, which are recoverable, or payable are classified as operating cash flows.

(m) Grants Received

Government grants are recognised when the grants have been received and there is a reasonable expectation that the Company will comply with the conditions attaching to them and. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which they are received.

(n) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Statement of significant accounting policies (continued)

(o) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(p) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the economic entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision 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. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

(q) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(r) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

(s) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Statement of significant accounting policies (continued)

Current and non-current classification (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(t) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(u) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(v) Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

International Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(w) Going Concern Basis of Accounting.

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

The Company's current cash flow forecast supports the Directors' opinion that the Company's working capital position will remain positive for at least the next twelve months from the date of these financial statements based on the assumption that the acquisition of the Company by Eurogold Limited proceeds and that \$3,000,000 (before costs), a condition of the acquisition proceeding, will be raised. Should this not occur, or any other alternate funding arrangements be procured, there may be a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern

## BARD1AG S.A.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 CHF	2014 CHF
Note 3: Cash and cash equivalents		
Cash at bank and on hand	48,552	20,125
	<u>48,552</u>	<u>20,125</u>
	<u><u>48,552</u></u>	<u><u>20,125</u></u>
<i>Notes to the statement of cash flows:</i>		
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at bank and deposits, net of outstanding bank overdrafts.		
	2015 CHF	2014 CHF
Note 4: Trade and other receivables		
Current Other receivables	3,317	2,788
	<u>3,317</u>	<u>2,788</u>
	<u><u>3,317</u></u>	<u><u>2,788</u></u>
Note 5: Property, plant and equipment		
Office equipment & furniture	21,073	33,228
Less accumulated depreciation	(12,215)	(12,215)
	<u>21,073</u>	<u>21,073</u>
	<u><u>21,073</u></u>	<u><u>21,073</u></u>
Total property, plant and equipment	8,858	21,073
	<u><u>8,858</u></u>	<u><u>21,073</u></u>
Note 6: Trade and other payables		
Current Other creditors	234,205	205,544
	<u>234,205</u>	<u>205,544</u>
	<u><u>234,205</u></u>	<u><u>205,544</u></u>
Note 7: Provisions		
Current Provision for service provided	184,877	191,084
	<u>184,877</u>	<u>191,084</u>
	<u><u>184,877</u></u>	<u><u>191,084</u></u>

BARD1AG S.A.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 8: Borrowings

Current Convertible Note	50,500	-
	<u>50,500</u>	<u>-</u>
	<u><u>50,500</u></u>	<u><u>-</u></u>

The Convertible Notes have a term of 1 year however may be repaid earlier at by BARD1AG giving 1 months' notice. The Convertible notes do not bear interest. The Convertible note is convertible into equity of BAD1AG at the lower of the valuation of the company at the date of conversion or CHF1,400,000.

2015	2014
CHF	CHF

Note 9: Issued capital

Ordinary shares 300,000 (2014: 300,000) fully paid ordinary shares	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
	<u><u>300,000</u></u>	<u><u>300,000</u></u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 10: Cash flow information

Reconciliation from net profit after tax to the net cash flows from operations

Profit after income tax	(63,207)	(73,879)
Depreciation and amortisation	15,155	14,355
(Increase)/Decrease in receivables	(529)	3,494
(Decrease)/ Increase in payables	26,478	(46,923)
	<u>(22,103)</u>	<u>(102,953)</u>
Net cash from operating activities	<u><u>(22,103)</u></u>	<u><u>(102,953)</u></u>

BARD1AG S.A.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 11: Events after reporting date

The directors are not aware of any matter or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Note 12: Contingent liabilities

There are no contingent liabilities as at 31 December 2015

Note 13: Company details

The registered office of the company is:  
BARD1AG S.A.  
Route de Frontenex 86bis  
Geneva 1208  
Switzerland

BARD1AG S.A.

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 31 December 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



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Irmgard Irminger-Finger

Dated: 1 March 2016

## INDEPENDENT AUDITOR'S REPORT

To the members of BARD1AG S.A.

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of BARD1AG S.A., which comprises the statement of financial position as at 31 December 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 and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the constitution and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 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 company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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 Australian professional accounting bodies.

### **Opinion**

In our opinion the financial report presents fairly, in all material respects, the financial position of BARD1AG S.A. as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1.

### **Emphasis of matter**

Without modifying our opinion, we draw attention to Note 1(w) in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set out in Note 1(w), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the constitution. As a result, the financial report may not be suitable for another purpose.

**BDO Audit (WA) Pty Ltd**



**Ian Skelton**

**Director**

Perth, 1 March 2016