



ABN 62 133 221 084

Advanced Investments Group Unaudited Annual Report

for the year ended 31 December 2016

Corporate Information

ABN 62 133 221 084

Directors

Anthea Huang

MuShun Huang

Chief Executive Officer and Company Secretary

Samuel James Morton (Appointed as CEO 2 September 2015)

Registered Office

Clarendon House

2 Church Street

Hamilton HM11, BERMUDA

Australia Office

1D Robinson Avenue

PERTH, WA, 6000 AUSTRALIA

Telephone: + 61 8 9485 0039

Facsimile: + 61 8 9485 0069

Legal Counsel

Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000 AUSTRALIA

Bankers

National Australia Bank Limited

1232 Hay Street

WEST PERTH WA 6005 AUSTRALIA



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Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | 2016 AUD | 2015 AUD |
|--|-------|--------------------|---------------------|
| REVENUE FROM CONTINUING OPERATIONS | | | |
| Interest Income | 1 | 28,270 | 85,422 |
| Other Income | 1 | - | 17,748 |
| TOTAL REVENUE | | 28,270 | 103,170 |
| EXPENDITURE | | | |
| Depreciation expense | | - | 9,450 |
| Salaries and employee benefits expense | | 524,906 | 650,609 |
| Exploration expenditure | | 76,890 | 115,733 |
| Corporate expenses | | 223,243 | 290,504 |
| Occupancy expenses | | 46,708 | 62,572 |
| Insurance expenses | | - | 22,064 |
| Impairment expense | | - | 11,096,603 |
| Share-based payment expense | | 76,695 | |
| Travel | | - | 91,115 |
| WHT | | - | 10,374 |
| Other expenses | | 24,602 | 85,388 |
| TOTAL EXPENDITURE | | 973,043 | 12,434,412 |
| LOSS BEFORE INCOME TAX | | (944,774) | (12,331,242) |
| INCOME TAX BENEFIT / (EXPENSE) | | | - |
| LOSS FOR THE YEAR | | (944,774) | (12,331,242) |
| OTHER COMPREHENSIVE (LOSS)/INCOME | | | |
| Exchange differences on translation of foreign operations | | (1,470,210) | (554,103) |
| Other comprehensive (loss)/income for the year, net of tax | | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO AIG Limited | | (2,414,984) | (12,885,345) |

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2016

| | Notes | 2016 AUD | 2015 AUD |
|--|-------|------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 2 | 419,459 | 3,050,211 |
| GST Receivable | | 26,032 | 26,032 |
| Accrued Income | | 7,954 | 7,954 |
| Total Current Assets | | 453,445 | 3,084,197 |
| Non Current Assets | | | |
| Capitilised Exploration and Acquisition cost | 5 | 4,000,000 | - |
| Total non-current assets | | 4,000,000 | - |
| Total assets | | 4,453,445 | 3,084,197 |
| Current liabilities | | | |
| Trade creditors | 6 | 350,301 | 281,758 |
| Provisions | 6 | 24,770 | 18,154 |
| Total current liabilities | | 375,071 | 299,912 |
| Non - Current Liabilities | | | |
| | | - | - |
| Total Non-Current Liabilities | | - | - |
| Total liabilities | | 375,071 | 299,912 |
| Net assets | | 4,078,375 | 2,784,285 |
| Equity | | | |
| Paid up capital | | 55,386,932 | 53,107,596 |
| Reserves | | 294,091 | (1,200,616) |
| Accumulated losses/profits | | (51,602,648) | (49,122,695) |
| Total Equity | | 4,078,375 | 2,784,285 |

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

As at 31 December 2016

| YEAR ENDED 31 DECEMBER 2016 | | | | | | |
|---|-------|----------------------|--------------------------|--|-----------------------------|--------------|
| | Notes | Issued Capital \$ | Options Reserve \$ | Foreign Currency Translation Reserve \$ | Accumulated Losses \$ | Total \$ |
| Consolidated AUD | | | | | | |
| BALANCE AT 31 DECEMBER 2014 | | 53,107,596 | 542,683 | (1,189,196) | (36,791,453) | 15,669,630 |
| Loss for the year 2015 | | - | - | - | (12,331,242) | (12,331,242) |
| OTHER COMPREHENSIVE LOSS | | | | | | |
| Exchange differences on translation of foreign operations | | - | - | (554,103) | - | (554,103) |
| TOTAL COMPREHENSIVE LOSS | | - | - | (554,103) | (12,331,242) | (12,885,345) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | | |
| | | - | - | - | - | - |
| Employees and consultants share options | | - | - | - | - | - |
| BALANCE AT 31 DECEMBER 2015 | | 53,107,596 | 542,683 | (1,743,299) | (49,122,695) | 2,784,285 |
| Loss for the year 2016 | | | | | (2,414,983) | (2,414,983) |
| OTHER COMPREHENSIVE LOSS | | | | | | |
| Exchange differences on translation of foreign operations | | | | 1,494,707 | (64,970) | 1,429,737 |
| TOTAL COMPREHENSIVE LOSS | | | | 1,494,707 | (2,479,953) | (985,246) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | | |
| Shares issued during the year | | 2,279,336 | | | | 2,279,336 |
| Employees and consultants share options | | | | | | |
| BALANCE AT 31 DECEMBER 2016 | | 55,386,932 | 542,683 | (248,592) | (51,602,648) | 4,078,375 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

AS AT 31 DECEMBER 2016

| YEAR ENDED 31 DECEMBER 2016 | Notes | Consolidated 2016 AUD | Consolidated 2015 AUD |
|---|-------|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | - | - |
| Payments to suppliers and employees | | (938,357) | (1,482,183) |
| Interest received | | 28,270 | 103,388 |
| Other Income | | - | 17,748 |
| NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES | | (910,087) | (1,361,047) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for investments | | (4,000,000) | - |
| Payments for plant and equipment | | - | - |
| NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES | | (4,000,000) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issues of ordinary shares | | 2,279,335 | - |
| Payment of share issue costs | | - | - |
| NET CASH INFLOW FROM FINANCING ACTIVITIES | | 2,279,335 | - |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | | (2,630,752) | (1,361,047) |
| Cash and cash equivalents at the beginning of the financial year | | 3,050,211 | 4,300,631 |
| Effects of exchange rate changes on cash and cash equivalents | | - | 110,627 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | | 419,459 | 3,050,211 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

| | Consolidated | |
|---|------------------|------------------|
| | 2016 | 2015 |
| | AUD | AUD |
| 1. REVENUE | | |
| From continuing operations | | |
| Interest | 28,270 | 85,422 |
| Other income | - | 17,748 |
| | 28,270 | 103,170 |
| 2. CURRENT ASSETS - CASH AND CASH EQUIVALENTS | | |
| Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. | | |
| Cash at bank and in hand | 379,459 | 114,100 |
| Short-term deposits | 40,000 | 2,936,111 |
| Cash and cash equivalents as shown in the consolidated statement of financial position and the consolidated statement of cash flows | 419,459 | 3,050,211 |
| Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. | | |
| 3. NON-CURRENT ASSETS – PLANT AND EQUIPMENT | | |
| Plant and equipment | | |
| Cost | 147,454 | 147,454 |
| Accumulated depreciation | (147,454) | (147,454) |
| Net book amount | - | - |
| Plant and equipment | | |
| Opening net book amount | 29,889 | 29,889 |
| Exchange differences | (2,691) | (2,691) |
| Disposals | (17,748) | (17,748) |
| Depreciation expense | (9,450) | (9,450) |
| Closing net book amount | - | - |
| 4. CAPITALISED EXPLORATION AND ACQUISITION COST | | |
| Opening | - | 2,524,306 |
| FX Movement | - | (613,595) |
| Provision for Impairment | - | (1,910,711) |
| Closing | - | - |
| During the reporting period it was decided by the board of directors to provide for impairment of the capitalized Exploration and Acquisition costs due to the current Iron Ore Market conditions. This will be reversed in the future should value for this asset be realized. | | |
| 5. FINANCIAL ASSETS | | |
| Investment in Safety Barriers WA | 4,000,000 | |
| Investment in Global Dynamic – Available for Sale | | 9,185,892 |
| Provision for Impairment | | (9,185,892) |
| | 4,000,000 | - |

6. CURRENT LIABILITIES

| | | |
|---|----------------|----------------|
| Trade Creditors and Accruals (including withholding taxes)(i) | 350,301 | 281,758 |
| Provisions | 24,770 | 18,154 |
| | 375,071 | 299,912 |

(i) Trade Creditors are non-interest bearing and are normally settled on a 30-60 day terms.

Executives' Declaration

In the executives' opinion:

- (a) the financial statements and notes set out on pages 3 to 9 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Jamie Morton
CEO