

eSports Mogul Asia Pacific Limited

Appendix 4D

Half Year Report

For the period ended 30 June 2017

(Previous corresponding period: 30 June 2016)

Results for announcement to the market

	30 June 2017 Current Period \$	Percentage Change Up / (Down)	Change Up / (Down) \$	30 June 2016 Previous Corresponding Period \$
Revenue from ordinary activities	61,791	2,417%	59,336	2,455
Loss from ordinary activities after tax	(1,965,268)	(369%)	(1,545,934)	(419,334)
Net Loss for the period attributable to members	(1,965,268)	(369%)	(1,545,934)	(419,334)

Dividends

The Company does not propose to pay any dividends in the current period.

Net tangible assets per security

	Current Period (30 June 2017)	Previous Corresponding Period (30 June 2016)
Cents per ordinary share	0.55 cents	0.21 cents

Details of entities over which control has been gained or lost

Control gained over entities

Not applicable

Control lost over entities

Not applicable

Details of Associates

Details of Associates

Current Period

Previous Corresponding Period

Not applicable

Accounting Standards

For foreign entities, the set of accounting standards used in compiling the report:-

Not applicable

Auditor's review report

For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification.

Not applicable

ESPORTS MOGUL ASIA PACIFIC LIMITED

ABN 22 148 878 782

Financial Report
For the Half Year Ended
30 June 2017

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DIRECTORS

Non-Executive Chairman

Adam Jacoby

Managing Director

Gernot Abl

Non-Executive Director

George Lazarou

COMPANY SECRETARY

George Lazarou

REGISTERED OFFICE

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AUDITORS

Moore Stephens Perth
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PERTH WA 6000

SHARE REGISTRAR

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Alexandria House
Level 1, 770 Canning Highway
APPLECROSS WA 6153

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: ESH, ESHO

DIRECTORS' REPORT

Your Directors submit the financial report of eSports Mogul Asia Pacific Limited (the Company) and controlled entities (the consolidated entity) for the half-year ended 30 June 2017.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Adam Jacoby
Gernot Abl
George Lazarou

RESULTS

The net loss of the consolidated entity after tax and non-controlling interest for the half year ended 30 June 2017 is \$1,965,268 (2016: \$419,334).

REVIEW OF OPERATIONS

eSports Mogul Pty Ltd

The Company continued to execute its launch and growth strategy in its target Asian Pacific (APAC) market. The Company's initial-stage strategy is to grow active user numbers for its online platform and an interactive media platform for esports enthusiasts.

eSports Tournament Platform Launched in Philippines and Thailand

The Company continued the rollout of its esports online tournament platform in the quarter. This included its formal launch in the Philippines and Thailand.

The launch in these two key Asian Pacific esports markets followed the Company's initial launch – into Singapore and Australia - in March.

The Philippines and Thailand both represent significant esports markets, with high numbers of active players. The Philippines has more than five million active esports participants and Thailand has in excess of three million active esports participants. Importantly, the major game titles DOTA 2 and CS:GO are ranked the top two esports titles in both markets.

The Philippines and Thailand launch allowed players of all levels to utilise the Company's online tournament platform – and help rapidly expand its user footprint in the APAC market. The Company plans to adopt this strategy in its progressive rollout across other APAC jurisdictions.

The Philippines and Thailand launch represented another milestone in the Company's growth strategy, and involved significant market-specific localisation and development of the platform, which was delivered ahead of schedule.

Post-launch Strategy

The Company has implemented targeted Facebook and Google digital marketing campaigns in both markets to increase brand awareness and generate new users. This is being supported by local community marketing activities, including Twitch influencers, shout casters and activations with well-known esports players.

Strategic Marketing Agreements in APAC Region

The Company continued to execute its APAC growth strategy by entering new strategic marketing agreements (Agreements) with two of Asia's leading esports media groups.

The Agreements are with DreamCasters TDC and FPS Thailand, and are designed to market and promote the Company's esports tournament platform. These Agreements will form a key component of the Company's user acquisition strategy in its APAC target market.

DreamCasters TDC and FPS Thailand are both regional south-east Asian partners of Twitch Interactive Inc. (Twitch) – Twitch is the world's largest social video platform for gamers and was acquired by Amazon.com, Inc. (NASDAQ: AMZN) in 2014 for US\$970 million. Its online platform attracts 9.7 million active users daily.

DIRECTORS' REPORT

Under the Agreements, DreamCasters TDC and FPS Thailand will produce and provide exclusive video content for the Company to promote its online tournament platform and drive user growth. Their highly regarded influencer networks will also live-stream about the platform.

The parties also propose to collaborate on the organisation and running of esports tournaments, utilising the Company's online tournament platform, to help enhance brand awareness and user acquisition. It is anticipated that the campaigns and activations delivered under the Agreements will assist in increasing the visibility and exposure of the Company, DreamCasters TDC and FPS Thailand, and the esports industry in the Philippines and Thailand.

Strong User Acquisition Numbers from Manila Masters eSports Tournament

The Company reported its first user registration and viewer numbers for its online esports platform, coming from the Manila Masters Esports Tournament. The Company entered into a Sponsorship Agreement in March with Mineski Events Team (Mineski), the organisers of the Manila Masters, to be the exclusive platform provider for the tournament.

The Manila Masters was an esports tournament for DOTA 2 and was one of South East Asia's largest tournaments with player registrations and viewer numbers far exceeding initial forecasts.

Highlight numbers included;

- Final team registrations were approximately 2,935, equating to around 14,674 players utilising the Esport Mogul platform;
- The tournament generated overall peak viewer numbers of 3.66 million; and
- More than 2 million fans viewed and/or followed the tournament.

As the exclusive, official tournament platform provider, the Company and its esports tournament platform derived major exposure and visibility, during the tournament's qualifying and main stages. The Company was delighted to be associated with the tournament, and with the outcomes of its sponsorship agreement, which provided a highly positive and large-scale exposure to its target audience.

Corporate

On 23 February 2017, eSports Hero Inc. was acquired by ChallengeMe Esports GmbH (ChallengeMe), a leading German eSports business to form a global eSports company.

On 28 February 2017, the Company via its wholly owned subsidiary, eSports Mogul Pty Ltd (ESM) entered into a Platform License Agreement under which ChallengeMe granted ESM an exclusive license to market the ChallengeMe Tournament Platform (Platform) as part of its ESM Media Hub, for a period of 10 years, in the APAC region, subject to certain conditions.

ESM also made a strategic investment of €650,000 in ChallengeMe, providing them with an approx. 25% shareholding in ChallengeMe.

On 2 August 2017, the Company via its wholly owned Singapore subsidiary SEA eSports Pte Ltd, entered into a platform partnership agreement with Razer, the leading lifestyle brand for gamers. Under the agreement, the Company will make an upfront cash payment of US\$200,000 and an annual cash payment of US\$50,000 to Razer, to license the Razer Arena platform technologies. While Razer retains all its core intellectual property for Razer Arena, the Company will own all newly developed intellectual property for its new esports platform, Mogul Arena.

On 11 August 2017, the Company via its wholly owned subsidiary eSports Mogul Pty Ltd, has entered into an amended Platform License Agreement (PLA) with ChallengeMe, which now provides the Company with a non-exclusive license to the ChallengeMe esports tournament platform, and the removal of the obligation to meet the minimum marketing commitments.

Iron Ore Projects

The Company, through its wholly owned subsidiaries Pilbara Commodities Pty Ltd and Commodite Resources Pty Ltd, holds a 100% interest in several exploration licences in the Pilbara region.

DIRECTORS' REPORT

On 18 August 2017, the Company entered into a Share Sale and Purchase Agreement with Mallina Exploration Pty Ltd (Mallina), whereby Mallina will acquire Pilbara Commodities Pty and Commodite Resources Pty Ltd, for total consideration of \$75,000.

On 18 August 2017, the Company entered into a Tenement Sale Agreement with Mallina Exploration Pty Ltd (Mallina), whereby Mallina will acquire exploration tenement E47/3082 for total consideration of \$10,000.

EVENTS SUBSEQUENT TO REPORTING DATE

On 2 August 2017, the Company via its newly incorporated wholly owned Singapore subsidiary SEA eSports Pte Ltd, entered into a platform partnership agreement with Razer, the leading lifestyle brand for gamers. Under the agreement, the Company will make an upfront cash payment of US\$200,000 and an annual cash payment of US\$50,000 to Razer, to license the Razer Arena platform technologies. While Razer retains all its core intellectual property for Razer Arena, eSports Mogul will own all newly developed intellectual property for its new esports platform, Mogul Arena.

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On 18 August 2017, the Company entered into a Tenement Sale Agreement with Mallina Exploration Pty Ltd (Mallina), whereby Mallina will acquire exploration tenement E47/3082 for total consideration of \$10,000.

No other matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Gernot Abl
Managing Director

Dated this 21st day of August 2017

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Perth, WA 6000

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ESPORTS MOGUL ASIA PACIFIC LIMITED**

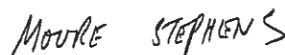
I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2017, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of eSports Mogul Asia Pacific Limited during the half year.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 21st day of August 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 \$	30 June 2016 \$
Revenue from continuing operations	2	36,791	2,455
Option fee		25,000	-
Administration expenses		(39,596)	(19,214)
Amortisation expense	4	(385,183)	-
Compliance & professional expenses		(443,632)	(166,095)
Depreciation expense		(2,903)	(1,531)
Employee benefits		(210,279)	(129,320)
Finance costs		(2,058)	(391)
Marketing & promotional		(567,775)	(37,973)
Occupancy		(16,388)	(8,071)
Travel expenses		(132,293)	-
Project generation		-	(48,012)
Loss before income tax expense		(1,738,316)	(408,152)
Income tax expense		-	-
Loss from continuing operations		(1,738,316)	(408,152)
Impairment of exploration & evaluation expenditure (discontinued operations)	3	(188,803)	(9,348)
Write off exploration & evaluation expenditure (discontinued operations)	3	(38,149)	(1,834)
Loss from discontinued operations		(226,952)	(11,182)
Loss after tax		(1,965,268)	(419,334)
Other comprehensive income			
Other comprehensive income		-	-
Income tax expense		-	-
Other comprehensive income after tax		-	-
Total comprehensive loss for the period		(1,965,268)	(419,334)
Basic & Diluted loss per share (cents per share)		(0.23)	(0.18)
Basic & Diluted loss per share (cents per share) – continuing operations		(0.20)	(0.18)
Basic & Diluted loss per share (cents per share) – discontinuing operations		(0.03)	(0.00)

The accompanying condensed notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 \$	31 December 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		3,678,784	6,043,255
Other receivables		77,751	62,486
Other assets		40,751	6,298
Non-current assets held for sale	3	85,000	300,000
TOTAL CURRENT ASSETS		3,882,286	6,412,039
NON-CURRENT ASSETS			
Plant and equipment		131,597	3,015
Intangibles	4	7,222,182	7,607,365
Equity investment		963,541	65,130
TOTAL NON CURRENT ASSETS		8,317,320	7,675,510
TOTAL ASSETS		12,199,606	14,087,549
CURRENT LIABILITIES			
Trade and other payables		100,805	129,530
Provisions		8,769	(462)
TOTAL CURRENT LIABILITIES		109,574	129,068
NON-CURRENT LIABILITIES			
Contingent consideration liability		2,411,908	2,411,908
TOTAL NON CURRENT LIABILITIES		2,411,908	2,411,908
TOTAL LIABILITIES		2,521,482	2,540,976
NET ASSETS		9,678,124	11,546,573
EQUITY			
Issued capital	5	28,229,956	28,229,956
Option reserve		4,163,464	4,088,464
Share based payments reserve		428,804	406,985
Accumulated losses		(23,144,100)	(21,178,832)
TOTAL EQUITY		9,678,124	11,546,573

The accompanying condensed notes form part of this financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2017**

	30 June 2017 \$	30 June 2016 \$
CASHFLOWS FROM OPERATING ACTIVITIES		
Interest received	7,087	2,455
Receipt of rent bond	-	900
Payment of rent bond	(4,395)	-
Payments to suppliers and employees	(1,306,447)	(413,913)
Net cash used in operating activities	(1,303,755)	(410,558)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(13,158)	(12,096)
Payment for plant and equipment	(10,607)	(3,732)
Payment for academy platform	(120,878)	-
Payment for equity investment	(898,411)	-
Receipt of option fee	25,000	-
Payment of option fee	-	(10,000)
Payment of deposit	(25,000)	-
Net cash used in investing activities	(1,043,054)	(25,828)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities (net of costs)	-	223,844
Loan to Game Geek Co Ltd	(17,662)	-
Net cash provided by financing activities	(17,662)	223,844
Net decrease in cash and cash equivalents	(2,364,471)	(212,542)
Cash and cash equivalents at beginning of period	6,043,255	405,074
Cash and cash equivalents at end of period	3,678,784	192,532

The accompanying condensed notes form part of this financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2017**

	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	28,229,956	(21,178,832)	4,088,464	406,985	11,546,573
Total comprehensive income for the period:					
Loss for the period	-	(1,965,268)	-	-	(1,965,268)
Other comprehensive income	-	-	-	-	-
	-	(1,965,268)	-	-	(1,965,268)
Transaction with owners in their capacity as owners:					
Option issued - Consultant	-	-	75,000	-	75,000
Issue of share based payments	-	-	-	21,819	21,819
	-	-	75,000	21,819	96,819
Balance at 30 June 2017	28,229,956	(23,144,100)	4,163,464	428,804	9,678,124
Balance at 1 January 2016	17,200,584	(18,760,355)	1,821,786	388,571	650,586
Total comprehensive income for the period:					
Loss for the period	-	(419,334)	-	-	(419,334)
Other comprehensive income	-	-	-	-	-
	-	(419,334)	-	-	(419,334)
Transaction with owners in their capacity as owners:					
Option entitlement issue	-	-	284,453	-	284,453
Option entitlement issue costs	-	-	(27,775)	-	(27,775)
Capital raising costs – Investigating Accountants Report	(11,000)	-	-	-	(11,000)
	(11,000)	-	256,678	-	245,678
Balance at 30 June 2016	17,189,584	(19,179,689)	2,078,464	388,571	476,930

The accompanying condensed notes form part of these financial statements.

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

a) Reporting entity

eSports Mogul Asia Pacific Limited (the "Company") is a Company domiciled in Australia.

The address of the Company's registered office is 45 Ventnor Avenue, West Perth WA 6005. The half year consolidated financial statements of the Company as at and for the six months ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The principal activities of the Group primarily are an eSports Media Hub, which provides an online media platform through which eSports players, fans and enthusiasts can, amongst other things, view exclusive eSports content, learn how to play their favourite eSports titles, test their skills in online eSports tournaments and digitally purchase various video game titles.

b) Statement of compliance

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

c) Basis of preparation

The half-year consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year consolidated financial statements are consistent with those adopted and disclosed in the Group's 2016 annual financial report for the financial year ended 31 December 2016, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

d) Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss of \$1,965,268 for the period ended 30 June 2017 (2016: \$419,334).

e) Significant accounting judgements and key estimates

The preparation of the half year consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these half year consolidated financial statements, significant judgment made by management in applying the Company's accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2016.

f) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity 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.

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2017**

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

g) Operating segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the consolidated entity's chief operating decision maker which, for the consolidated entity, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit and loss and other comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the half year consolidated financial report have been included where applicable.

	30 June 2017	30 June 2016
	\$	\$

2. LOSS BEFORE INCOME TAX EXPENSE

The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Interest revenue	36,791	2,455
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	30 June 2017	31 December 2016
	\$	\$

3. NON-CURRENT ASSETS HELD FOR SALE

Mineral Tenements

Balance at beginning of reporting period	300,000	-
Exploration expenditure capitalised during the period	11,952	-
Reclassification from exploration and evaluation assets to held for sale assets ¹	-	300,000
Impairment of exploration and evaluation expenditure	(188,803)	-
Exploration written off	(38,149)	-
Balance at end of reporting period	85,000	300,000

¹ The Group holds exploration tenements surplus to its operational requirements. Various properties have been identified as property for future sales. The Group anticipates that all the mining and exploration tenements in the closing balance will be disposed of in the next reporting period.

	30 June 2017	31 December 2016
	\$	\$

4. INTANGIBLES

Non-Current

Licence fee – contingent consideration at acquisition	2,411,908	2,411,908
Licence fee – fair value at acquisition	5,291,753	5,291,753
Accumulated amortisation	(481,479)	(96,296)
Balance at end of reporting period	7,222,182	7,607,365

On 28 February 2017, eSports Mogul Pty Ltd (ESM) entered into a Platform License Agreement under which ChallengeMe Esports GmbH (ChallengeMe) granted ESM an exclusive license to market the ChallengeMe Tournament Platform (Platform) as part of its ESM Media Hub, for a period of 10 years, in the APAC region, subject to certain conditions.

On 11 August 2017, an Amended Platform License Agreement was entered into with ChallengeMe, which now provides ESM with a non-exclusive license to the Platform, and the removal of the obligation to meet the minimum marketing commitments.

The capitalised licensed fee is amortised based on the authorised period of the license.

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2017**

	30 June 2017 \$	31 December 2016 \$
5. ISSUED CAPITAL		
878,637,609 (2016: 878,637,609) Fully paid ordinary shares	28,229,956	28,229,956
	Number of Shares	\$
Movements in fully paid ordinary shares on issue		
At the beginning of the period	878,637,609	28,229,956
Movement during period	-	-
At the end of the period	878,637,609	28,229,956

6. SUBSEQUENT EVENTS

Please refer to Directors Report in relation to events subsequent to balance date.

7. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

8. COMMITMENTS

	30 June 2017 \$	31 December 2016 \$
Operating lease expenditure commitments		
No later than 6 months	2,700	733
Between 6 and 12 months	-	-
Between 12 and 18 months	-	-
	2,700	733

The Company is currently leasing premises on a monthly basis.

	30 June 2017 \$	31 December 2016 \$
Marketing, promotion & advertising expenditure commitments		
No later than 12 months	97,504	1,209,232
Between 12 and 24 months	-	1,209,232
	97,504	2,418,463

As part of the Amended Platform Licence Agreement entered into between Challenge Esports GmbH and eSports Mogul Pty Ltd on 11 August 2017, eSports Mogul Pty Ltd is required to spend a minimum of US\$75,000 (US\$0.7692:AU\$1 as at 30 June 2017) on marketing, promotion and advertising.

	30 June 2017 \$	31 December 2016 \$
Exploration expenditure commitments		
No later than 6 months	30,000	35,000
Between 6 and 12 months	30,000	35,000
Between 12 and 18 months	20,000	35,000
	80,000	105,000

If the Group decides to relinquish certain tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

9. SEGMENTAL REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its eSports, mineral exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) eSports

Segment assets, such as equity investments and intangible assets and all expenses related to the eSports business are reported on in this segment.

(ii) Mineral exploration

Segment assets, including acquisition cost of exploration licenses and all expenses related to the tenement interests in Western Australia are reported on in this segment.

(iii) Unallocated

Corporate, including treasury, corporate and regularly expenses arising from operating an entity. Corporate assets, including cash and cash equivalents are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated entity.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

The following represents revenue, profit information, for reportable segments for the period ended 30 June 2017.

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2017**

9. SEGMENTAL REPORTING (CONTINUED)

	Mineral Exploration	eSports	Unallocated Items	Total
30 June 2017	\$	\$	\$	\$
Revenue				
Interest Revenue	-	-	36,791	36,791
Option Fee	-	-	25,000	25,000
Net (loss) before tax from continuing operations:	-	(1,177,093)	(561,223)	(1,738,316)
- Administration	-	(9,683)	(29,913)	(39,596)
- Amortisation	-	(385,183)	-	(385,183)
- Compliance & professional	-	(168,743)	(274,889)	(443,632)
- Depreciation	-	(2,903)	-	(2,903)
- Employee benefits	-	-	(210,279)	(210,279)
- Finance	-	(1,427)	(631)	(2,058)
- Occupancy	-	(13,898)	(2,490)	(16,388)
- Marketing	-	(542,309)	(25,466)	(567,775)
- Travel	-	(52,947)	(79,346)	(132,293)
Net (loss) before tax from discontinuing operations:	(226,952)	-	-	(226,952)
- Impairment of tenements	(188,803)	-	-	(188,803)
- Write off tenement expenditure	(38,149)	-	-	(38,149)
Segment assets	85,000	8,337,733	3,776,873	12,199,606
Segment liabilities	-	2,465,160	56,322	2,521,482
	Mineral Exploration	eSports	Unallocated Items	Total
30 June 2016	\$	\$	\$	\$
Revenue				
Interest Revenue	-	-	2,455	2,455
Net (loss) before tax from continuing operations:	-	-	(408,152)	(408,152)
- Administration	-	-	(19,214)	(19,214)
- Compliance & professional	-	-	(166,095)	(166,095)
- Depreciation	-	-	(1,531)	(1,531)
- Employee benefits	-	-	(129,320)	(129,320)
- Finance	-	-	(391)	(391)
- Occupancy	-	-	(8,071)	(8,071)
- Marketing	-	-	(37,973)	(37,973)
- Project generation	-	-	(48,012)	(48,012)

9. SEGMENTAL REPORTING (CONTINUED)

Net (loss) before tax from discontinuing operations:	(11,182)	-	-	(11,182)
- Impairment of tenements	(9,348)	-	-	(9,348)
- Write off tenement expenditure	(1,834)	-	-	(1,834)
Segment assets	300,000	-	222,866	522,866
Segment liabilities	777	-	45,159	45,936

Revenue by geographical region

There is no revenue attributable to external customers for the period ended 30 June 2017 (2016: Nil).

Assets by geographical region

There were no reportable segment assets located outside of Australia as at 30 June 2017 (2016: Nil).

10. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the half year. No recommendation for payment of dividends has been made.

11. RELATED PARTIES

Arrangements with the related party continue to be in place. For details of these arrangements, please refer to the 31 December 2016 financial report.

12. SHARE BASED PAYMENTS

(a) Recognised employee share based payment expenses

The expense recognised for employee services received during the period are shown in the table below:

	June 2017	December 2016
	\$	\$
Total expense arising from Employee, Consultants and Director share based payment transactions	21,819	18,414

Class A Performance Shares

Class A Performance Shares were issued to consultants pursuant to the Company's Employee Incentive Plan as part of their remuneration package.

The terms of the Class A Performance Shares issued are as follows:-

- 13,000,000 Class A Performance Shares were granted on 14 November 2016;
- 13,000,000 Class A Performance Shares will vest upon eSports Mogul Pty Ltd (based on its assets at the time of acquisition) achieving any combination of 100,000 eSports Mogul Subscribers, eSports Mogul Customers and/or eSports Mogul Players (in aggregate) and 30% Active Users (defined below) within 24 months of the date of issue.

Active User means an:

- eSports Mogul Pty Ltd Subscriber that has been a paying subscriber for at least 3 months in any 6 month period within the relevant Milestone period;
- eSports Mogul Pty Ltd Customer that has paid for a downloaded game from the ESM Media Hub online store in any 6 month period within the relevant Milestone period; or
- eSports Mogul Pty Ltd Player who has played in at least five (5) Tournaments in any 6 month period within the relevant Milestone period.

12. SHARE BASED PAYMENTS (CONTINUED)

Details of Class A Performance Shares convertible to ordinary shares in the Company that were granted as compensation to each consultant and details of the Class A Performance Shares are as follows:

Holders	Number of Class A Performance Shares granted	Number of Class A Performance Shares vested	Grant date	Fair value per Class A Performance Shares at grant date (\$)	Exercise price (\$)	Expiry date
iDeal League Pty Ltd	7,500,000	-	14 Nov 2016	0.022	-	14 Nov 2018
Marcus Bell	4,000,000	-	14 Nov 2016	0.022	-	14 Nov 2018
Triple Block Enterprises Pty Ltd	1,500,000	-	14 Nov 2016	0.022	-	14 Nov 2018
ATF Block Family Trust						

Each Class A Performance Share entitles the holder to one fully paid ordinary share in the Company.

There were no alterations to the terms and conditions of the Class A Performance Shares granted as remuneration since their grant date.

No Class A Performance Shares have vested since the end of the financial period. The Class A Performance Shares were provided at no cost to the recipients.

During the financial period, 9,000,000 Class A Performance shares were cancelled.

The fair value of Class A Performance Shares granted during the period was calculated using a model developed by Hoadley Trading and Investment Tools Options 1 option valuation model. The expense during the period ended 30 June 2017 amounted to \$21,819. The values and inputs are as follows:

Class A Performance Shares	
Class A Performance Shares on issue at 30 June 2017	4,000,000
Underlying share value	\$0.022
Exercise price of Class A Performance Shares	Nil
Expected future volatility	125%
Expiration period	14 November 2018
Risk free rate	1.71%
Dividend yield	0%
Valuation per Class A Performance A Shares	\$0.022

As the Class A Performance Shares have non-market based performance conditions, the performance conditions have not been taken into account in the above valuation. Rather, the vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods and services received as consideration for the Class A Performance Shares granted shall be based on the number of Class A Performance Shares that eventually vest.

The Company will make an assessment at each reporting period to reflect the impact of the non-market based Class A Performance Shares over the vesting period, such that the total cost of the Class A Performance Shares granted shall be based on the number of Class A Performance Shares that eventually vest. On a cumulative basis, no amount is recognised for goods and services received, if the Class A Performance Shares granted do not vest because of a failure to satisfy a vesting condition.

12. SHARE BASED PAYMENTS (CONTINUED)

(b) Equity-settled share based payments

Options

Broker Options

Options were issued to brokers who assisted in the capital raising under the Public Offer of the Prospectus lodged with ASIC on 11 October 2016, and as approved at the General Meeting on 17 October 2016, on the basis of 1 Broker Option for every 2 shares subscribed for under the Public Offer, up to a maximum of 150,000,000 Broker Options in total.

The terms of the options issued were as follows:-

- (a) 150,000,000 listed options with an exercise price of \$0.05 and an expiry date on or before 30 October 2019, were issued on 14 November 2016, with no vesting conditions, and subject to 24 months' escrow from date of issue.

Inputs for measurement of issue date fair value

Options

The options have been issued and have vested during the financial period, and were provided at no cost to the recipient.

The value of the options issued and having vested during the prior year ended 31 December 2016 was calculated using a binomial option pricing model and totalled \$2,010,000. The values and inputs are as follows:

Options – 30 October 2019 (\$0.05)	
Options issued	150,000,000
Underlying share value	\$0.022
Exercise price of options	\$0.05
Risk free interest rate	1.74%
Expected future volatility	125%
Dividend yield	0%
Expiration period	30 October 2019
Valuation per option	\$0.0134

Consultant Options

On 21 April 2017, shareholders at the Company's Annual General Meeting approved the issue of 25 million listed options, exercisable at \$0.05 on or before 30 October 2019, to a consultant in lieu of fees. The fair value of these options amounted to \$75,000 and were expensed to profit and loss.

13. FAIR VALUE MEASUREMENTS

The Group measures and recognises the obligation for contingent consideration arising from a business combination at fair value on a recurring basis after initial recognition. The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

13. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:-

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; or
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Groups assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2017			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<i>Assets</i>				
Equity Investment	-	-	963,541	963,541
Total assets recognised at fair value	-	-	963,541	963,541

	30 June 2017			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<i>Liabilities</i>				
Contingent consideration arising from acquisition of eSports Mogul Pty Ltd	-	-	2,411,908	2,411,908
Total liabilities recognised at fair value	-	-	2,411,908	2,411,908

13. FAIR VALUE MEASUREMENTS (CONTINUED)

b) Valuation Techniques and Unobservable Inputs Used to Measure Level 3 Fair Values

Contingent consideration arising from acquisition of eSports Mogul Pty Ltd

On 14 November 2016, the Company acquired all the issued capital of eSports Mogul Pty Ltd. In acquiring eSports Mogul Pty Ltd, the Group incurred a contingent consideration liability consisting of an obligation to make an additional payment in fully paid ordinary shares provided various milestones are met.

The fair value of the contingent consideration \$2,411,908 (2016: \$2,411,908) is measured using a discounted cash flow methodology and determined on the basis of the agreed consideration to be paid for achieving each of the milestones within the time period, weighted by the probability of meeting each milestone. The discount rate used is based on the Group's weighted average cost of capital.

The following table provides qualitative information regarding the key significant unobservable inputs, the ranges of those inputs and the relationships of unobservable inputs to the fair value measurement:

Significant Unobservable Inputs Used	Range of Unobservable Inputs Used	Estimated Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs
Probability of achieving milestone – 100%	100%	If the probability rate is 5% higher/lower, the fair value would increase/decrease by \$120,595.
Discount Rate (risk adjusted) – 20%	15%-25%	If the discount rate is 1% higher/lower, the fair value would decrease/increase by \$61,083.

Valuation processes

Given the size of the organisation, the Board of Directors, amongst other things, manage the risk exposures of the Group. The Group's finance department calculates the fair value of the contingent liability on a six monthly basis in light of the exploration undertaken on the tenements and likelihood of meeting the milestones. The Company uses a discounted cash flow model that is prepared internally. Any significant movements in the contingent liability are reported to the Board on a six monthly basis.

There has been no change in the valuation technique used to measure the fair value of the contingent consideration liability since the parent entity acquired control of eSports Mogul Pty Ltd.

There were no significant interrelationships between the unobservable inputs that could materially affect the fair value of the contingent consideration.

Reconciliation of Recurring Fair Value Measurement Amounts

	30 June 2017	30 June 2016
	\$	\$
Movements in level 3 assets and liabilities during the current financial half-year are set out below:		
Opening Balance	2,411,908	-
Additions	-	-
Closing Balance	2,411,908	-

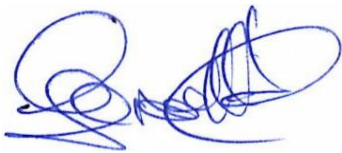
DIRECTORS' DECLARATION

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 6 to 19:

1. (a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(b) give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial half-year ended on that date.
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.



Gernot Abl
Managing Director

PERTH
Dated this 21st day of August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ESPORTS MOGUL ASIA PACIFIC LIMITED

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of eSports Mogul Asia Pacific Limited and controlled entities (the consolidated entity) which comprises the condensed statement of financial position as at 30 June 2017, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 30 June 2017.

Director's Responsibility for the Half-Year Financial Report

The directors of Volta Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporation Regulations 2001. As the auditor of eSports Mogul Asia Pacific Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

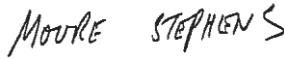
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of eSports Mogul Asia Pacific Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth, Western Australia this 21st day of August 2017.