

**KIBUSH CAPITAL CORPORATION
CONSOLIDATED BALANCE SHEETS**

	September 30, 2014	September 30, 2013
ASSETS		
Current assets:		
Cash	\$ 110,152	\$ 1,035
Prepaid expenses and other current assets	6,035	-
Total current assets	<u>116,187</u>	<u>1,035</u>
Property and equipment, net	79,594	-
Investment in unconsolidated Joint Venture	40,000	-
Other assets	499	-
Total assets	<u><u>\$ 236,280</u></u>	<u><u>\$ 1,035</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 2,957	\$ -
Accrued expenses	354,685	3,426
Convertible notes payable, net of discounts of \$80,434 and \$3,099, respectively	108,292	88,901
Loan from related party, net of discounts of \$259,937 and \$0, respectively	446,799	-
Derivative liabilities	752,997	-
Deposits	80,000	-
Total current liabilities	<u>1,745,730</u>	<u>92,327</u>
Stockholders' deficit:		
Preferred stock, \$0.001 par value; 50,000,000 shares authorized; Series A 3,000,000 shares issued and outstanding at September 30, 2014 and 2013, respectively	3,000	3,000
Common stock, \$0.001 par value; 500,000,000 shares authorized at September 30, 2014 and 2013, respectively; 53,837,485 and 563,485 shares issued and outstanding at September 30, 2014 and 2013, respectively	53,837	563
Additional paid-in capital	8,494,962	8,494,962
Accumulated deficit	(10,225,051)	(8,589,817)
Accumulated other comprehensive income	55,022	-
Total stockholders' deficit, including non-controlling interest	(1,618,230)	(91,292)
Non-Controlling interest	108,780	-
Total stockholders' deficit	<u>(1,509,450)</u>	<u>(91,292)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 236,280</u></u>	<u><u>\$ 1,035</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

KIBUSH CAPITAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended September 30,	
	2014	2013
Net revenues	\$ -	\$ -
Cost of sales	-	-
Gross profit	-	-
Operating expenses:		
Research and development	-	31,408
General and administrative		
General and administrative	818,588	93,822
Total operating expenses	818,588	125,230
Loss from operations	(818,588)	(125,230)
Other income (expense):		
Interest income	-	137
Interest expense	(925,248)	(19,908)
Other income	-	93,143
Change in fair value of derivative liabilities	92,382	-
Total other expense, net	(832,866)	73,372
Net loss, including non-controlling interest	(1,651,454)	-
Less: Loss attributable to non-controlling interest	16,220	-
Loss before provision for income taxes	(1,635,234)	73,372
Provision for income taxes	-	-
Net loss	<u>\$ (1,635,234)</u>	<u>\$ (51,858)</u>
Basic and diluted loss per common share:		
Net loss	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>
Weighted average common shares outstanding		
basic and diluted	<u>36,026,011</u>	<u>563,485</u>

The accompanying notes are an integral part of these consolidated financial statements.

KIBUSH CAPITAL CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
for the period SEPTEMBER 30, 2012 to SEPTEMBER 30, 2014

	Common Stock		Preferred Stock		Paid-in Capital	Non- Controlling Interest	Accumulated Deficit	Other Comprehensive Income	Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance at September 30, 2012	563,485	\$ 563	3,000,000	\$ 3,000	\$ 8,481,185	\$ -	\$ (8,537,959)	\$ -	\$ (53,211)
Discount on convertible promissory note					13,777				13,777
Net loss							(51,858)		(51,858)
Balance at September 30, 2013	563,485	563	3,000,000	3,000	8,494,962		(8,589,817)	-	(91,292)
Purchase of MOU for acquisition of Instacash Group	10,000,000	10,000			-				10,000
Repayment of convertible loans @ .001 per share of common stock	3,274,000	3,274							3,274
Assignment and bill of sale for Joint Venture Group	40,000,000	40,000			-				40,000
Purchase of controlling interest in subsidiary						125,000			125,000
Foreign currency translation adjustment								55,022	55,022
Net Loss						(16,220)	(1,635,234)		(1,651,454)
Balance at September 30, 2014	53,837,485	\$ 53,837	3,000,000	\$ 3,000	\$ 8,494,962	\$ 108,780	\$ (10,225,051)	\$ 55,022	\$ (1,509,450)

The accompanying notes are an integral part of these consolidated financial statements.

KIBUSH CAPITAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended September 30,	
	2014	2013
Operating Activities:		
Net loss	\$ (1,651,454)	\$ (51,858)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,992	4,166
Amortization of debt discount	596,360	9,054
Interest expense related to fair value of derivative instruments granted	378,563	-
Change in fair value of derivative instruments	(92,382)	
Stock based payments	10,000	
Non-controlling interests	125,000	
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(6,034)	-
Others asset	(499)	-
Accounts payable and other accrued expenses	2,957	(5,410)
Accrued salaries and wages	251,329	-
Accrued interest	99,929	3,426
Deposits	80,000	-
Net cash used in operating activities	(193,239)	(40,622)
Purchase of property and equipment	(92,586)	-
Net cash used in investing activities	(92,586)	-
Proceeds from issuance of convertible debt, net of debt discounts	-	12,000
Proceeds from related party loans, net of debt discounts	339,920	22,255
Net cash provided by financing activities	339,920	34,255
Effective of exchange rates on cash	55,022	-
Net change in cash and cash equivalents	54,095	(6,367)
Cash and cash equivalents, beginning of year	1,035	7,402
Cash and cash equivalents, end of year	\$ 110,152	\$ 1,035

Supplemental Cash Flow Information

	Year Ended September 30,	
	2014	2013
Cash paid during the year for interest	\$ -	\$ 19,908
Cash paid during the year for taxes	\$ -	\$ -
Fair value of common stock issued for memorandum of understanding for Instacash (Pty) Ltd	\$ 10,000	\$ -
Fair value of common stock issued for assignment and bill of sale for Joint Venture	\$ 40,000	\$ -
Conversion of convertible debt to common stock	\$ 3,274	\$ -
Beneficial conversion features recorded as debt discount	\$ 466,816	\$ 13,777
Fair value of derivative liabilities - conversion feature	\$ 845,379	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

KIBUSH CAPITAL CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended SEPTEMBER 30, 2014

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PRESENTATION

Kibush Capital Corporation (the “Company”) is a Nevada Corporation, incorporated January 5, 2005.

The Company was incorporated as Premier Platform Holding Company, Inc, a Nevada corporation. During 2005, the Company merged with Premier Platform Holdings Company, Inc a Colorado corporation. The merger was completed on August 18, 2006.

The Company then changed its name to Paolo Nevada Enterprises, Inc, on August 12, 2005. The Company again changed its name to David Loren Corporation on January 10, 2006 and finally Kibush Capital Corporation on August 19, 2013.

The Company is devoting substantially all of its efforts to the development of its business plans; to identify companies with proven products and services which provide opportunities that can be immediately sold into an existing market place. The Company will provide the management and financial expertise to support its acquired businesses.

On October 10, 2013, the Company acquired 48 shares of common stock in Instacash (Pty) Ltd (“Instacash”) and 800 units in the Instacash Unit Trust, through signing a stock purchase agreement, for consideration of \$500,000 paid through the issuance of a four month promissory note, giving the Company 80% control over the two entities. The original payment date of four month promissory note was extended on February 26, 2014 for an additional six months until August 28, 2014

The results of operations for the year ended September 30, 2014 and 2013 are not comparable due to the acquisition of 80% of Instacash on October 10, 2013. Instacash’s results of operations have been included in the Company’s consolidated financial results since the date of acquisition.

In accordance with Statement of Financial Accounting Standards (“SFAS”) No. 141(R), *Business Combinations*, the Company has allocated the total purchase price to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values.

The purchase consideration has been allocated as follows:

	<u>Fair Value</u>
Allocation:	
Tangible assets acquired:	
Cash-overdraft	(5,462)
Property and equipment, net	99,425
Other assets	7,066
Total assets acquired	<u>101,029</u>
Liabilities assumed:	
Current liabilities	
Total liabilities	<u>346,980</u>
Total liabilities assumed	<u>346,980</u>
Net Assets Acquired	<u>(245,951)</u>

The fair values assigned to identifiable intangible assets acquired were based on estimates and assumptions determined by management.

For our investments in affiliated entities that are included in the consolidation, the excess cost over underlying fair value of net assets is referred to as goodwill and reported separately as “Goodwill” in our accompanying consolidated balance sheets. Goodwill may only arise where consideration has been paid.

As this note has not yet been paid, it is considered a deferred payment contract and Goodwill has not been recorded.

Basis of Presentation

The Company maintains its accounting records on an accrual basis in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

The consolidated financial statements of the Company include the accounts of the Company, and all entities in which a direct or indirect controlling interest exists through voting rights or qualifying variable interests. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Change in Fiscal Year End

The Board of Directors of the Company approved a change in the Company's fiscal year end from December 31 to September 30 of each year.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As at September 30, 2014, the Company has an accumulated deficit of \$10,332,404 and has not earned sufficient revenues to cover operating costs since inception and has a working capital deficit. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending September 30, 2015.

The ability of the Company to emerge from the development stage is dependent upon, among other things, obtaining additional financing to continue operations, and development of its business plan. In response to these problems, management intends to raise additional funds through public or private placement offerings.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Functional and Reporting Currency

The consolidated financial statements are presented in U.S. Dollars. The Company's functional currency is the U.S. Dollar. The functional currency of Instacash is the Australian dollar. Assets and liabilities are translated using the exchange rate on the respective balance sheet dates. Items in the income statement and cash flow statement are translated into U.S. Dollars using the average rates of exchange for the periods involved. The resulting translation adjustments are recorded as a separate component of other comprehensive income/(loss) within stockholders' equity.

The functional currency of foreign entities is generally the local currency unless the primary economic environment requires the use of another currency. Gains or losses arising from the translation or settlement of foreign-currency-denominated monetary assets and liabilities into the functional currency are recognized in the income in the period in which they arise. However, currency differences on intercompany loans that have the nature of a permanent investment are accounted for as translation differences as a separate component of other comprehensive income/(loss) within stockholders' equity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are set out below, these policies have been consistently applied to the period presented, unless otherwise stated:

Cash

The Company maintains its cash balances in interest and non-interest bearing accounts which do not exceed Federal Deposit Insurance Corporation limits.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Kibush Capital and Instacash. All intercompany accounts and transactions have been eliminated.

Other Comprehensive Income and Foreign Currency Translation

FASB ASC 220-10-05, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distribution to owners.

The accompanying consolidated financial statements are presented in United States dollars.

Reclassifications

Reclassifications have been made to prior year consolidated financial statements in order to conform the presentation to the statements as of and for the period ended September 30, 2014.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management are, recoverability of long-lived assets, valuation and useful lives of intangible assets, valuation of derivative liabilities, and valuation of common stock, options, warrants and deferred tax assets. Actual results could differ from those estimates.

Non-Controlling Interests

Investments in associated companies over which the Company has the ability to exercise significant influence are accounted for under the consolidation method, after appropriate adjustments for intercompany profits and dividends.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations." It requires an acquirer to recognize, at the acquisition date, the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at their full fair values as of that date. In a business combination achieved in stages (step acquisitions), the acquirer will be required to re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in earnings. The acquisition-related transaction and restructuring costs will no longer be included as part of the capitalized cost of the acquired entity but will be required to be accounted for separately in accordance with applicable generally accepted accounting principles. U.S. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008.

A non-controlling interest in a subsidiary is an ownership interest in a consolidated entity that is reported as equity in the consolidated financial statements and separate from the Company's equity. In addition, net income/(loss) attributable to non-controlling interests is reported separately from net income attributable to the Company in the consolidated financial statements. The Company's consolidated statements present the full amount of assets, liabilities, income and expenses of all of our consolidated subsidiaries, with a partially offsetting amount shown in non-controlling interests for the portion of these assets and liabilities that are not controlled by us.

For our investments in affiliated entities that are included in the consolidation, the excess cost over underlying fair value of net assets is referred to as goodwill and reported separately as "Goodwill" in our accompanying consolidated balance sheets. Goodwill may only arise where consideration has been paid.

The Company acquired 48 shares of common stock in Instacash (Pty) Ltd ("Instacash") and 800 units in the Instacash Unit Trust, through signing a stock purchase agreement, for consideration of \$500,000 paid through the issuance of a four month promissory note, giving the Company 80% control over the two entities. The original payment date of four month promissory note was extended on February 26, 2014 for an additional six months until August 28, 2014.

As this note has not yet been paid, it is considered a deferred payment contract and Goodwill has not been recorded.

The Company has accounted for the 80 percent acquisition of the Instacash Group as a business combination and allocated the purchase price to the estimated fair values of assets acquired and liabilities assumed (translated using the foreign currency exchange rates on the date of acquisition).

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Plant equipment	2 to 15 years
Computer and software	1 to 2 years
Office equipment	3 to 10 years
Building improvements	20 years

Maintenance and repairs are charged to expense as incurred. Renewals and improvements of a major nature are capitalized. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of operations.

Impairment of Long-Lived Assets

In accordance with FASB ASC 360-10-5, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company evaluates the carrying value of its long-lived assets for impairment whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The Company uses its best judgment based on the current facts and circumstances relating to its business when determining whether any significant impairment factors exist. The Company considers the following factors or conditions, among others, that could indicate the need for an impairment review:

- Significant under performance relative to expected historical or projected future operating results;
- Significant changes in its strategic business objectives and utilization of the assets;
- Significant negative industry or economic trends, including legal factors;

If the Company determines that the carrying values of long-lived assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, the Company's management performs an undiscounted cash flow analysis to determine if impairment exists. If impairment exists, the Company measures the impairment based on the difference between the asset's carrying amount and its fair value, and the impairment is charged to operations in the period in which the long-lived asset impairment is determined by management.

The carrying value of the Company's investment in Joint Venture contract with leaseholders of certain Mining Leases in Papua New Guinea represents its ownership, accounted for under the equity method. The ownership interest is not adjusted to fair value on a recurring basis. Each reporting period the Company assesses the fair value of the Company's ownership interest in Joint Venture in accordance with FASB ASC 325-20-35. Each year the Company conducts an impairment analysis in accordance with the provisions within FASB ASC 320-10-35 paragraphs 25 through 32.

Fair Value of Financial Instruments

The carrying amounts of the Company's cash, accounts payable and accrued expenses approximate their estimated fair values due to the short-term maturities of those financial instruments. The Company believes the carrying amount of its notes payable approximates its fair value based on rates and other terms currently available to the Company for similar debt instruments

Beneficial Conversion Features of Debentures

In accordance with FASB ASC 470-20, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*, we recognize the advantageous value of conversion rights attached to convertible debt. Such rights give the debt holder the ability to convert debt into common stock at a price per share that is less than the trading price to the public on the day the loan is made to us. The beneficial value is calculated as the intrinsic value (the market price of the stock at the commitment date in excess of the conversion rate) of the beneficial conversion feature of debentures and related accruing interest is recorded as a discount to the related debt and an addition to additional paid in capital. The discount is amortized over the remaining outstanding period of related debt using the interest method.

Derivative Financial Instruments

We apply the provisions of FASB ASC 815-10, *Derivatives and Hedging* ("ASC 815-10"). Derivatives within the scope of ASC 815-10 must be recorded on the balance sheet at fair value. During the year ended September 30, 2014, the Company issued convertible debt and recorded derivative liabilities related to a reset provision associated with the embedded conversion feature of the convertible debt. The Company computed the fair value of these derivative liabilities on the grant date and various measurement dates using the Black-Scholes pricing model. Due to the reset provisions within the embedded conversion feature, the Company determined that the Black-Scholes pricing model was the most appropriate for valuing these instruments.

In applying the Black-Scholes valuation model, the Company used the following assumptions during the year ended September 30, 2014:

	For the year ended September 30, 2014
Annual dividend yield	-
Expected life (years)	0.50 – 1.00
Risk-free interest rate	0.03% — 0.13%
Expected volatility	210.12.% — 400.48%

The inputs used to measure fair value fall in different levels of the fair value hierarchy, a financial security's hierarchy level is based upon the lowest level of input that is significant to the fair value measurement.

The Company determines the fair value of its derivative instruments using a three-level hierarchy for fair value measurements which these assets and liabilities must be grouped, based on significant levels of observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. This hierarchy requires the use of observable market data when available. These two types of inputs have created the following fair-value hierarchy:

Level 1 — Valuation based on unadjusted quoted market prices in active markets for identical securities. Currently, the Company does not have any items as Level 1.

Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. Currently, the Company does not have any items classified as Level 2.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment. The Company used the Black-Scholes option pricing models to determine the fair value of the instruments.

The following table presents the Company's embedded conversion features of its convertible debt measured at fair value on a recurring basis as of September 30, 2014

:

	Carrying Value at	
	September 30, 2014	September 30, 2013
Derivative liabilities:		
Embedded conversion features - notes	\$ 752,997	\$ -
Total derivative liability	\$ 752,997	\$ -

	For the year ended	
	September 30, 2014	September 30, 2013
Change in fair value included in other income (expense), net	\$ (92,382)	\$ -

The following table provides a reconciliation of the beginning and ending balances for the Company's derivative liabilities measured at fair value using Level 3 inputs:

	For the year ended September 30,	
	2014	2013
Embedded Conversion Features - Notes:		
Balance at beginning of year	\$ -	\$ -
Change in derivative liabilities	845,379	-
Net change in fair value included in net loss	(92,382)	-
Ending balance	\$ 752,997	\$ -

The Company re-measures the fair values of all of its derivative liabilities as of each period end and records the net aggregate gain/loss due to the change in the fair value of the derivative liabilities as a component of other expense, net in the accompanying consolidated statement of operations. During the years ended September 30, 2014 and 2013, the Company recorded a net increase (decrease) to the fair value of derivative liabilities balance of \$ (92,382) and \$ 0, respectively.

Loss per Share

The Company applies FASB ASC 260, "Earnings per Share." Basic earnings (loss) per share is computed by dividing earnings (loss) available to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include additional common shares available upon exercise of stock options and warrants using the treasury stock method, except for periods for which no common share equivalents are included because their effect would be anti-dilutive.

Income Taxes

Income taxes are accounted for in accordance with ASC Topic 740, "Income Taxes." Under the asset and liability method, deferred tax assets and liabilities are recognized for the future consequences of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (temporary differences). Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are recovered or settled. Valuation allowances for deferred tax assets are established when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Unconsolidated Joint Ventures

Investments in unconsolidated joint ventures are accounted for under the equity method of accounting.

In determining whether or not we must consolidate joint ventures where we are the managing member of the joint venture, we assess whether the other partners have specific rights to overcome the presumption of control by us as the manager of the joint venture. In most cases, the presumption is overcome because the joint venture agreements require that both partners agree on establishing the significant operating and capital decisions of the partnership, including budgets, in the ordinary course of business. The evaluation of whether or not we control a venture can require significant judgment. In accordance with ASC 323-10, "Investments - Equity Method and Joint Ventures - Overall", we assess our investments in unconsolidated joint ventures for recoverability, and if it is determined that a loss in value of the investment below its carrying amount is other than temporary, we write down the investment to its fair value. We evaluate our equity investments for impairment based on the joint venture's projected cash flows. This process requires significant management judgment and estimates. There were no write-downs during the year ended September 20, 2014.

Research and Development

Research and development costs are recognized as an expense in the period in which they are incurred. The Company incurred research and development costs expensed for the year ended September 30, 2014 and 2013 of \$0 and \$31,408, respectively. Research and development costs included market research for the supply and distribution of Australian Single Malt Whiskey in the United States, research into South Africa diamond tailing dumps and research into alluvial gold mining operations in Papua New Guinea.

Recent Accounting Pronouncements

New accounting standards

Development State Entities. In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-10 – Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation ("ASU 2014-10"). The amendments in this update remove the definition of a development stage entity from the Master Glossary of the Accounting Standards Codification. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. For public business entities, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the amendments are effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015.

Early application of each of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities). Upon adoption, entities will no longer present or disclose any information required by Topic 915.

The Company has early adopted ASU 2014-10 commencing with its financial statements for the year ended September 30, 2014 and subsequent periods.

Accounting standards to be adopted in future periods

In May 2014, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) which provides guidance for accounting for revenue from contracts with customers. The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services.

To achieve that core principle, an entity would be required to apply the following five steps: 1) identify the contract(s) with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations in the contract; and 5) recognize revenue when (or as) the entity satisfies a performance obligation. The ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted.

Entities will have the option to apply the final standard retrospectively or use a modified retrospective method, recognizing the cumulative effect of the ASU in retained earnings at the date of initial application. An entity will not restate prior periods if it uses the modified retrospective method, but will be required to disclose the amount by which each financial statement line item is affected in the current reporting period by the application of the ASU as compared to the guidance in effect prior to the change, as well as reasons for significant changes. The Company will adopt the updated standard in the first quarter of 2017. The Company is currently evaluating the impact that implementing this ASU will have on its financial statements and disclosures, as well as whether it will use the retrospective or modified retrospective method of adoption.

Company management do not believe that the adoption of recently issued accounting pronouncements will have a significant impact on the Company's financial position, results of operations, or cash flows.

NOTE 3 – INVESTMENT IN UNCONSOLIDATED JOINT VENTURE

The Company owns interests in the following entities which are accounted for under the equity method at September 30, 2014 (in U.S. Dollars):

	<u>Investment</u>	<u>Ownership %</u>
Papua New Guinea Alluvial Gold Mining Venture	8,000,000	70%

NOTE 4 – PROPERTY AND EQUIPMENT

	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Building and Improvements	\$ 70,665	\$ -
Plant Equipment	19,133	-
Computer Equipment	6,274	7,579
Office equipment	504	-
	<u>96,576</u>	<u>7,579</u>
Less accumulated depreciation	<u>(16,982)</u>	<u>(7,579)</u>
	<u>\$ 79,594</u>	<u>\$ -</u>

Depreciation expense was approximately \$12,992 and \$5,103 for the years ended September 30, 2014 and 2013 respectively.

NOTE 5 – CONVERTIBLE NOTES PAYABLE

<u>September 30, 2014</u>				
	<u>Note Face Amount</u>	<u>Debt Discount</u>	<u>Net Amount of Note</u>	
2011 Note	\$ 28,726	\$ -	\$	28,726
2012 Note	48,000	-		48,000
2013 Note	12,000	-		12,000
2014 Note	<u>100,000</u>	<u>(80,434)</u>		<u>19,566</u>
Total	<u>\$ 188,726</u>	<u>(80,434)</u>	<u>\$</u>	<u>108,292</u>

<u>September 30, 2013</u>				
	<u>Note Face Amount</u>	<u>Debt Discount</u>	<u>Net Amount of Note</u>	
2011 Note	\$ 32,000	\$ (3,099)	\$	28,901
2012 Note	48,000	-		48,000
2013 Note	<u>12,000</u>	<u>-</u>		<u>12,000</u>
Total	<u>\$ 92,000</u>	<u>(3,099)</u>	<u>\$</u>	<u>88,901</u>

2011 Note

On May 1, 2011, the Company issued a 2.00% Convertible Note due April 30, 2012 with a principal amount of \$32,000 (the "2011 Note") for cash. Interest on the 2011 Note is accrued annually effective from May 1, 2011 forward. The 2011 Note is unsecured and repayable on demand. The 2011 Note is senior in right to all existing and future indebtedness which is subordinated by its terms and at the option of the Lender, the principal along with any accrued interest may be converted in whole or part into Common Stock at a price of \$0.001.

As this note carries a conversion rate that is less than market rate, the rules of beneficial conversion apply. The difference between the conversion rate and the market rate is classified as a discount on the note and accreted over the term of the note, which with respect to this note is 12 months. The face amount of the outstanding note as of September 30, 2014 and September 30, 2013 is \$28,726 and \$32,000 respectively. As of September 30, 2014 and September 30, 2013, the note has been discounted by \$0 and \$32,000 respectively.

2012 Note

On January 2, 2012, the Company issued a 2.00% Convertible Note due January 1, 2013 with a principal amount of \$48,000 (the "2012 Note") for cash. Interest on the 2012 Note is accrued annually effective from January 2, 2012 forward. The 2012 Note is unsecured and repayable on demand. The 2012 Note is senior in right to all existing and future indebtedness which is subordinated by its terms and at the option of the Lender, the principal along with any accrued interest may be converted in whole or part into Common Stock at a price of \$0.001.

As this note carries a conversion rate that is less than market rate, the rules of beneficial conversion apply. The difference between the conversion rate and the market rate is classified as a discount on the note and accreted over the term of the note, which with respect to this note is 12 months. The face amount of the outstanding note as of September 30, 2014 and September 30, 2013 is \$48,000 and \$48,000 respectively. As of September 30, 2014 and September 30, 2013, the note has been discounted by \$0 and \$48,000 respectively.

2013 Note

On January 3, 2013, the Company issued a 2.00% Convertible Note due January 2, 2014 with a principal amount of \$12,000 (the "2013 Note") for cash. Interest on the 2013 Note is accrued annually effective from January 3, 2013 forward. The 2013 Note is unsecured and repayable on demand. The 2013 Note is senior in right to all existing and future indebtedness which is subordinated by its terms and at the option of the Lender, the principal along with any accrued interest may be converted in whole or part into Common Stock at a price of \$0.001.

As this note carries a conversion rate that is less than market rate, the rules of beneficial conversion apply. The difference between the conversion rate and the market rate is classified as a discount on the note and accreted over the term of the note, which with respect to this note is 12 months. The face amount of the outstanding note as of September 30, 2014 and September 30, 2013 is \$12,000 and \$12,000, respectively. As of September 30, 2014 and September 30, 2013 the note has been discounted by \$0 and \$12,000, respectively.

2014 Note

On August 25, 2014, the Company issued two 12.00% Convertible Promissory Note due February 25, 2015 with a principal amount of \$50,000 each (the "2014 Note") for cash. Interest on the 2014 Note is accrued annually effective from August 25, 2014 forward. The 2014 Note is unsecured.

The notes are convertible at a conversion price the lesser of (a) \$0.25 per share, or (b) the price per share as reported on the Over-the-Counter Bulletin Board on the conversion date. The Note Holders also received Warrants to purchase an aggregate of 800,000 shares of our common stock at an initial exercise price of \$0.25 per share. Each of the Warrants has a term of five (5) years.

The embedded conversion feature of the 2014 Notes and Warrants were recorded as derivative liabilities in accordance with relevant accounting guidance due to the variable conversion price of the 2014 Notes. The fair value on the grant date of the embedded conversion feature of the convertible debt and to \$145,362 as computed using the Black-Scholes option pricing model.

The Company established a debt discount of \$100,000, representing the value of the embedded conversion feature inherent in the convertible debt and warrant, as limited to the face amount of the debt. The debt discount is being amortized over the life of the debt using the straight-line method over the terms of the debt, which approximates the effective-interest method. For the year ended September 30, 2014, the Company recorded amortization of the debt discount of \$19,566. The balance of the debt discount was \$80,434 at September 30, 2014.

NOTE 6 – LOAN FROM RELATED PARTY

	September 30, 2014	September 30, 2013
Loan from related party - unsecured loan	\$ 339,920	\$ -
Convertible loans	366,816	-
Loan from related party	<u>\$ 706,736</u>	<u>\$ -</u>

The unsecured loan is unsecured, bears no interest and has no set terms of repayment and is repayable on demand.

Convertible Notes Issued to the President and Director of Kibush Capital Corporation:

	September 30, 2014		
	<u>Note face amount</u>	<u>Debt Discount</u>	<u>Net amount of note</u>
Loan from related party	\$ 366,816	\$ (259,937)	\$ 106,879
Total	\$ 366,816	\$ (259,937)	\$ 106,879

On March 31, 2014, the Company issued a 12.50% Convertible Promissory Note due March 31, 2015 with a principal amount of \$157,500 (the "March 2014 Note") for cash. Interest on the March 2014 Note is accrued annually effective from March 31, 2014 forward. The March 2014 Note is unsecured and repayable on demand. The note is convertible into common stock at a price of 50 percent of the average closing bid price, determined on the then current trading market for the ten business days prior to the conversion date.

The embedded conversion feature of the March 2014 Notes was recorded as derivative liabilities in accordance with relevant accounting guidance due to the variable conversion price of the March 2014 Notes. The fair value on the grant date of the embedded conversion feature of the convertible debt and to \$305,039 as computed using the Black-Scholes option pricing model.

The Company established a debt discount of \$157,500, representing the value of the embedded conversion feature inherent in the convertible debt, as limited to the face amount of the debt. The debt discount is being amortized over the life of the debt using the straight-line method over the terms of the debt, which approximates the effective-interest method. For the year ended September 30, 2014, the Company recorded amortization of the debt discount of \$78,966. The balance of the debt discount was \$78,534 at September 30, 2014.

On June 30, 2014, the Company issued a 12.50% Convertible Promissory Note due June 30, 2015 with a principal amount of \$110,741 (the "June 2014 Note") for cash. Interest on the June 2014 Note is accrued annually effective from June 30, 2014 forward. The June 2014 Note is unsecured and repayable on demand. The note is convertible into common stock at a price of 50 percent of the average closing bid price, determined on the then current trading market for the ten business days prior to the conversion date.

The embedded conversion feature of the June 2014 Note was recorded as derivative liabilities in accordance with relevant accounting guidance due to the variable conversion price of the June 2014 Note. The fair value on the grant date of the embedded conversion feature of the convertible debt and was \$213,207 as computed using the Black-Scholes option pricing model.

The Company established a debt discount of \$110,741 representing the value of the embedded conversion feature inherent in the convertible debt, as limited to the face amount of the debt. The debt discount is being amortized over the life of the debt using the straight-line method over the terms of the debt, which approximates the effective-interest method. For the year ended September 30, 2014, the Company recorded amortization of the debt discount of \$27,913. The balance of the debt discount was \$82,828 at September 30, 2014.

On September 30, 2014, the Company issued a 12.50% Convertible Promissory Note due September 30, 2015 with a principal amount of \$98,575 (the "September 2014 Note") for cash. Interest on the September 2014 Note is accrued annually effective from September 30, 2014 forward. The September 2014 Note is unsecured and repayable on demand. The note is convertible into common stock at a price of 50 percent of the average closing bid price, determined on the then current trading market for the ten business days prior to the conversion date.

The embedded conversion feature of the September 2014 Notes was recorded as derivative liabilities in accordance with relevant accounting guidance due to the variable conversion price of the September 2014 Note. The fair value on the grant date of the embedded conversion feature of the convertible debt was \$181,771 as computed using the Black-Scholes option pricing model.

The Company established a debt discount of \$98,575 representing the value of the embedded conversion feature inherent in the convertible debt, as limited to the face amount of the debt. The debt discount is being amortized over the life of the debt using the straight-line method over the terms of the debt, which approximates the effective-interest method. For the year ended September 30, 2014, the Company recorded amortization of the debt discount of \$0. The balance of the debt discount was \$98,575 at September 30, 2014.

As of September 30, 2014 and 2013, cumulative interest of \$13,360 and \$0 respectively, has been accrued on these notes.

NOTE 7 – STOCKHOLDER'S DEFICIT

Common Stock

On August 22, 2013, the Company's Board authorized a 225:1 reverse stock split. All share and per share data in the accompanying financial statements and footnotes has been adjusted retrospectively for the effects of the stock split.

On October 12, 2013, the Company issued by directors resolution, 10,000,000 shares of newly issued common stock for the purchase of a Memorandum of Understanding (dated September 2, 2013) from a related company; which gave Kibush Capital Corporation the right to acquire 80% ownership in Instacash Pty Ltd, an Australian Currency Services provider, and corporate trustee of the Instacash Trust. As this transaction was with a related party, the value was recorded at the par value of the stock.

Between October 23, 2013 and September 30, 2014, the Company issued a total of 3,274,000 shares of common stock upon the requests from convertible note holders to convert principal totaling \$3,274 into the Company's common stock based on the terms set forth in the loans. The conversion rate was \$0.001.

On February 28, 2014, the Company issued by directors resolution, 40,000,000 shares of newly issued common stock to conclude a Assignment and Bill of Sale (dated February 14, 2014) from a related company (Five Arrows Limited); which gave Kibush Capital Corporation the right to enter into a Joint Venture contract with the leaseholders of certain Mining Leases in Papua New Guinea. As this transaction was with a related party, the value was recorded at par.

Preferred Stock

Preferred stock includes 50,000,000 shares authorized at \$0.001 par value, of which 10,000,000 have been designated Series A. 3,000,000 Series A are issued and outstanding.

NOTE 8 – INCOME TAXES

The provision/(benefit) for income taxes for the year ended September 30, 2014 and 2013 was as follows (assuming a 15% effective tax rate):

	September 30,	
	2014	2013
Current Tax Provision		
Federal-		
Taxable income	\$ -	\$ -
Total current tax provision	-	-
	<u>\$ -</u>	<u>\$ -</u>
Deferred Tax Provision		
Federal-		
Loss carry forwards	\$ 263,821	\$ 16,275
Change in valuation allowance	(263,821)	(16,275)
Total deferred tax provision	<u>\$ -</u>	<u>\$ -</u>

The Company had deferred income tax assets as of September 30, 2014 and September 30, 2013 as follows:

	September 30,	
	2014	2013
Loss carry forwards	\$ 1,560,122	\$ 1,296,301
Less - Valuation allowance	(1,560,122)	(1,296,301)
	<u>\$ -</u>	<u>\$ -</u>

The Company provided a valuation allowance equal to the deferred income tax assets for period ended September 30, 2014 because it is not presently known whether future taxable income will be sufficient to utilize the loss carryforwards.

As of September 30, 2014, the Company had approximately \$10,332,404 in tax loss carryforwards that can be utilized future periods to reduce taxable income, and the carryforward incurred for the year ended September 30, 2014 will expire by the year 2034.

The Company did not identify any material uncertain tax positions. The Company did not recognize any interest or penalties for unrecognized tax benefits.

The federal income tax returns of the Corporation are subject to examination by the IRS, generally for three years after they are filed.

NOTE 9 – RELATED PARTY TRANSACTIONS

Details of transactions between the Corporation and related parties are disclosed below.

The following entities have been identified as related parties :

Warren Sheppard - President and Director

Javathyme, Inc - Wholly owned subsidiary

Instacash (Pty) Ltd and Instacash Trust - 80 percent owned subsidiary

Five Arrows Limited - Common director

New World Distilleries - Common director

The following transactions were carried out with related parties:

	September 30, 2014	September 30, 2013
Loan from related party - unsecured loan (a)	\$ 339,920	\$ -
Convertible loans (b)	366,816	-
Loan from related party	<u>\$ 706,736</u>	<u>\$ -</u>

(a) From time to time, the president and stockholder of the Company provides advances to the Company for its working capital purposes. These advances bear no interest and are due on demand.

(b) See Note 9 for details of Convertible notes.

NOTE 10 – BUSINESS COMBINATIONS

Set out below are the controlled and non-controlled members of the group as of September 30, 2014 and 2013 which, in the opinion of the directors, are material to the group. The subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation is also their principal place of business.

Name of Entity	Country of Incorporation	Acquisition Date	Voting Equity Interests	Nature of Relationship
Javathyme, Inc	U.S.A.	31-Jan-12	100%	Note 1
Instacash Pty Ltd and Instacash Trust	Australian	10-Oct-13	80%	Note 2
Papua New Guinea Alluvial Gold Mining Venture	Papua New Guinea	28-Feb-2014	70%	Note 3

Note 1: Javathyme, Inc was incorporated by Kibush Capital Corporation on January 31, 2005 and traded in coffee and spices. The Company ceased trading on March 31, 2013 and was subsequently dissolved on September 27, 2013.

Note 2: The Instacash Group consists of The Instacash Trust (an Australian Unit Trust) and Instacash (Pty) Ltd (the Australian Corporate Trustee Company). Instacash Trust operates as an Australian currency service provider, trading through its Corporate Trustee Company, Instacash (Pty) Ltd.

On October 12, 2013, the Company issued by directors resolution, 10,000,000 shares of newly issued common stock for the purchase of a Memorandum of Understanding ("MOU"), dated September 2, 2013 from a related company; which gave Kibush Capital Corporation the right to acquire 80% ownership in Instacash Pty Ltd, an Australian Currency Services provider. The fair value of the consideration paid for this acquisition was \$117,353.

On October 10, 2013, the Company acquired 48 newly issued shares of common stock in Instacash (Pty) Ltd and 800 units in the Instacash Unit Trust, through signing a stock purchase agreement, for consideration of \$500,000 paid through the issuance of a four month promissory note, giving the Company 80% control over the two entities.

On February 14, 2014, the Company entered into an Assignment and Bill of Sale with Five Arrows Limited (“Five Arrows”) pursuant to which Five Arrows agreed to assign to the Company all of its right, title and interest in two 50 ton per hour trammels, one 35 ton excavator, a warehouse/office, a concrete processing apron feeding to the operations area in the warehouse and four 35 ton per hour particle concentrators for use in our alluvial mining operations. In consideration, the Company issued 40,000,000 shares of its common stock to Five Arrows. On February 28, 2014, the Company entered into a joint venture agreement with the holders of alluvial gold mining leases (“Leaseholders”) of Mining Leases covering approximately 26 hectares located at Koranga in Wau, Morobe Province, Papua, New Guinea for alluvial gold mining operations (“Joint Venture Agreement”). The Joint Venture Agreement entitles the leaseholders to 30% and the Company to 70% of net profits from the joint venture. The Company will manage and carry out the operations at the site, including entering into contracts with third parties and subcontractors (giving priority to the Leaseholders and their relatives and the local community for employment opportunities and spin-off business) at its cost, and all assets, including equipment and structures built on the site, will be the property of the Company. The Leaseholders and the Company will each contribute 1% from their share of net profits to a trust account for landowner and government requirements.

The fair value of the consideration paid for this acquisition was \$8,000,000 based on the price of the common stock on February 14, 2014.

This joint venture is not consolidated since the Company does not control, through voting rights or other means, the joint venture. See Note 2 regarding the Company's policy on consolidation.

NOTE 12 — STOCK WARRANTS .

In August 2014, the Company issued five-year warrants to purchase 800,000 shares of the Company’s common stock at \$0.25 per share in connection with the 2014 Note and Warrant Purchase Agreement

NOTE 14 – SUBSEQUENT EVENTS

On September 30, 2014 the Company received a debt conversion notice to convert \$560 of principal of the 2011 convertible promissory note. The debenture is convertible into 560,000 shares of common stock, at a conversion rate of .001.