Hazer Pty Ltd
ACN 144 044 600

Annual Report - 30 June 2014
The directors present their report, together with the financial statements, on the company for the year ended 30 June 2014.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Geoffrey Pocock
Rick Hopkins

Principal activities
During the financial year the principal continuing activities of the company consisted of research and development of novel graphite and hydrogen production technology.

Costs associated with the research and development of novel graphite and hydrogen production technology have not at the reporting date met the criteria for recognition as an intangible asset. As a result, the company has recognised these costs as an expense when incurred. The company will re-assess the treatment of these costs during future periods as the company continues to progress with the development of its technology.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss of the company for the year amounted to $166,214 (30 June 2013: $1,045).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option
There were 11,500,000 unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.
Hazer Pty Ltd
Directors’ report
30 June 2014

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor’s independence declaration
A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

[Signature]
Geoffrey Docock
Director

16 September 2015
AUDITOR’S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hazer Pty Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM BIRD CAMERON PARTNERS

Perth, WA
Dated: 16 September 2015

TUTU PHONG
Partner
The financial statements cover Hazer Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Hazer Pty Ltd's functional and presentation currency.

Hazer Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office** | **Principal place of business**
---|---
7/29 The Avenue | 7/29 The Avenue
Nedlands WA 6009 | Nedlands WA 6009

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 September 2015. The directors have the power to amend and reissue the financial statements.
Hazer Pty Ltd  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>2,596</td>
<td>4,060</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration expenses</td>
<td>(684)</td>
<td>(4,973)</td>
</tr>
<tr>
<td>Consulting and research expenses</td>
<td>(43,000)</td>
<td>-</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(126)</td>
<td>(132)</td>
</tr>
<tr>
<td>Share based payments</td>
<td>(125,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(168,810)</td>
<td>(5,105)</td>
</tr>
<tr>
<td>Loss before income tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(166,214)</td>
<td>(1,045)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Loss after income tax expense for the year attributable to the owners of Hazer Pty Ltd</td>
<td>(166,214)</td>
<td>(1,045)</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive loss for the year attributable to the owners of Hazer Pty Ltd</td>
<td>(166,214)</td>
<td>(1,045)</td>
</tr>
</tbody>
</table>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.
Hazer Pty Ltd
Statement of financial position
As at 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Assets

**Current assets**
- Cash and cash equivalents 66,195 113,855
- GST refundable/(payable) 3,282 (364)

**Total current assets** 69,477 113,491

**Total assets** 69,477 113,491

### Liabilities

**Current liabilities**
- Convertible notes - 92,750

**Total current liabilities** - 92,750

**Total liabilities** - 92,750

### Net assets

69,477 20,741

### Equity

**Issued capital**
- 714,232 499,282
- (644,755) (478,541)

**Total equity** 69,477 20,741

The above statement of financial position should be read in conjunction with the accompanying notes
<table>
<thead>
<tr>
<th></th>
<th>Issued capital $</th>
<th>Retained profits $</th>
<th>Total equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2012</td>
<td>499,282</td>
<td>(477,496)</td>
<td>21,786</td>
</tr>
<tr>
<td>Shares issued during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive loss for the year after tax</td>
<td>-</td>
<td>(1,045)</td>
<td>(1,045)</td>
</tr>
<tr>
<td>Balance at 30 June 2013</td>
<td>499,282</td>
<td>(478,541)</td>
<td>20,741</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Issued capital $</th>
<th>Retained profits $</th>
<th>Total equity $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2013</td>
<td>499,282</td>
<td>(478,541)</td>
<td>20,741</td>
</tr>
<tr>
<td>Shares issued during the year</td>
<td>214,950</td>
<td>-</td>
<td>214,950</td>
</tr>
<tr>
<td>Total comprehensive loss for the year after tax</td>
<td>-</td>
<td>(166,214)</td>
<td>(166,214)</td>
</tr>
<tr>
<td>Balance at 30 June 2014</td>
<td>714,232</td>
<td>(644,755)</td>
<td>69,477</td>
</tr>
</tbody>
</table>
Hazer Pty Ltd
Statement of cash flows
For the year ended 30 June 2014

Note 2014 2013

$ $ 

Cash flows from operating activities
Payments to suppliers and employees (47,456) (4,869)
Interest received 2,596 4,060
Net cash used in operating activities 8 (44,860) (809)

Cash flows from financing activities
Repayment of convertible notes (2,800) (12,250)
Net cash used in financing activities (2,800) (12,250)

Net decrease in cash and cash equivalents (47,660) (13,059)
Cash and cash equivalents at the beginning of the financial year 113,855 126,914

Cash and cash equivalents at the end of the financial year 3 66,195 113,855

The above statement of cash flows should be read in conjunction with the accompanying notes
Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Hazer Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Hazer Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.
Note 1. Significant accounting policies (continued)

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

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

Goods and Services Tax (‘GST’) and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.
Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Research and development

Research costs are expensed in the period in which they are incurred.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2014. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor’s financial position.

Note 3. Current assets - cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>66,195</td>
<td>113,855</td>
</tr>
<tr>
<td></td>
<td>66,195</td>
<td>113,855</td>
</tr>
</tbody>
</table>
Note 4. Equity - issued capital

<table>
<thead>
<tr>
<th>Shares</th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares - fully paid</td>
<td>15,299,010</td>
<td>11,000,010</td>
<td>714,232</td>
<td>499,282</td>
</tr>
</tbody>
</table>

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Note 5. Contingent liabilities
The company had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Note 6. Commitments
The company had no commitments for expenditure as at 30 June 2014 and 30 June 2013.

Note 7. Events after the reporting period
No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 8. Reconciliation of profit after income tax to net cash from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss for the year</td>
<td>(166,214)</td>
<td>(1,045)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share based payments</td>
<td>125,000</td>
<td>-</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(3,646)</td>
<td>236</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(44,860)</td>
<td>(809)</td>
</tr>
</tbody>
</table>
Hazer Pty Ltd
Directors' declaration

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Hazer Pty Ltd;

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards to the extent described in Note 1, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Geoffrey Pocock
Director

16 September 2015
INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF
HAZER PTY LTD

We have audited the accompanying financial report, being a special purpose financial report, of Hazer Pty Ltd (“company”), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members.

The directors’ responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Hazer Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Hazer Pty Ltd, is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors’ financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Perth, WA     TUTU PHONG
Dated: 17 September 2015   Partner