

Tillegrah Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Tillegrah Limited
ABN: 80 112 379 503
Reporting period: For the half-year ended 31 December 2018
Previous period: For the half-year ended 31 December 2017

2. Results for announcement to the market

				\$
Revenues from ordinary activities	Down	-	To	-
Loss from ordinary activities after tax attributable to the owners of Tillegrah Limited	Down	72%	To	(184,020)
Loss for the half-year attributable to the owners of Tillegrah Limited	Down	72%	To	(184,020)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$184,020 (31 December 2017: \$658,454).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.26)</u>	<u>0.18</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Tillegrah Limited for the half-year ended 31 December 2018 is attached.

11. Signed



Signed: Dan Lanskey
Chairman and Non Executive Director

Date: 28 February 2019

Tillegrah Limited
ABN 80 112 379 503

Interim Financial Report
Half-Year Ended 31 December 2018

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Tillegrah Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Daniel Lanskey	Chairman and Non Executive Director
Andrew Sparke	Non Executive Director
David Clark	Non Executive Director and Secretary

Operating loss

The loss for the consolidated entity after providing for income tax amounted to \$184,019 (2017 HY Loss: \$658,454).

Review of operations

On 19 September 2018, the Company entered into a Heads of Agreement with Traprock Mining Limited, an unlisted Australian Public Company. Under the agreement, the Company had the right to acquire all of the shares of Traprock Mining Limited under certain terms and conditions. Traprock holds certain mining interests in Queensland including two previously operating open cut mines. On 4 December 2018, the Company withdrew from the agreement after considering the Global Market volatility at the time and the ongoing weakness in new investment in the Australian mining sector.

The Board continues to review new proposals from a number of industries to identify an opportunity which would allow the Company to grow future value and enable the Company to recommence trading on the Australian Securities Exchange

The Company continues to hold patents in various jurisdictions in relation to the manufacture of ceramic proppants manufactured primarily from flyash and clay.

Matters subsequent to the end of the financial half-year

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the consolidation of its equity securities by converting every two (2) existing shares, options or performance rights into one (1) share, option or performance right.

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the issue of up to 62,500,000 Note Conversion Shares at \$0.004 each to professional and sophisticated investors to raise up to \$250,000.

Funds of \$53,200 were received on 27 February 2019 from professional and sophisticated investors as part of the proposed issue of 62,500,000 Note Conversion Shares at \$0.004 each to raise up to \$250,000.

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the change of company name to Tillegrah Limited which took effect from 16 January 2019. The change of ASX code to TIH took effect from 30 January 2019.

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 page 4 and forms part of this directors' report.

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



Dan Lanskey
Chairman and Non Executive Director

28 February 2019

AUDITOR'S INDEPENDENCE DECLARATION



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GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO DIRECTORS OF TILLEGRAH LIMITED (FORMERLY LWP TECHNOLOGIES LTD)

As lead auditor of Tillegrah Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Tillegrah Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C R Jenkins', written over a horizontal line.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2019

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Notes	Consolidated	
		HY Dec 2018	HY Dec 2017
		\$	\$
Revenue			
Interest revenue	3	125	15,569
Other income	3	55,802	95,964
Total revenue	3	55,927	111,533
Loss on revaluation of financial assets	5	-	(97,123)
Director and consultant costs		(65,056)	(271,363)
Legal expenses		(900)	(109,223)
Expenses relating to the advancement of proppant technology	4	(47,084)	(157,700)
Marketing and travel expenses		(2,990)	(21,292)
Administration expenses		(110,963)	(112,024)
Prospectus costs		(10,150)	-
Finance costs	4	(2,804)	(1,262)
Loss before income tax expense		(184,020)	(658,454)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Tillegrah Limited		(184,020)	(658,454)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Tillegrah Limited		(184,020)	(658,454)
Loss per share (cents per share)	15		
Basic loss per share for the half-year attributable to ordinary equity holders of the parent		(0.22)	(0.81)
Diluted loss per share for the half-year attributable to ordinary equity holders of the parent		(0.22)	(0.81)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	Consolidated	
		Dec 2018	Jun 2018
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	5,201	220,603
Trade and other receivables	7	11,317	12,486
Financial assets at fair value through profit or loss	8	-	-
Other assets	9	38,439	13,215
Total Current Assets		54,957	246,304
Non Current Assets			
Plant and equipment	10	-	-
Total Non Current Assets		-	-
Total Assets		54,957	246,304
Liabilities			
Current Liabilities			
Trade and other payables	11	194,451	233,870
Borrowings	12	30,000	-
Provisions	13	47,386	45,294
Total Current Liabilities		271,837	279,164
Total Liabilities		271,837	279,164
Net Assets / (Liabilities)		(216,880)	(32,860)
Equity			
Equity attributable to members of the parent entity:			
Contributed Equity	14	465,158	465,158
Accumulated Losses		(682,038)	(498,018)
Total Equity / (Deficiency)		(216,880)	(32,860)

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Consolidated				
Balance at 1 July 2017	465,158	346,890	-	812,048
Comprehensive income				
Loss for the half-year	-	-	(658,454)	(658,454)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(658,454)	(658,454)
Transactions with owners in their capacity as owners:				
Transfer of reserve following expiry of options	-	(346,890)	346,890	-
Total restated transactions with owners in their capacity as owners	-	(346,890)	346,890	-
Balance at 31 December 2017	465,158	-	(311,564)	153,594
Balance at 1 July 2018	465,158	-	(498,018)	(32,860)
Comprehensive income				
Loss for the half-year	-	-	(184,020)	(184,020)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(184,020)	(184,020)
Balance at 31 December 2018	465,158	-	(682,038)	(216,880)

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Notes	Consolidated	
		HY Dec 2018 \$	HY Dec 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(301,967)	(788,124)
Other receipts		7,944	9,887
Interest received		125	15,569
Interest paid		-	(1,262)
Net cash used in operating activities		(293,898)	(763,930)
Cash flows from investing activities			
Proceeds from disposal of plant & equipment	10	4,182	4,000
Proceeds from disposal of financial assets	8	44,314	276,027
Net cash used in investing activities		48,496	280,027
Cash flows from financing activities			
Proceeds from borrowings	12	30,000	-
Net cash provided by financing activities		30,000	-
Net change in cash and cash equivalents		(215,402)	(483,903)
Cash and cash equivalents at beginning of half-year		220,603	666,377
Cash and cash equivalents at end of half-year	6	5,201	182,474

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Corporate information

The financial statements cover Tillegrah Limited as a consolidated entity consisting of Tillegrah Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the functional and presentation currency of Tillegrah Limited.

Tillegrah Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 54, 111 Eagle Street, BRISBANE, QLD, AUSTRALIA, 4000

The financial statements were authorised for issue, in accordance with a resolution of directors on 28 February 2019.

2 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 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.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(b) New and revised standards

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting AASB 9 *Financial Instruments*. The impact of the adoption of this standard and the new accounting policies are disclosed below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

AASB 9 *Financial Instruments* – Impact of adoption

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in note below. In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

(i) Classification and Measurement

On 1 January 2018 (the date of initial application of AASB 9), the Group's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate AASB 9 categories. There were no changes to the classification and measurement of financial assets.

(ii) Impairment of financial assets

The Group has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The group was required to revise its impairment methodology under AASB 9. There was no material impact of the change in impairment methodology on the group's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

2 Summary of significant accounting policies (continued)

AASB 9 *Financial Instruments* – Accounting policies applied from 1 January 2018

(i) Investments and other financial assets

Classification

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 Summary of significant accounting policies (continued)

Fair Values

The fair values of Consolidated Entity's financial assets and financial liabilities approximate their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

AASB 15 Revenue from Contracts with Customers – Impact of adoption

There is no impact of adopting AASB 15 as the group is still at exploration stage and has not generated revenue during the financial year.

(c) Material Uncertainty over Going concern

The financial statements 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.

As disclosed in the financial statements, the Group incurred a net loss after tax of \$184,020 (31 December 2017: \$658,454) and net operating cash outflows of \$293,898 (31 December 2017: \$763,930). As at 31 December 2018 the Group has cash of \$5,201 (30 June 2018: \$220,603).

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- the ability of the Group to meet its cashflow forecasts;
- the ability of the Group to raise capital as and when necessary; and
- the ability of the Group to sell its intellectual property

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- proven ability of the Group to raise capital as and when necessary;
- ability to apply discretion in the Group's spending; and
- ongoing progress on development of the Group's intellectual property which could yield financial returns when successfully exploited.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

(d) Segment Reporting

Identification of reportable operating segments

The consolidated entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The consolidated entity does not yet have any products or services from which it derives an income.

Accordingly, the Chief Operating Decision Maker (CODM - identified as the Board of Directors) currently identifies the consolidated entity as having only one reportable segment, developing and commercialising a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segment during the half-year.

Notes to the financial statements for the half-year ended 31 December 2018

3 Revenue

	Notes	Consolidated	
		HY Dec 2018	HY Dec 2017
		\$	\$
Interest income		125	15,569
Other Income			
Rental income		7,222	-
Gain on foreign exchange		84	-
Omnet loan distribution		-	9,887
Gain on renegotiation of VVV Technologies Ltd settlement		-	36,077
Reversal of fair value impairment expense	8	48,496	50,000
Total other income		55,802	95,964
Total income		55,927	111,533

4 Expenses

	Consolidated	
	HY Dec 2018	HY Dec 2017
	\$	\$
Loss before income tax includes the following expenses:		
Finance costs		
- Interest expense	2,804	1,262
Total finance costs	2,804	1,262
Expenses relating to the Clontarf Pilot Plant		
- Pilot plant	43,128	65,933
- Laboratory costs	3,956	-
- Hallmark Joint Venture	-	91,767
Total expenses relating to the advancement of proppant technology	47,084	157,700
Other significant expenses		
- Occupancy costs	1,103	3,605
- Insurance	20,305	20,479
Total other significant expenses	21,408	24,084

5 Loss on revaluation of financial assets

	Consolidated	
	HY Dec 2018	HY Dec 2017
	\$	\$
Loss on revaluation of ASX listed shares	-	97,123
Total loss on revaluation of financial assets	-	97,123

Notes to the financial statements for the half-year ended 31 December 2018

6 Current assets - Cash and cash equivalents

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Cash at bank and on hand	5,201	220,603
Total cash at bank and on hand	5,201	220,603

7 Current assets - Trade and other receivables

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
GST and other receivables	11,317	12,486
Total trade and other receivables	11,317	12,486

8 Current assets – Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all held for trading and include the following:

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Financial assets at fair value through profit or loss	-	-
Balance at 1 July 2018	-	373,150
Proceeds from sale of financial assets	(44,314)	(326,027)
Reversal of fair value impairment expense	44,314	-
Fair value impairment expense during the half-year	-	(47,123)
Total financial assets at fair value through profit or loss	-	-

All ASX listed shares are Level 1 financial assets.

9 Current assets – Other assets

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Prepayments	38,439	13,215
Total other assets	38,439	13,215

10 Non current assets – Plant and equipment

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Plant and equipment	-	-
Balance at 1 July 2018	-	4,000
Proceeds from disposal of plant and equipment	(4,182)	(4,000)
Reversal of fair value impairment expense	4,182	-
Total plant and equipment	-	-

Notes to the financial statements for the half-year ended 31 December 2018

11 Current liabilities – Trade and other payables

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Trade payables	194,451	118,519
Other payables and accrued expenses	-	106,796
Total trade and other payables	194,451	225,315

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current and the carrying values are considered to be a reasonable approximation of fair value.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the consolidated entity and comprise items such as employee taxes, employee on costs, GST and other recurring items.

12 Current liabilities – Borrowings

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Loans from related parties	30,000	-
Total borrowings	30,000	-

During the half-year to 31 December 2018, the directors provided convertible loans of \$30,000 to the consolidated entity at a Nil % interest rate. The balance of loans from the directors at 31 December 2018 is \$30,000. Subsequent to the end of the reporting period, the loans will be converted to ordinary shares at \$0.004 per share in accordance with Resolution 6 and approved by shareholders at the 2018 AGM held on 15 January 2019.

13 Current and non current liabilities – Provisions

	Consolidated	
	Dec 2018	Jun 2018
	\$	\$
Current liabilities		
Provisions	47,386	45,294
Total provisions	47,386	45,294

Provision for Settlement of Tax Dispute

During the 2018 financial year, the consolidated entity announced that TIH has met with ATO representatives regarding the monies owed to TIH under the R&D tax offset grant in respect of the 2015 financial year. The ATO initially rejected the R&D tax offset claimed in the 2015 income tax return and imposed shortfall interest charge of \$52,080. During the half-year to 31 December 2017 the ATO offset GST refunds due from the August 2017 and September 2017 Business Activity Statements (BAS) against the shortfall interest charge. The ATO also imposed a general interest charge resulting in a provision amount of \$47,386 at 31 December 2018. The Company has been advised this provision will be reversed by the ATO following agreement to a settlement amount of \$252,000 for the Company's claim under the R&D tax offset grant for 2015 year. However, as at the date of the financial report, the ATO has not yet actioned this reversal and a liability will continue to be recorded until that happens.

14 Contributed equity

	Consolidated		
	Dec 2018 \$	Jun 2018 \$	
(a) Share capital			
84,713,796 ordinary shares (30 June 2018: 84,713,796)	465,158	465,158	
Total share capital	465,158	465,158	
(b) Movements in ordinary share capital	Number of shares	Price per share	\$
Ordinary shares			
Balance at 1 July 2018	84,713,796	-	465,158
Balance at 31 December 2018	84,713,796	-	465,158

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.

Share buy-back

There is no current on-market share buy-back

There are no externally imposed capital requirements.

15 Earnings per share

	Consolidated	
	HY Dec 2018 \$	HY Dec 2017 \$
a. Basic Loss per share		
i. Basic Loss per share (cents per share)	(0.22)	(0.81)
ii. Net loss used to calculate basic loss per share	(184,020)	(658,454)
iii. Weighted average number of ordinary shares outstanding during the half-year used in calculating basic loss per share	84,713,796	84,713,796
b. Diluted loss per share		
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	(0.22)	(0.81)

16 Events after the balance sheet date

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the consolidation of its equity securities by converting every two (2) existing shares, options or performance rights into one (1) share, option or performance right.

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the issue of up to 62,500,000 Note Conversion Shares at \$0.004 each to professional and sophisticated investors to raise up to \$250,000.

Funds of \$53,200 were received on 27 February 2019 from professional and sophisticated investors as part of the proposed issue of 62,500,000 Note Conversion Shares at \$0.004 each to raise up to \$250,000.

At the 2018 Annual General Meeting of the Company held on 15 January 2019, shareholders approved the change of company name to Tillegrah Limited which took effect from 16 January 2019. The change of ASX code to TIH took effect from 30 January 2019.

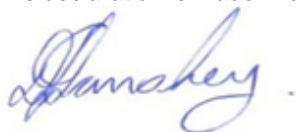
No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 16 are in accordance with the Corporations Act 2001:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements; and give a true and fair view of the financial position as at 31 December 2018 and of the performance for the half-year ended on that date of the company and consolidated group; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the 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.



Dan Lanskey
Chairman and Non Executive Director

28 February 2019



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tillegrah Limited (formerly LWP Technologies Limited)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tillegrah Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control 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 Standard 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'C R Jenkins', written over a faint, larger 'BDO' logo.

C R Jenkins
Director

Brisbane, 28 February 2019