ULTRACHARGE LIMITED

(FORMERLY LITHEX RESOURCES LTD)

APPENDIX 4E
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The following information is given to ASX under listing rule 4.3A.

1. **Reporting period**

Current Period	**12 months ended 30 June 2017**
Prior Period	**12 months ended 30 June 2016**

2. **Results for announcement to the market**

				% Change		
Consolidated Group	**Item**		**USD $**			**USD $**
Revenue – excluding interest received	**2.1**	**up**	**2,756**	**62.97**	**to**	**7,133**
Profit (loss) after tax attributable to members	**2.2**	**up**	**(2,847,658)**	**270.70**	**to**	**(3,899,627)**
Net profit (loss) attributable to members	**2.3**	**up**	**(2,606,388)**	**247.76%**	**to**	**(3,658,357)**
Dividend	**2.4**	**N/A**				

Overview

The principal activities of UltraCharge Limited and controlled entities ("Group") is conducting research and development dedicated to creating leading edge Lithium-Ion battery (**LIB**).

UltraCharge's LIB technology uses a titanium dioxide nanotube gel to significantly increase battery performance. Several characteristics of current LIB technology are limiting their utilisation in wider applications. The Company is aiming to develop and commercialise its technology into manufacturing processes for lithium ion batteries in the fast expanding market towards new applications in electric mobility and energy storage.

Overview of results

For the year ended 30 June 2017 ("FY2017"), revenue increased by $2,756 or 63% when compared with the year ended 30 June 2016 ("FY2016") on a year-on-year basis. On the other hand, net result changed from a net loss of $1,051,969 in FY2016 to a net loss of $3,899,627.

3. **Consolidated Statement of Profit or Loss and Other Comprehensive Income**

   Refer to attached financial statements.

4. **Consolidated Statement of Financial Position**

   Refer to attached financial statements.

5. **Consolidated Statement of Cashflow**

   Refer to attached financial statements.

6. **Dividends Paid or Recommended**

   The Directors have not recommended or paid a dividend.

7. **Details of any Dividend or distribution reinvestment plans**
   The Company does not have any distribution reinvestment plans.

8. **Statement of movements in Retained Earnings**
   Refer to attached financial statements.

9. **Net tangible assets per security**

	30 June 2017	30 June 2016
Number of securities	634,893,121	1,416,567
Net tangible assets per security in cents	0.29	4.73

10. **Changes in controlled entities**
    On 19 December 2016, the Company, the formerly named Lithex Resources Limited, completed its acquisition of 100% of UltraCharge Ltd (UltraCharge Israel) and changed its name to UltraCharge Limited (UltraCharge). The acquisition of UltraCharge Israel resulted in the shareholders of UltraCharge Israel obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by UltraCharge Israel's nominees. A nominee of UltraCharge Israel serves as the Managing Director and the UltraCharge Israel management team has assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 Business Combinations.

    The application of the reverse acquisition guidance contained in AASB 3 has resulted in the Company (the legal parent) being accounted for as the acquiree and UltraCharge Israel (the legal subsidiary) being accounted for as the acquirer As the Company was a listed shell at the transaction date and did not represent a business, the Acquisition Transaction has been accounted for as a share based payment by which UltraCharge Israel acquired the net assets and listing status of UltraCharge.

    As a share based payment, the difference between the fair value of the deemed consideration paid by UltraCharge Israel and the fair value of the identifiable net assets of UltraCharge acquired, is recognised as an expense.

    Given UltraCharge Israel is considered to be the acquirer for accounting purposes, the 30 June 2017 consolidated interim financial statements of UltraCharge Limited were prepared as a continuation of the business and operations of UltraCharge Israel. As the deemed acquirer, UltraCharge Israel has accounted for the in substance acquisition of UltraCharge from 19 December 2016.

    Except for the above, there have been no changes in other controlled entities during the current year.

11. **Details of associates and joint venture entities**
    The Company does not have any associates or joint venture entities.

12. **Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position**
    Refer to attached financial statements.

13. Foreign entities disclosures

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

14. Additional information

Earnings per Share on continuing operations	**30 June 2017**	**30 June 2016**
Basic (losses) earnings per share in cents	(0.81)	(1.29)
Diluted (losses) earnings per share in cents	(0.81)	(1.29)

After Balance Date Events

Refer to attached financial statements.

15. Compliance Statement

This report should be read in conjunction with the audited UltraCharge Limited financial report for the year ended 30 June 2017, and is lodged with the ASX under listing rule 4.3A.

Signed in accordance with a resolution of the Board of Directors of UltraCharge Limited:

Kobi Ben-Shabat
Managing Director
Dated this 31st day of August 2017

ULTRACHARGE LIMITED

(FORMERLY LITHEX RESOURCES LIMITED)

ABN 97 140 316 463

2017 Financial Report

Corporate Directory

Directors

Mr Doron Nevo (Non-Executive Chairman)

Mr Kobi Ben-Shabat (Managing Director)

Mr David Wheeler (Non-Executive Director)

Mr Yury Nehushtan (Non-Executive Director)

Mr John Paitaridis (Non-Executive Director)

Company Secretary

Peter Webse

Registered Office

Level 6

105 St Georges Terrace

Perth WA 6000

Telephone: (08) 6558 0886

Facsimile: (08) 6316 3337

Email: admin@lithex.com.au

Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco, WA 6008

Telephone: (08) 6382 4600

Bankers

National Australia Bank

Level 1

1238 Hay Street

West Perth WA 6005

Share Registry

Automic Registry Services Pty Ltd

Level 2

267 St Georges Terrace

West Perth WA 6005

Telephone: 1300 288 664

Website

www.ultra-charge.net

Stock Exchange Listing

The Company is listed on the Australian Stock Exchange (ASX)

Australian Stock Exchange Code:

UTR

CONTENTS

These financial statements are the consolidated financial statements of the consolidated entity consisting of UltraCharge Limited (formerly Lithex Resources Limited) and its subsidiaries. The financial statements are presented in US dollar currency.

UltraCharge Limited is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of activities on pages 6 – 9.

The financial statements were authorised for issue by the Directors on 31 August 2017. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All announcements and financial reports are available on our website: www.ultra-charge.net.

Directors' report

Your Directors present their report together with the financial report of UltraCharge Limited (formerly Lithex Resources Limited) ('the Company' or 'Parent Entity') and its controlled entities ('the Group' or 'consolidated entity') for the year ended 30 June 2017 and the auditor's report thereon.

Directors

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

Names, qualifications, experience and special responsibilities

Mr Doron Nevo – Non-Executive Chairman (appointed 2 December 2016)

Mr Nevo is president and chief executive officer of KiloLambda Technologies Ltd., an optical nanotechnology company, which he co-founded in 2001. From 1999 to 2001, Mr Nevo was involved in fundraising activities for Israeli-based start-up companies. From 1996 to 1999, Mr. Nevo serve as president and chief executive officer of NKO, Inc., having established NKO in early 1995 as a start-up subsidiary of Clalcom, Ltd. NKO designed and developed a full scale, carrier grade, IP telephony system and established its own IP network. From 1992 to 1996, Mr. Nevo served as president and chief executive officer of Clalcom Ltd having established Clalcom in 1992 as a telecom service provider in Israel. He also served as a director of Etgar -Portfolio Management Trust Co. and of a number of private companies.

Mr Nevo holds a B.Sc. in Electrical Engineering from the Technion -Israel Institute of Technology and a M.Sc. in Telecommunications Management from Brooklyn Polytechnic.

Mr Nevo has served as a director of NASDAQ-listed AudioCodes Ltd since 2000.

Mr Kobi Ben-Shabat – Managing Director (appointed 2 December 2016)

Kobi Ben-Shabat was educated in Israel's Ruppin Academic Centre in Business and Administration and concluded his tertiary studies with an MBA in Marketing and Information Technology from the University of Manchester in 2000.

After working for various US based technology companies, Mr Ben-Shabat was seconded to Australia where he was instrumental in the growth of the region's IP Surveillance and Security industry. After noticing a market opportunity Kobi established Open Platform Systems Limited (OPS). OPS swiftly became recognised as the predominant player in its technology space and became a "pain point" for the region's long established tier one providers. Australia's Business Review Weekly magazine recognised OPS in its annual BRW Fastest Growing Companies index three years consecutively. OPS was acquired by Hills Ltd (ASX listed) in April 2014. Kobi Ben-Shabat has extensive experience with sales and senior management with a particular emphasis on emerging markets and technologies.

Mr Yury Nehushtan – Non-Executive Director (appointed 2 December 2016)

Yuri Nehushtan is a lawyer and Member of the Israeli Bar Association since November 1991. He is the Managing Partner of Nehushtan, Zafran, Scharf,Jaffe & Co. Law offices, a boutique law firm specialising in commercial litigation and labour law.

Mr Nehushtan gained a Law Degree at the Hebrew University in Jerusalem (1985- 1989) and a Master's Degree in the London School of Economics (1990) with a focus on banking, finance and securities law. He has extensive experience in commercial and corporate law, with a focus on large and complex legal disputes, including corporate, securities, contract and commercial disputes, class actions, arbitrations and alternative dispute resolution.

Mr John Paitaridis – Non-Executive Director (appointed 2 December 2016)

As the managing director of Optus Business, Mr Paitaridis leads Optus' enterprise, business and government organisation. With 25 years' industry experience, he is accountable for all aspects of sales, marketing, products, operations and service delivery.

Mr Paitaridis joined Optus Business in 2012, bringing a deep understanding of the telecommunications and ICT needs of enterprise and government customers. Previously, he was an executive at Telstra.

Mr Paitaridis has extensive experience managing businesses in international markets including almost 10 years based in Europe and Asia. A seasoned senior executive, John has a strong track record of driving growth in sales, revenue and profitability as well as building high performance teams.

Mr Paitaridis holds a Bachelor of Economics degree and is a graduate member of the Australian Institute of Company Directors. In 2012, he was appointed as a member of the Australian Information Industry Association's (AIIA) board of directors and in 2014 was appointed deputy chair of the AIIA board.

Mr David Wheeler – Non-Executive Director

Mr Wheeler has more than 30 years executive management experience, through general management, CEO and managing director roles across a range of companies and industries. He has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). David has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990.

Mr Joe Graziano - Non Executive Director (resigned 2 December 2016)

Mr Graziano has 25 years' experience providing a wide range of business, financial and taxation advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource-driven industries, particularly mining, banking and finance, professional services and logistics.

Mr Graziano has the knowledge and experience in corporate advisory and strategic planning with Corporations and Private Businesses going through a growth phase and restructuring those businesses to assist with the next phase of their growth and strategy. Mr Graziano also has experience in Capital Raisings, ASX compliance and regulatory requirements.

Mr Graziano has a Bachelor of Commerce from Murdoch University, is a Chartered Accountant and a Graduate of the Australian Institute of Company Directors (AICD).

Ms Paula Cowan - Non Executive Director (resigned 2 December 2016)

Ms Cowan provides accounting, secretarial and advisory advice to private and public companies, government and other stakeholders. Ms Cowan has over 10 years of experience in chartered accounting specialising in corporate advisory and reconstruction.

Ms Cowan holds a Bachelor of Commerce/Law (Hons), is a qualified Chartered Accountant and a Graduate of the Australian Institute of Company Directors (AICD).

Directorships in other listed entities

Directorships of other listed entities held by Directors of the Company during the last 3 years immediately before the end of the year are as follows:

		Period of Directorship	
Director	**Company**	**From**	**To**
Doron Nevo	Nil		
Kobi Ben-Shabat	Weebit Nano Limited	1 August 2016	Current
John Paitaridis	Nil		
Yury Nehushtan	Nil		
David Wheeler	Antilles Oil and Gas NL	12 February 2016	Current

		Period of Directorship	
Director	**Company**	**From**	**To**
	Auscann Group Holdings Limited	18 November 2014	19 January 2017
	Castillo Copper Limited	13 August 2015	Current
	Ausmex Mining Group Limited	1 October 2014	2 August 2017
	333D Limited	15 April 2011	Current
	Premiere Eastern Energy Limited	24 August 2014	30 April 2017
	Protean Energy Limited	16 May 2017	Current
	The Carajas Copper Company Limited	17 March 2016	10 May 2016
	Weststar Industrial Limited	12 August 2015	21 November 2016

Directors' Interests

The relevant interests of each Director in the shares and options of the Company at the date of this report are as follows:

	Ordinary Shares	**Options over Ordinary Shares**	**Performance Rights**
Doron Nevo	2,187,500	-	3,750,000
Kobi Ben-Shabat	32,316,481	-	13,125,000
John Paitaridis	2,250,000	-	6,750,000
Yury Nehushtan	9,655,981	-	3,750,000
David Wheeler	2,070,000	2,000,000	Nil

Company Secretary

Mr Peter Webse - Company Secretary B.Bus, FGIA, FCPA, MAICD

Mr Webse was appointed as Company Secretary on 11 March 2014. He has over 25 years' company secretarial experience and is the managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services to listed companies.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report of this Directors' report, on pages 13 to 18. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

No shares have been issued for compensation purposes during or since the end of the financial year to any employee of the Company.

Operating and financial review

Principal activities

The principal activities of the Company is conducting research and development dedicated to creating leading edge Lithium-Ion battery (**LIB**).

UltraCharge's LIB technology uses a titanium dioxide nanotube gel to significantly increase battery performance. Several characteristics of current LIB technology are limiting their utilisation in wider applications. The Company is aiming to develop and commercialise its technology into manufacturing processes for lithium ion batteries in the fast expanding market towards new applications in electric mobility and energy storage.

Corporate structure

The Company is a listed public company, incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. Details regarding the Parent Entity are contained in note 19 to the financial statements.

Operating results for the year

On 2 December 2016, the Company, formerly named Lithex Resources Limited, completed its acquisition of 100% of UltraCharge Ltd (**UltraCharge Israel**) together with raising $3,500,000 (**Acquisition Transaction)**.

A summary of the salient operating results for the year ended 30 June 2017 is as follows:

- Operating loss after tax was ($3,899,627) representing a 271% increase on FY2016 ($1,051,969).
- Net cash outflow from operating activities was ($2,766,427) representing an 212% increase on FY2016 ($888,089).

The table below sets out summary information about the consolidated entity's earnings and movement in shareholder wealth for the two years to 30 June 2017.

		30 June 2017	30 June 2016
EBITDA[1]	$	(3,892,659)	(1,051,969)
Net profit/(loss) before tax	$	(3,899,627)	(1,051,969)
Net profit/(loss) after tax	$	(3,899,627)	(1,051,969)
Share price at start of year (AUD)	cps	0.059	0.014
Share price at end of year (AUD)	cps	0.027	0.059
Basic earnings per share (cents per share)	cps	(0.8)	(1.29)
Diluted earnings per share (cents per share)	cps	(0.8)	(1.29)
Dividends	cps	-	-
Return on Capital	cps	(0.47)	(0.26)

Note 1: EBITDA is a non IFRS measure which represents earnings before interest, tax, depreciation and amortisation. This is unaudited.

		30 June 2017	30 June 2016
Net profit/(loss) after tax	$	(3,899,627)	(1,051,969)
Interest	$	-	-
Depreciation	$	6,967	-
EBITDA[1]	$	(3,892,660)	(1,051,969)

Review of operations

Reverse acquisition

On 2 December 2016, the Company, formerly named Lithex Resources Limited, completed its acquisition of 100% of UltraCharge Ltd (**UltraCharge Israel**) together with raising $3,500,000 (**Acquisition Transaction)**. The acquisition of UltraCharge Israel resulted in the shareholders of UltraCharge Israel obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by UltraCharge Israel's nominees. A nominee of UltraCharge Israel serves as the Managing Director and the UltraCharge Israel management team has assumed responsibility for the management of the merged entity.

The combination of these factors resulted in the Acquisition Transaction being treated as a reverse acquisition for accounting purposes. Consequently, the Company (the legal parent) has been accounted for as the acquiree and UltraCharge Israel (the legal subsidiary) has been accounted for as the acquirer. As the Company was a listed shell at the transaction date, the Acquisition Transaction has been accounted for as a share based payment by which UltraCharge Israel acquired the net assets and listing status of Lithex Resources Limited (renamed as UltraCharge

Limited).

Accordingly, the consolidated entity represents a continuation of the business and operations of UltraCharge Israel. The results for the year ended 30 June 2017 comprise the results of UltraCharge Israel for the full period and the results of UltraCharge for the period post completion of the Acquisition Transaction.

The financial results of the Company are presented in US Dollars and all comparative information provided is that of UltraCharge Israel, unless otherwise stated.

Business performance

The market for battery storage technologies is growing rapidly as the importance of energy sustainability and renewable resources becomes more apparent, coupled with the consumer need for faster charging and longer lasting batteries. Lithium Ion Batteries and Flow Batteries are two leading technologies that are taking over the energy storage market segment, with exciting near term commercial prospects. UltraCharge is an energy storage technology company, its focus is on enhancing the lithium ion battery through its world class patented titanium dioxide anode nanofibers. The Company has acquired exclusive rights to patented technology from Nanyang Technology University in Singapore (NTU), which can potentially replace graphite anodes in lithium ion batteries, producing a safer, longer lifetime and faster charging lithium ion battery.

This year the Company established a facility in Israeli for the development of the technology as well progressing on the scale up process to allow mass production of titanium dioxide nanotubes to meet potential customer requirements and demand. A strategic partnership was entered into with Leclanche SA (Leclanche), the world's leading fully integrated battery storage solution providers. UltraCharge and Leclanche will collaborate on a pilot project to test and evaluate the Company's technology, ultimately seeking cost competitive and large-scale manufacturing of a high-cycling, fast-charging and high energy density battery for the E-BUS market. The Company's research project was awarded USD$160,000 by the Ministry of Economy of Israel to assist the company in advancing its pilot project with Lechlance.

Subsequent to year end, the Company announced on 30 August 2017, following a review of its operations it had closed out its agreement with NTU, maintaining exclusive rights to the patented anode technology. This will result in significant savings to the Company of around AUD$1M, without any impact on current research outputs and the development of UltraCharge's world class anode technology. Leading developer of the patented anode technology, Prof Chen Xiaodong from NTU, will remain as a member of the Company's Advisory Board. The Company's potential collaboration with NTU for a conditional grant offer by the Singapore Israel Industrial R&D Foundation (SIIRD) (announced in June 2017) will not proceed. This better positions UltraCharge to submit application for funding opportunities through the Israeli government. The Company has an extensive development capacity in Israel and continues to fast track the development of its world class technology.

With the view of the continuous growth of the energy storage market the company have expanded the IP portfolio adding additional IP in the flow battery market that will provide the opportunity for UltraCharge to position itself as a leader in lithium ion and flow battery technologies, the main focus of the company hasn't change and it's the commercialization of the TiO_2 Anode material.

The major progress we have made in the past 12 months is a major step to be able to accelerate the timeline for the first contract we are hoping to sign in the future with one of our potential customers.

Corporate

UltraCharge was one of the first companies that was suspended under the new ASX listing rules introduced in May 2016. As a result, the transaction was unable to trade post announcement of the UltraCharge acquisition, and as such did not receive the benefit of price discovery for the transaction. A reduction in capital sought to address this imbalance. The Company cancelled 129.2 million shares which were issued to 14 select vendors and advisors as part of the UltraCharge acquisition. The shares represent 40% of each shareholder's holding, and 17.2% of the Company's issued capital.

Risk management

The Directors identify and manage risk and consider the business of research and development, by its nature, contains elements of risk, with no guarantee of success. The success of these activities is, amongst other things, dependent upon:

- Access to adequate capital;
- Development and commercialisation of the UltraCharge technology;
- Competition and new technologies;
- Licenced intellectual property;
- Protection of intellectual property rights; and
- Access to appropriately qualified and experienced management, researchers, contractors and other personnel.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the financial year are detailed under Review of Operations.

Subsequent to year end, the Company announced on 30 August 2017, following a review of its operations it had closed out its agreement with NTU, maintaining exclusive rights to the patented anode technology. This will result in significant savings to the Company of around AUD$1M, without any impact on current research outputs and the development of UltraCharge's world class anode technology. Leading developer of the patented anode technology, Prof Chen Xiaodong from NTU, will remain as a member of the Company's Advisory Board. The Company's potential collaboration with NTU for a conditional grant offer by the Singapore Israel Industrial R&D Foundation (SIIRD) (announced in June 2017) will not proceed. This better positions UltraCharge to submit application for funding opportunities through the Israeli government. The Company has an extensive development capacity in Israel and continues to fast track the development of its world class technology.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

Events subsequent to reporting date

On 3 August 2017, the Company announced it had entered into a licensing agreement with Epsilor Electric Fuel Limited ("Epsilor") which provides UltraCharge with an exclusive license option for new battery intellectual property. UltraCharge had also entered into an agreement with Epsilor for the lease of its research facilities, hire of specialised equipment and has expanded its research team with additional resources.

Subsequent to year end, the Company announced on 30 August 2017, following a review of its operations it had closed out its agreement with NTU, maintaining exclusive rights to the patented anode technology. This will result in significant savings to the Company of around AUD$1M, without any impact on current research outputs and the development of UltraCharge's world class anode technology. Leading developer of the patented anode technology, Prof Chen Xiaodong from NTU, will remain as a member of the Company's Advisory Board. The Company's potential collaboration with NTU for a conditional grant offer by the Singapore Israel Industrial R&D Foundation (SIIRD) (announced in June 2017) will not proceed. This better positions UltraCharge to submit application for funding opportunities through the Israeli government. The Company has an extensive development capacity in Israel and continues to fast track the development of its world class technology.

Other than disclosed above, there has not been in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the

Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments and expected results

Further information about likely developments in the operations of the Group in future years, the expected results of those operations, the strategies of the Group and its prospects for future financial years has not been included in this report.

Environmental regulation

The Directors are not aware of any environmental law that is not being complied with.

Dividends

No dividends were paid or declared since the end of the previous financial year. The Directors do not recommend a payment of a dividend in respect of the current financial year.

Share options

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Unlisted options

Expiry date	**Exercise price (AUD)**	**Number of shares**
5/4/2018	0.05	8,000,000
5/4/2019	0.059	4,000,000
2/12/2019	0.05	20,000,000
2/12/2019	0.0625	50,000,000
		82,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

No Ordinary shares have been issued as a result of the exercise of options by the Company, during or since the end of the financial year.

Indemnification and insurance of officers and auditors

The Company has agreed to indemnify the following current Directors of the Company, Mr Doron Nevo, Mr Kobi Ben-Shabat, Mr Yury Nehushtan, Mr John Paitaridis, Mr David Wheeler and the Company Secretary, Mr Peter Webse against all liabilities to any other person (other than the Company) that may arise from their position as Directors and Officers of the Company, except where the liability arises out of conduct involving a lack of good faith. This agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Parent Entity has paid premiums during the financial year in respect of a contract insuring the Directors and officers of the Group in respect of liability resulting from these indemnities. The terms of the insurance arrangements and premiums payable are subject to a confidentiality clause.

To the extent permitted by law, the Parent Entity has agreed to indemnify its auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO Audit (WA) Pty Ltd during or since the financial year.

Directors' meetings

The number of meetings of Directors held during the year (including meetings of committees of Directors) and the number of meetings attended by each Director were as follows:

	Board meetings	
	Held	**Attended**
Doron Nevo[1]	5	5
Kobi Ben-Shabat[1]	5	5
Yury Nehushtan[1]	5	4
John Paitaridis[1]	5	5
David Wheeler	7	7
Joe Graziano[2]	2	2
Paula Cowan[2]	2	2

Note:

1) Messrs Nevo, Ben-Shabat, Nehushtan and Paitaridis were appointed on 2 December 2016 and there were five meetings held since their appointment.
2) Mr Graziano and Ms Cowan resigned on 2 December 2016 and attended all meetings up to their resignation.

A total of seven meetings were held during the year.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

Non-audit services

The Company's auditor, BDO Audit (WA) Pty Ltd was appointed auditor of the Company in May 2017.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out below.

The Board has considered the position, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Remuneration of the auditor of the entity for:

The audit and review of the financial report of the Group:	2017 $	2016 $
BDO Audit (WA)		
Amounts paid	2,265	
Amounts payable	41,142	
Ernst & Young		
Amounts paid	27,347	10,300
Amounts payable	-	20,000
	70,754	30,300
Non audit services provided during the year	5,355	Nil

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 27 and forms part of the directors' report for the year ended 30 June 2017.

On behalf of the board of directors, I would like to take this opportunity to thank all of our staff and consultants for their time and effort over the past 12 months. In addition, I also take this opportunity to thank our shareholders for their continued support and encouragement.

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

Kobi Ben-Shabat
Managing Director

.

Audited Remuneration Report

The Remuneration Report sets out information relating to the remuneration of the Company's key management personnel.

Other than the short-term and long-term performance incentives, remuneration is not linked to the performance of the Company.

The Remuneration Report is set out under the following main headings:

A. Remuneration policies

B. Details of Directors and Company Executives (Key Management Personnel)

C. Options and rights over equity instruments granted as compensation

All remuneration is presented in Australian dollars (unless otherwise stated).

A. Remuneration policies

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. These corporate governance policies are described more fully on pages 19 to 26 of the Directors' Report. Policies adopted by the Board reflect the relative stage of development of the Company, having regard for the size and structure of the organisation.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below Executive remuneration packages do not have guaranteed equity based components or performance based components.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

Long-term incentives can be provided as ordinary shares and options over ordinary shares of the Company. As determined, shareholders in general meeting will be asked to approve specific grants of shares and options to Non-Executive and Executive Directors as a form of remuneration.

Assessing performance and claw-back of remuneration

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiably data such as financial measures, market share and data from independently run surveys.

In the event of serious misconduct or a material misstatement in the Group's financial statements, the remuneration committee can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years

Consequences of performance on shareholders wealth

In view of the relatively early stage of development of the Company's business, current remuneration policies are not directly linked to company performance.

The table below shows the performance of the Group as measured by loss per share:

		30 June 2017	30 June 2016
EBITDA[1]	$	(3,892,660)	(1,051,969)
Net profit/(loss) before tax	$	(3,899,627)	(1,051,969)
Net profit/(loss) after tax	$	(3,899,627)	(1,051,969)
Share price at start of year	cps	0.059	0.014
Share price at end of year	cps	0.027	0.059
Basic earnings per share (cents per share)	cps	(0.8)	(1.29)
Diluted earnings per share (cents per share)	cps	(0.8)	(1.29)
Dividends	cps	-	-
Return on Capital	cps	(0.47)	(0.26)

Note 1: EBITDA is a non IFRS measure which represents earnings before interest, tax, depreciation and amortisation. This is unaudited.

		30 June 2017	30 June 2016
Net profit/(loss) after tax	$	(3,899,627)	(1,051,969)
Interest	$	-	-
Depreciation	$	6,967	-
EBITDA[1]	$	(3,892,660)	(1,051,969)

B. Details of Directors and Company Executives (Key Management Personnel)

Non-Executive Directors

The Non-Executive Chairman is paid up to AUD$57,600 and Non-Executive directors are paid up to AUD$40,000 per annum directors' fees.

Director and Executive disclosures

Other than the Directors, no other person is concerned in, or takes part in, the management of the Company or has authority and responsibility for planning, directing and controlling the activities of the entity. As such, during the financial year, the Company did not have any person, other than Directors, that would meet the definition of "Key Management Personnel" for the purposes of AASB124 or "Company Executive or Relevant Company Executive" for the purposes of section 300A of the Corporations Act 2001 ("Act"). Directors and Key Management Personnel during the reporting year

Doron Nevo	Non-Executive Chairman (appointed 2 December 2016)
Kobi Ben-Shabat	Managing Director (appointed 2 December 2016)
Yury Nehushtan	Non-Executive Director (appointed 2 December 2016)
John Paitaridis	Non-Executive Director (appointed 2 December 2016)
David Wheeler	Non-Executive Director
Joe Graziano	Non-Executive Director (resigned 2 December 2016)
Paula Cowan	Non-Executive Director (resigned 2 December 2016)

Details of Contractual provisions for Key Management Personnel

Executive Directors Remuneration

Executive Name	***Remuneration***
Mr Kobi Ben-Shabat	• Executive salary of USD$240,000 per annum; • Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Group's reimbursement policies; and • Services may be terminated by giving written notice at any time.

Non-executive Director remuneration

The Non-Executive Directors, Mr. David Wheeler, Mr Yury Nehushtan, Mr Doron Nevo and Mr John Paitaridis are paid a consulting fee on a monthly basis. Their services may be terminated by either party at any time.

The aggregate remuneration for non-executive directors has been set at an amount not to exceed $350,000 per annum at the 2016 Annual General Meeting. This amount may only be increased with the approval of Shareholders at a general meeting.

Loans to Directors and Executives

There were no loans to directors and executives during the financial year ending 30 June 2017.

Dividends to Directors and Executives

There were no dividends to directors and executives during the financial year ending 30 June 2017.

Return of Capital to Directors and Executives

There was no return of capital to directors and executives during the financial year ending 30 June 2017.

Other transactions with Key Management Personnel

Reblaze Singapore Pte Ltd, a related party of Mr Kobi Ben-Shabat, Managing Director, provided re-compliance and associated services to the Group during the period on normal commercial terms and conditions. The aggregate amount recognised during the year relating to the agreement was USD$45,000 (30 June 2016: $nil), nil of which was outstanding at 30 June 2017 (30 June 2016: $nil).

JPINTL Services Pty Ltd, a company of which Mr John Paitaridis is a Directors, charged the Group director fees of USD$21,052 (2016: $Nil). USD$21,052 (2016: $Nil) was outstanding at year end.

Pathways Corporate Pty Ltd, a company of which Mr Joe Graziano and Mr David Wheeler are Directors, charged the Group director fees of USD$51,348 (2016: USD$46,131), $Nil of which was outstanding at 30 June 2017 (30 June 2016: $Nil).

Palisade Business Consulting Pty Ltd, a company of which Ms Paula Cowan is a Director, charged the Group director fees of USD$15,148 (2016: USD$34,962), $Nil of which was outstanding at 30 June 2017 (30 June 2016: $Nil).

There were no other transactions with Key Management Personnel during the financial year ending 30 June 2017 other than those disclosed above.

Key Management Personnel	Salary & fees USD	Short term Cash bonus USD	Non-monetary benefits USD	Post-employment Super-annuation USD	Other USD	Share based Options USD	Payments Performance Rights USD	Total USD	Proportion of remuneration performance related %
Kobi Ben-Shabat[1] (Managing Director)									
2017	140,000	-	-	-	-	-	169,188	309,188	54.7
2016	-	-	-	-	-	-	-	-	-
Doron Nevo[1] (Non-Executive Chairman)									
2017	25,262	-	-	-	-	-	48,340	73,602	65.7
2016	-	-	-	-	-	-	-	-	-
Yury Nehushtan[1] (Non-Executive Director)									
2017	21,052	-	-	-	-	-	48,340	69,392	69.7
2016	-	-	-	-	-	-	-	-	-
John Paitaridis[1] (Non-Executive Director)									
2017	21,052	-	-	-	-	-	87,011	108,063	80.5
2016	-	-	-	-	-	-	-	-	-
David Wheeler									
2017	36,200	-	-	-	-	-	-	36,200	-
2016	16,996	-	-	-	-	26,749[3]	-	43,745	61.1
Joe Graziano[2] (Non-Executive Director)									
2017	15,148	-	-	-	-	-	-	15,148	-
2016	29,135	-	-	-	-	26,749[3]	-	55,884	47.9
Paula Cowan[2] (Non-Executive Director)									
2017	15,148	-	-	-	-	-	-	15,148	-
2016	29,135	-	-	-	-	26,749[3]	-	55,884	47.9
Jason Peterson (Non-Executive Chairman)									
2017	-	-	-	-	-	-	-	-	-
2016	12,139	-	-	-	-	-	-	12,139	-
Total Compensation									
2017	273,862	-	-	-	-		352,879	626,741	56.3
2016	87,405	-	-	-	-	80,247	-	167,653	47.9

Note:

1) Mrrs Nevo, Ben-Shabat, Nehushtan and Paitaridis were appointed on 2 December 2016.
2) Mr. Graziano and Ms. Cowan resigned on 2 December 2016.
3) There are no performance conditions attached to the Incentive Options issued.
4) The Non-Executive Directors were paid their monthly consulting fee in AUD. The table above has been translated using the average monthly AUD:USD exchange rate.

C. Options and rights over equity instruments granted as compensation

Performance rights were issued to key management personnel as incentive awards. Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

Kobi Ben-Shabat	13,125,000
Yury Nehushtan	3,750,000
Doron Nevo	3,750,000
John Paitiaridis	6,750,000

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Analysis of share-based payments granted as compensation

As at the date of this report, there are 36,500,000 performance rights on issue and will vest (following which the performance rights automatically convert into shares) on a 6-monthly basis in 3 equal instalments, the first instalment vested on 2 June 2017. Based on progress towards meeting the vesting conditions, the share based payment expense relating to performance rights recognised in the period is $352,879.

The key terms of the Performance Rights on issue are:

9,125,000 vesting on 2 June 2017
9,125,000 vesting on 2 December 2017
9,125,000 vesting on 2 June 2018
9,125,000 vesting on 2 December 2018

Grant date	Rights	Value per right AUD	Vesting date	Performance condition
2 December 2016	9,125,000	$0.0229	2 June 2017	Vesting on a 6-monthly basis in 4 equal instalments with the first instalment vesting on the date that is 6 months from the date of grant, automatically converting into shares
2 December 2016	9,125,000	$0.0229	2 December 2017	
2 December 2016	9,125,000	$0.0229	2 June 2018	
2 December 2016	9,125,000	$0.0229	2 December 2018	

No options have been granted since the end of the financial year.

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in UltraCharge Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2017

	Held at 1 July 2016	Granted	Lapsed	Other Changes	Held at 30 June 2017	Vested during the year	Vested and exercisable at 30 June 2017
Directors							
Kobi Ben-Shabat	-	-	-	-	-	-	-
Yury Nehushtan	-	-	-	-	-	-	-
Doron Nevo	-	-	-	-	-	-	-
John Paitiaridis	-	-	-	-	-	-	-

David Wheeler	1,000,000	-	-	1,000,000[2]	2,000,000	2,000,000	2,000,000[2]
Joe Graziano	1,000,000	-	-	(1,000,000[1,2])	-	-	-
Paula Cowan	1,000,000	-	-	(1,000,000[1])	-	-	-

(1) Options held at resignation.
(2) Pathways Corporate Pty Ltd, a company of which Mr Joe Graziano and Mr David Wheeler are Directors and substantial shareholders, holds 2,000,000 Options over Ordinary Shares. Mr David Wheelers Options has been amended to recognise Pathways Corporate Pty Ltd's total Options.
(3) Apical Partners Pty Ltd, a company of which Ms Paula Cowan is a Director holds 1,000,000 Options over Ordinary Shares.

2017

	Held at 1 July 2016	Granted	Other Changes	Vested during the year	Held at 30 June 2017	Vested and exercisable at 30 June 2017
Directors						
Kobi Ben-Shabat	-	17,500,000	-	(4,375,000)	13,125,000	-
Yury Nehushtan	-	5,000,000	-	(1,250,000)	3,750,000	-
Doron Nevo	-	5,000,000	-	(1,250,000)	3,750,000	-
John Paitiaridis	-	9,000,000	-	(2,250,000)	6,750,000	-
David Wheeler	-	-	-	-	-	
Joe Graziano	-	-	-	-	-	-
Paula Cowan	-	-	-	-	-	-

(1) Performance Rights issued as part of the reverse acquisition.

Movements in shares

The movement during the reporting period in the number of ordinary shares in UltraCharge Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2017

	Held at 1 July 2016	Acquired	Disposed	Selective Capital Reduction	Other Changes	Held at 30 June 2017
Directors						
Kobi Ben-Shabat	-	4,375,000	-	(18,627,653)	46,569,134[2]	32,316,481
Yury Nehushtan	-	1,250,000	-	(5,603,987)	14,009,968[2]	9,655,981
Doron Nevo	-	1,250,000	-		937,500[2]	2,187,500
John Paitiaridis	-	2,250,000	-		-	2,250,000
David Wheeler	1,320,000	-	-		750,000[3]	2,070,000
Joe Graziano	750,000	-	-		(750,000)[1,3]	-
Paula Cowan	-	-	-		-	-

(1) Shares held at date of resignation.
(2) Shares held at date of appointment.
(3) Pathways Corporate Pty Ltd, a company of which Mr Joe Graziano (former Director) and Mr David Wheeler are Directors and substantial shareholders, holds 1,500,000 Ordinary Shares. Mr David Wheelers shareholding has been amended to recognise Pathways Corporate Pty Ltd's total shareholding.

Voting of shareholders at last year's annual general meeting

UltraCharge Limited received 100% of "yes" votes on its remuneration report for the 2016 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices

End of audited Remuneration Report.

Corporate governance statement

This Corporate Governance Statement is current as at 31 August 2017 and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication *Corporate Governance Principles and Recommendations 3rd Edition* (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

The Company has adopted Corporate Governance Policies which provide written terms of reference for the Company's corporate governance practices. The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

The Company's Corporate Governance Policies are available on the Company's website at www.ultra-charge.net

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

The Board is responsible for evaluating and setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Company.

The principal functions and responsibilities of the Board include, but are not limited to, the following:

- Appointment, evaluation and, if necessary, removal of the Managing Director, any other executive directors, the Company Secretary and the Chief Financial Officer and approval of their remuneration;
- Determining, in conjunction with management, corporate strategy, objectives, operations, plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- Establishing appropriate levels of delegation to the Managing Director to allow the business to be managed efficiently;
- Approval of remuneration methodologies and systems;
- Monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level to understand at all times the financial and operating conditions of the Company;
- Monitoring the performance of senior management, including the implementation of strategy and ensuring appropriate resources are available;
- Identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- Overseeing the management of safety, occupational health and environmental issues;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- Ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- Authorising the issue of any shares, options, equity instruments or other securities within the constraints of the Corporations Act and the ASX Listing Rules; and
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
  - Code of Conduct;
  - Continuous Disclosure Policy;
  - Diversity Policy;

- Performance Evaluation Policy;
- Procedures for Selection and Appointment of Directors;
- Remuneration Policy;
- Risk Management and Internal Compliance and Control Policy.
- Securities Trading Policy; and
- Shareholder Communications Policy.

Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Managing Director responsibility for the management and operation of UltraCharge. The Managing Director is responsible for the day-to-day operations, financial performance and administration of UltraCharge within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter on the UltraCharge website.

Board Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate committees at this time including audit, risk, remuneration or nomination committees, preferring at this stage of the Company's development, to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit, risk, remuneration and nomination Committees.

If the Company's activities increase, in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- Women employees in the Company 24%
- Women in senior management positions 50%
- Women on the Board 0%

The Company's Diversity Policy is available on its website.

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- comparing the performance of the Board against the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the type and timing of information provided to the Board by management;
- reviewing management's performance in assisting the Board to meet its objectives; and
- identifying any necessary or desirable improvements to the Board Charter.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

Given, the size of the Board, the substantial changes to the composition of the Board in December 2016 and the current level of operations of the Company, no formal appraisal of the Board was conducted during the financial year.

The Board conducts an annual performance assessment of the Managing Director against agreed key performance indicators.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chairman, at UltraCharge's expense.

Principle 2: Structure the board to add value

Board Composition

During the financial year and to the date of this report the Board was comprised of the following members:

Mr Doron Nevo	Non-Executive Chairman (appointed 2 December 2016)
Mr Kobi Ben-Shabat	Managing Director (appointed 2 December 2016)
Mr Yury Nehushtan	Non-Executive Director (appointed 2 December 2016)
Mr John Paitaridis	Non- Executive Director (appointed 2 December 2016)
Mr David Wheeler	Non-Executive Director (appointed 1 December 2015 – held the position of Non-Executive Chairman until 2 December 2016 when he was appointed Non-Executive Director)

Mr Giuseppe Graziano	Non-Executive Director (appointed 4 December 2013 and ceased 2 December 2016)
Ms Paula Cowan	Non-Executive Director (appointed 29 January 2015 and ceased 2 December 2016)

With exception to the Managing Director the Board currently consists entirely of Non-Executive Directors.

UltraCharge has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

Mr Kobi Ben-Shabat is not considered to be independent as he is an executive of the Company.

All other Board members are considered to be independent as they are not members of management and are free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern UltraCharge. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board has established a Board Skills Matrix. The Board Skills Matrix includes the following areas of knowledge and expertise:

- Strategic expertise;
- Specific industry knowledge;
- Accounting and finance;
- Risk management;
- Experience with financial markets; and
- Investor relations.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

The Company has implemented a Code of Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All employees and Directors are expected to:

- respect the law and act in accordance with it;
- maintain high levels of professional conduct;
- respect confidentiality and not misuse Company information, assets or facilities;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;

- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Principle 4: Safeguard integrity in corporate reporting

The Board as a whole fulfils the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board receives regular reports from management and from external auditors. It also meets with the external auditors as and when required.

The external auditors attend UltraCharge's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

CEO and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO (or, if none, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. The Chairman, Managing Director and the Company Secretary are responsible for ensuring that:

a) Company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and

b) Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6: Respect the rights of security holders

The Company recognises the value of providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the company website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company. These contact details are available on the “contact us” page of the Company’s website.

Shareholders may elect to, and are encouraged to, receive communications from UltraCharge and UltraCharge's securities registry electronically.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company’s website.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout UltraCharge's business activities.

The Board is responsible for the oversight of the Company’s risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. UltraCharge has established policies for the oversight and management of material business risks.

UltraCharge's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

UltraCharge believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, UltraCharge is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

UltraCharge accepts that risk is a part of doing business. Therefore, the Company’s Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather UltraCharge's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring we do not enter into unnecessary risks or enter into risks unknowingly.

UltraCharge assesses its risks on a residual basis; that it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, UltraCharge applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage UltraCharge’s material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company’s ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company’s Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect those risks.
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board review's the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of UltraCharge's management of its material business risks on at each Board meeting.

Principle 8: Remunerate fairly and responsibly

The Board as a whole fulfils the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

UltraCharge has implemented a Remuneration Policy which was designed to recognise the competitive environment within which UltraCharge operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in UltraCharge's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of UltraCharge.

The key principles are to:

- link executive reward with strategic goals and sustainable performance of UltraCharge;
- apply challenging corporate and individual key performance indicators that focus on both short-term and long-term outcomes;
- motivate and recognise superior performers with fair, consistent and competitive rewards;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- through employee ownership of UltraCharge shares, foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Managing Director, Non-Executive Directors and senior management based on an annual review.

UltraCharge's executive remuneration policies and structures and details of remuneration paid to directors and senior managers (where appointed) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options. They do not receive any termination or retirement benefits, other than statutory superannuation.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is AUD $350,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

The total fees paid to Non-Executive Directors during the reporting period were AUD $160,800.

Executive directors and other senior executives (where appointed) are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

In accordance with the Company's Securities Trading Policy, participants in an equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ULTRACHARGE LIMITED

As lead auditor of UltraCharge Limited for the year ended 30 June 2017, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2017

Financial statements

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Interest received	2	7,133	4,377
General and administrative expenses		(906,569)	-
Corporate expenses	3	(335,214)	(151,654)
Sales and marketing expenses		(194,173)	-
Research and development expenses		(818,028)	(218,052)
Other expenses		(17,860)	-
Net foreign exchange gain		2,067	-
Share based payments	15	(577,711)	(686,640)
Listing expense	16	(1,059,272)	-
Loss before income tax		**(3,899,627)**	**(1,051,969)**
Income tax benefit	4	-	-
Loss after income tax		**(3,899,627)**	**(1,051,969)**
Other comprehensive income, net of tax			
Foreign currency		241,270	
Total comprehensive loss		**(3,658,357)**	**(1,051,969)**
Loss attributable to members of UltraCharge Limited		-	-
Total comprehensive loss attributable to members of UltraCharge Limited		**(3,658,357)**	**(1,051,969)**
Basic and diluted loss per share (cents per share)	6	(0.81)	(1.29)

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

Consolidated statement of financial position

as at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,845,017	278,079
Trade and other receivables	8	151,158	20,348
TOTAL CURRENT ASSETS		**1,996,175**	**299,427**
NON-CURRENT ASSETS			
Property, plant and equipment	9	101,510	-
Other financial assets		-	13,001
Intangible assets	10	3,686,230	3,686,230
TOTAL NON-CURRENT ASSETS		**3,787,740**	**3,699,231**
TOTAL ASSETS		**5,783,915**	**3,997,658**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	164,262	23,067
Other creditors	11	96,234	222,297
TOTAL CURRENT LIABILITIES		**260,496**	**245,364**
TOTAL LIABILITIES		**260,496**	**245,364**
NET ASSETS		**5,523,419**	**3,752,294**
EQUITY			
Issued capital	12	8,235,517	4,117,623
Reserves	13	2,239,498	686,640
Accumulated losses	14	(4,951,596)	(1,051,969)
TOTAL EQUITY		**5,523,419**	**3,752,294**

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

Consolidated statement of changes in equity

for the year ended 30 June 2017

	Note	Issued Capital $	Accumulated Losses $	Foreign Exchange Reserve	Share Based Payments Reserve $	Total $
Balance as at 9 December 2015 (date of incorporation)		-	-	-	-	-
Loss attributable to members of the entity		-	(1,051,969)	-	-	(1,051,969)
Total comprehensive loss for the period		-	(1,051,969)	-	-	(1,051,969)
Transactions with owners in their capacity as owners						
Issue of share capital		4,117,623	-	-	-	4,117,623
Share based compensation		-	-	-	686,640	686,640
Balance at 30 June 2016		**4,117,623**	**(1,051,969)**	**-**	**686,640**	**3,752,294**
Loss attributable to members of the entity	14	-	(3,899,627)	-	-	(3,899,627)
Other comprehensive income		-		241,270	-	241,270
Total comprehensive loss for the period		-	**(3,899,627)**	**241,270**	-	**(3,658,357)**
Transactions with owners in their capacity as owners						
Issue of share capital	12a	3,230,790	-	-	-	3,230,790
Deemed fair value of consideration transferred in reverse acquisition		1,221,003	-	-	63,067	1,284,070
Shares issued by UltraCharge as consideration for consultancy services		405,354	-	-	-	405,354
Fair value of replacement options under reverse acquisition		-	-	-	42,487	42,487
Share based payments - options issued	15	-	-	-	628,323	628,323
Share based payments - performance rights issued	15	-	-	-	577,711	577,711
Cost of capital	12a	(739,253)	-	-		(739,253)
Balance at 30 June 2017		**8,235,517**	**(4,951,596)**	**241,270**	**1,998,228**	**5,523,419**

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

Consolidated statement of cash flows

for the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,392,732)	(162,763)
Research and development		(380,828)	-
Interest received	2	7,133	-
Net cash utilised in operating activities	**18**	**(2,766,427)**	**(162,763)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Technology Acquisition		-	(132,780)
Purchase of plant and equipment		(109,030)	-
Cash acquired on completion of reverse acquisition	16	1,163,226	
Restricted deposit			(13,001)
Net cash from investing activities		**1,054,196**	**(145,781)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,232,257	586,623
Payment of share issue costs		(323,400)	
Net cash from financing activities		**2,908,857**	**586,623**
Net increase in cash and cash equivalents held		**1,196,626**	**278,079**
Cash and cash equivalents at beginning of financial year		**278,079**	**-**
Net foreign exchange differences		370,310	-
Cash and cash equivalents at end of financial year	**7**	**1,845,016**	**278,079**

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

Notes to the consolidated financial statements for the year ended 30 June 2017

Note 1: Statement of significant accounting policies

The following is a summary of the significant accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report covers the consolidated entity of UltraCharge Limited ("the legal Parent") and its subsidiary ("the Group"). UltraCharge Limited (UTR) is a listed public company, incorporated and domiciled in Australia.

Reporting basis and conventions

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The financial report has been prepared on an accruals basis and is based on historical costs.

All amounts presented are in US dollars which is the functional currency of the parent.

The financial report was authorised for issue by the Directors on 31 August 2017.

Basis of Preparation

Reverse Acquisition

On 19 December 2016, the Company, the formerly named Lithex Resources Limited, completed its acquisition of 100% of UltraCharge Ltd (UltraCharge Israel) and changed its name to UltraCharge Limited (UltraCharge). The acquisition of UltraCharge Israel resulted in the shareholders of UltraCharge Israel obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by UltraCharge Israel's nominees. A nominee of UltraCharge Israel serves as the Managing Director and the UltraCharge Israel management team has assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 Business Combinations.

The application of the reverse acquisition guidance contained in AASB 3 has resulted in the Company (the legal parent) being accounted for as the acquiree and UltraCharge Israel (the legal subsidiary) being accounted for as the acquirer As the Company was a listed shell at the transaction date and did not represent a business, the Acquisition Transaction has been accounted for as a share based payment by which UltraCharge Israel acquired the net assets and listing status of UltraCharge.

As a share based payment, the difference between the fair value of the deemed consideration paid by UltraCharge Israel and the fair value of the identifiable net assets of UltraCharge acquired, is recognised as an expense.

Note 1: Statement of significant accounting policies (continued)

Given UltraCharge Israel is considered to be the acquirer for accounting purposes, the 30 June 2017 consolidated interim financial statements of UltraCharge Limited were prepared as a continuation of the business and operations of UltraCharge Israel. As the deemed acquirer, UltraCharge Israel has accounted for the in-substance acquisition of UltraCharge from 19 December 2016.

The implications of the acquisition on the consolidated financial statements are as follows:

(i) Statement of comprehensive income

- The 2017 Statement of comprehensive income for the year ended 30 June 2017 comprises the total comprehensive income for the year ended 30 June 2017 for UltraCharge Israel, and the period from 19 December 2016 until 30 June 2017 for UltraCharge Limited.
- The comparative information is the Statement of comprehensive income is for the period from the date of incorporation, 9 December 2015, to 30 June 2016 for UltraCharge Israel.

(ii) Statement of financial position

- The 2017 Statement of financial position as at 30 June 2017 represents the combination of UltraCharge Israel and UltraCharge Limited.
- The comparative information as at 30 June 2016 is the Statement of financial position of UltraCharge Israel.

(iii) Statement of changes in equity

- The 2017 Statement of changes in equity comprises:
  - The equity balance of UltraCharge Israel as at 1 July 2016.
  - The total comprehensive income and equity transactions for UltraCharge Israel for the year ended 30 June 2017 and the period from 19 December 2016 until 30 June 2017 for UltraCharge Limited;
  - The equity balance of the combined UltraCharge Israel and UltraCharge Israel, and its controlled entities, at the end of the financial year, 30 June 2017
- The comparative information for the period ended 30 June 2017 is the Statement of changes in equity is for the period from the date of incorporation, 9 December 2015, to 30 June 2016 for UltraCharge Israel.

(iv) Statement of cash flows

- The 2017 Statement of cash flows comprises:
  - The cash balance of UltraCharge Israel as at 1 July 2016;
  - The cash transactions for the year ended 30 June 2017 of UltraCharge Israel and for the period from 19 December 2016 until 30 June 2017 for UltraCharge Limited;
  - Cash balance of the combined UltraCharge Israel and UltraCharge Limited at the end of the financial period, 30 June 2017.

The comparative information for the year ended 30 June 2017 is the Statement of cash flows of UltraCharge Israel is for the period from the date of incorporation, 9 December 2015, to 30 June 2016 for UltraCharge Israel.

Going concern basis of accounting

For the year ended 30 June 2017 the Group recorded a loss of $3,899,627 (2016: $1,051,696) and had net cash outflows from operating activities of $2,766,427 (2016: $162,763).

The ability of the entity to continue as a going concern is dependent on securing additional funding through raising of debt or equity to continue to fund its development activities.

Note 1: Statement of significant accounting policies (continued)

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have reviewed the Group's financial position and are of the opinion that there are sufficient funds to meet the entity's working capital requirements and as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group currently has sufficient cash resources to fund its requirements;
- The directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required.

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

Accounting policies

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Note 1: Statement of significant accounting policies (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

b. Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and that revenue can be measured reliably. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

Note 1: Statement of significant accounting policies (continued)

b. Revenue Recognition

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

c. Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of UltraCharge Limited is United States dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

Note 1: Statement of significant accounting policies (continued)

d. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognized where the timing of the reversal of temporary differences can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Note 1: Statement of significant accounting policies (continued)

e. Other taxes

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

f. Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks with original maturities of three months or less.

g. Financial Instruments

Classification

The Group has only receivables and trade payables.

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Receivables are included in trade and other receivables (note 8) in the statement of financial position.

(ii) Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise

when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risk and rewards of ownership.

Subsequent measurement

Receivables are carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 21.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is evidence of impairment for any of the Group’s financial assets carried at amortised cost, the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset’s original effective interest rate. The loss is recognised in profit and loss.

Note 1: Statement of significant accounting policies (continued)

h. Fair value

The Group does not have any financial instruments that are subject to recurring fair value measurements.

i. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

j. Intangible Assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured on initial recognition at fair value at the acquisition date.

Intangible assets with a finite useful life are amortized over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

Intangible assets with indefinite useful lives are not systematically amortized and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. As of 30 June 2017, the Group has recorded intangible asset amounted to $3,686,230. The intangible asset considered to be with indefinite useful life.

k. Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

<u>Plant and equipment</u>

Plant and equipment is measured on the cost basis.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

<u>Depreciation</u>

The depreciable amount of all fixed assets is depreciated on a reducing balance basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets for 2017 and 2016 are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5-10%

Note 1: Statement of significant accounting policies (continued)

k. Property, plant and equipment

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

l. Contributed equity

Ordinary shares are classified as equity. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

m. Share based payments

Share-based payments

Employees (including senior executives) of the Group received remuneration in the form of share-based payments, whereby employees receive equity instruments as consideration for services rendered (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in

other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

n. Critical accounting estimates and judgments

The Directors make estimates and judgments in preparing the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates:

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on the fair value less cost of disposal. The company reviews intangible assets for impairment once a year or more frequently if events or changes in circumstances indicate that there is impairment. An impairment loss is recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is lower than the carrying value of the cash generating unit.

Note 1: Statement of significant accounting policies (continued)

n. Critical accounting estimates and judgments (continued)

The Directors make estimates and judgments in preparing the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates:

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on the fair value less cost of disposal. The company reviews intangible assets for impairment once a year or more frequently if events or changes in circumstances indicate that there is impairment. An impairment loss is recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is lower than the carrying value of the cash generating unit.

Share based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Reverse Acquisition

The value of the share based payment in the reverse acquisition is based on the notional amount of shares that UltraCharge Ltd would need to issue to acquire the majority interest of UltraCharge Limited's shares that the shareholders did not own after the acquisition, multiplied by the fair value of UltraCharge Ltd shares. The deemed fair value of UltraCharge Ltd's shares is the exchange ratio applied to the share price of the listed entity (UltraCharge Limited) at acquisition date.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

The Going Concern basis of preparation

Management has made a significant judgement with regards to the application of the going concern basis of preparation (refer to note 1).

Capitalisation of Development Cost

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Note 1: Statement of significant accounting policies (continued)

o. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of Lithex Resources Limited.

p. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Lithex Resources Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Note 2: Total Income

	Consolidated	
	2017 $	2016 $
Interest received		
Bank interest	7,133	4,377
	7,133	4,377

Note 3: Corporate and Legal Expenses

	Consolidated	
	2017 $	2016 $
Stock exchange fees	14,359	-
Company secretarial cost	21,536	-
Legal fees	24,798	-
Consultants	145,221	110,270
Corporate advisory fees	48,431	-
Other corporate expenses	80,869	41,384
	335,214	151,654

Note 4: Income tax

	Consolidated 2017 $	Consolidated 2016 $
a. Income tax benefit		
Accounting loss	(2,025,911)	-
Prima facie tax benefit on the loss from ordinary activities before income tax at ***27.5***% (2016: ***28.5***%) differs from the income tax provided in the financial statements as follows:		-
Tax benefit at 27.5%	(762,021)	-
Add tax effect of:		-
Other non-deductible expenses		-
Tax losses and temporary differences not recognised	762,021	-
Income tax benefit attributable to operating loss	-	-
b. Unrecognised deferred tax assets		-
Deferred tax assets have not been recognised In respect of the following item:		-
Deferred tax assets		-
Unused tax losses	757,794	-
Deductible temporary differences	4,227	-
Net unrecognised tax balances	762,021	-

The deductible tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Note 5: Auditor's remuneration

	Entity 2017 $	Entity 2016 $
Remuneration of the auditor (BDO) of the entity for:		
The audit and review of the financial report of the Group		
- Current year	43,407	-
Remuneration of the auditor (Ernst & Young) of the entity for:		
The audit and review of the financial report of the Group		
- Half year review and prior year	27,347	30,300
	70,534	30,300

Note 6: Earnings per share

	Entity 2017 $	2016 $
Basic Loss per Share		
a. Basic loss per		
Loss attributable to ordinary shareholders	(3,899,627)	(1,051,969)
Earnings used to calculate basic EPS	**(0.81)**	**(1.29)**
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	481,442,785	81,500,132
Diluted Loss per Share		
a. Basic loss per share		
Loss attributable to ordinary shareholders	(3,899,627)	(1,051,969)
Earnings used to calculate diluted EPS	**(0.81)**	**(1.29)**
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	597,067,785	81,500,132

The potential ordinary shares that could be dilutive in the future are the following options on issue:

Unlisted

8,000,000 exercisable at AUD$0.05 before 5 April 2018
4,000,000 exercisable at AUD$0.059 before 5 April 2019
20,000,000 exercisable at AUD$0.05 before 2 December 2019
50,000,000 exercisable at AUD$0.0625 before 2 December 2019

Performance Rights on issue

Performance rights were issued to key management personnel as incentive awards. Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

As at the date of this report, there are 41,250,000 performance rights on issue and will vest (following which the performance rights automatically convert into shares) on a 6-monthly basis in 3 equal instalments, the first instalment vested on 2 June 2017. Based on progress towards meeting the vesting conditions, the share based payment expense relating to performance rights recognised in the period is $577,711.

The vesting dates of the Performance Rights on issue are:

13,125,000 vesting on 2 December 2017
13,125,000 vesting on 2 June 2018
13,125,000 vesting on 2 December 2018
625,000 vesting on 5 January 2018
625,000 vesting on 5 July 2018
625,000 vesting on 5 January 2019

No options have been granted since the end of the financial year.

Note 7: Cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
CURRENT		
Cash at bank	1,845,017	278,079

Note 8: Trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
CURRENT		
Accounts receivable	137,823	20,348
Other assets (GST receivable)	13,335	
	151,158	20,348

Note 9: Property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
NON-CURRENT		
Plant and equipment		
At cost	109,030	-
Accumulated depreciation	(6,967)	-
Foreign exchange	(553)	
Total written down amount	101,510	-

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2017	Plant & Equipment $	Total $
Consolidated:		
Carrying amount 1 July 2016	-	-
Additions	109,030	109,030
Depreciation expense	(6,967)	(6,967)
Foreign exchange	(553)	(553)
Carrying amount year ended 30 June 2017	101,510	101,510

Note 10: Intangible Asset

	Consolidated	
	2017 $	2016 $
Development assets	3,686,230	3,686,230
Total intangible assets	3,686,230	3,686,230

	2017 $	2016 $
Consolidated:		
Carrying amount 1 July 2016	3,686,230	-
Additions	-	3,686,230
Disposals	-	-
Impairment loss	-	-
Carrying amount year ended 30 June 2017	3,686,230	3,686,230

The development asset has been allocated to the company's only cash generating unit ('CGU') for impairment testing. The Board has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The method applied was the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is therefore a Level 1 measurement based on observable inputs of publicly traded shares in an active market. The Board has not identified any reasonable possible changes in key assumptions that could cause the carrying amount of the CGU to exceed its recoverable amount. Any reasonable change to the volatility of the company's share price would not create an impairment.

Note 11: Trade and other payables

	Consolidated	
	2017 $	2016 $
CURRENT		
Trade payables	164,262	23,067
Accrued expenses	96,234	222,297
	260,496	245,364

Note 12: Issued capital

	Consolidated	
	2017 $	2016 $
634,893,121 (2016: 1,416,567) fully paid ordinary shares	8,235,517	4,117,623

Note 12: Issued capital (continued)

Movement in Issued Capital

		2017 No.	2017 $.	2016 No.	2016 $
a.	**Ordinary shares**				
	At the beginning of reporting period	1,416,567	4,117,623		
	Shares issued during the year				
	– Issue of shares			1,000	623
	– Share split			99,000	-
	– Bonus shares			380,000	-
	– Issuance of shares			399,667	586,000
	– Issuance of shares to NTU			50,000	225,000
	– Issuance of shares and options upon acquisition including transactions with owners			486,900	2,232,000
	– Shares to be issued on acquisition of non-controlling interest in UltraCharge Israel			-	1,074,000
	– Issuance of shares prior to Acquisition Transaction	300,833	676,000		
	– Elimination of issued shares of UltraCharge Israel following the reverse acquisition	(1,717,400)	-		
	– UltraCharge shares on issue at the date of the reverse acquisition	169,540,545	-		
	– Shares issued by UltraCharge pursuant to a prospectus	70,000,000	2,554,790		
	– Deemed reverse acquisition of UltraCharge by UltraCharge Israel (refer to Note 16)	485,900,000	1,221,003		
	– Shares issued by UltraCharge as consideration for consultancy services provided	24,295,000	405,354		
	– Cancelation of shares	(129,217,424)	-		
	– Conversion of performance rights	14,375,000	-		
	– Less Share issue costs		(739,253)		
	At reporting date	634,893,121	8,235,517	1,416,567	4,117,623

Terms and Conditions of Issued Capital

<u>Ordinary Shares</u>

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

Note 13: Reserves

a) Share based payment reserve

The share based payments reserve records items recognised as expenses on share based payments.

	Consolidated	
	2017 $	2016 $
Balance at beginning of period	686,640	-
Fair value of options issued to employees		686,640
Fair value of options issued to employees prior to the Acquisition Transaction	42,487	-
Fair value of replacement options under reverse acquisition accounting	63,067	-
Fair value of options issued as consultancy fee	628,322	-
Performance Rights granted 2 December 2016	577,711	-
Balance as at end of period	1,998,227	686,640

b) Foreign currency translation reserve

	Consolidated	
	2017 $	2016 $
Foreign currency translation reserve		
Balance 1 July	-	-
Currency translation differences arising during the year	(241,270)	-
Balance 30 June	(241,270)	-

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Note 14: Accumulated losses

	Consolidated	
	2017 $	2016 $
Balance at 1 July 2016	(1,051,969)	-
Loss for the year	(3,899,627)	(1,051,969)
Balance at 30 June 2017	(4,951,596)	(1,051,969)

Note 15: Share based payment

Performance Rights on issue

Performance rights were issued to key management personnel as incentive awards. Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

As at the date of this report, there are 41,250,000 performance rights on issue and will vest (following which the performance rights automatically convert into shares) on a 6-monthly basis in 3 equal instalments, the first instalment vested on 2 June 2017. Based on progress towards meeting the vesting conditions, the share based payment expense relating to performance rights recognised in the period is $577,711. The performance rights were valued using the share prices at grant date, being AUD$0.025 per right.

The vesting dates of the Performance Rights on issue are:

- 13,125,000 vesting on 2 December 2017
- 13,125,000 vesting on 2 June 2018
- 13,125,000 vesting on 2 December 2018
- 625,000 vesting on 5 January 2018
- 625,000 vesting on 5 July 2018
- 625,000 vesting on 5 January 2019

Options on issue

The following reconciles the outstanding share options at the beginning and year end of the financial year:

	2017 No.	2016 No.
Description		
At the beginning of reporting period	153,142	-
Granted during the period	8,858	153,142
Exercised during the period	(162,000)	-
Replacement options under reverse acquisition accounting[1]	22,000,000	-
Granted during the period[2]	70,000,000	153,142
Expired during the period	(10,000,000)	-
Balance at the end of the period	82,000,000	153,142
Exercisable at the end of the period	82,000,000	153,142

1. The replacement options relate to the unlisted options on issue from the listed entity prior to the reverse acquisition transaction.

2. On 2 December, unlisted options were issued to consultants for services provided in respect of the acquisition transaction. The fair value per option at grant date was calculated at AUD$0.011 and AUD$0.012.

Note 15: Share based payment (continued)

Options

Each of the options entitles the holder to one fully paid ordinary share in the Group. The terms of the options on issue are:

2017 Grant Date	Expiry date	Exercise price	Balance at start of the period	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested/ Exercisable at end of the year
		AUD $	Number	Number	Number	Number	Number	Number
19 Dec 16[1]	31 Dec 16	0.16	-	10,000,000	-	(10,000,000)	-	-
19 Dec 16[2]	5 Apr 18	0.05	-	8,000,000	-	-	8,000,000	8,000,000
19 Dec 16[3]	5 Apr 19	0.059	-	4,000,000	-	-	4,000,000	4,000,000
2 Dec 16[4]	2 Dec 19	0.0625	-	20,000,000	-	-	20,000,000	20,000,000
2 Dec 16[4]	2 Dec 19	0.05	-	50,000,000	-	-	50,000,000	50,000,000
26 Jun 16	N/A	US$0.01	153,142	8,858	(162,000)	-	-	-

[1 – 4] The options have been valued using the Binomial option pricing model with inputs noted in the above table and further inputs as follows:

- Grant date share price: AUD$0.0229
- Expected life of option (years): [1]) 0.03%, [2]) 1.29%, [3]) 2.29%, [4]) 3%
- Risk-free interest rate: [1]) 1.50%, [2]) 1.57%, [3]) 1.83%, [4]) 1.97%
- Volatility: 109%

[5] – The total expense arising for the share based payment granted to consultants on 2 December 16 was 628,322 is recognised in equity as a share issue cost.

The weighted average exercise price is AUD$0.0535

Shares issued

24,295,000 Shares were issued for services provided under the CPS Mandate relating to the reverse acquisition transaction. The Shares were recognised at fair value at AUD$0.0229 per share, the total expense arising for the share was $405,354 is recognised in equity as a share issue cost.

Note 16: Reverse acquisition

On 19 December 2016, the Company, the formerly named Lithex Resources Limited, completed its acquisition of 100% of UltraCharge Ltd (UltraCharge Israel) and changed its name to UltraCharge Limited (UltraCharge). The acquisition of UltraCharge Israel resulted in the shareholders of UltraCharge Israel obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by UltraCharge Israel's nominees. A nominee of UltraCharge Israel serves as the Managing Director and the UltraCharge Israel management team has assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 *Business Combinations*.

The application of the reverse acquisition guidance contained in AASB 3 has resulted in the Company (the legal parent) being accounted for as the acquiree and UltraCharge Israel (the legal subsidiary) being accounted for

Note 16: Reverse acquisition (continued)

as the acquirer. As the Company was a listed shell at the transaction date, the Acquisition Transaction has been accounted for as a share based payment by which UltraCharge Israel acquired the net assets and listing status of UltraCharge.

As a share based payment, the difference between the fair value of the deemed consideration paid by UltraCharge Israel and the fair value of the identifiable net assets of UltraCharge acquired, is recognised as an expense.

Given UltraCharge Israel is considered to be the acquirer for accounting purposes, the 31 December 2016 consolidated interim financial statements of UltraCharge Limited were prepared as a continuation of the business and operations of UltraCharge Israel. As the deemed acquirer, UltraCharge Israel has accounted for the in-substance acquisition of UltraCharge Limited from 19 December 2016.

On 19 December 2016, the Acquisition Transaction was completed with the following issues effected.

(i) 485,900,000 Ordinary Shares issued to the UltraCharge Israel vendors (or their respective nominee) in consideration for the acquisition of their respective shares in UltraCharge Israel;

(ii) 57,500,000 Performance Rights issued to the advisors, service providers and management of UltraCharge (or their respective nominee) pursuant to the terms of the acquisition agreement and in order to incentivise those parties to continue providing services to UltraCharge following completion. Details of the Performance Rights are disclosed in note 13;

(iii) 24,295,000 Ordinary Shares issued to the CPS Capital Group Pty Ltd (or its nominees) in full for services provided under the CPS Mandate. Details of the share issue are disclosed in note 12;

(iv) 70,000,000 Options to Armada Capital Pty Ltd (or its nominees) in consideration of services provided in respect of the Acquisition Transaction and capital raising; and

(v) 70,000,000 Ordinary Shares issued to investors who subscribed in the capital raising.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below:

	$
Deemed share based consideration[1]	1,284,070
Transaction costs	741,624
	2,025,694
Less: Net identifiable assets acquired (see below)	966,422
Listing expense	**1,059,272**

1. Based on the number of equity instruments that UltraCharge Israel would have had to issue to give the owners of the Company the same percentage interest in the consolidated entity. The fair value per share at the date of acquisition was estimated to be AUD$0.0025 based on the net assets of UltraCharge Israel.

Note 16: Reverse acquisition (continued)

The identifiable assets and liabilities of the Company at the date of the acquisition were as follows:

	$
Assets	
Cash and cash equivalents	1,163,226
Trade and other receivables	38,878
Other current assets	43,406
Property, plant and equipment	432
Total assets	**1,245,942**
Liabilities	
Trade and other payables	279,520
Total identifiable net assets of UltraCharge acquired	**966,422**

The net cash inflow arising as a result of the reverse acquisition was $1,163,226.

Note 17: Contingent Liabilities & Commitments

Commitments

	Consolidated	
	2017 $	2016 $
Research and development		
- not later than 1 year	948,000	-
- later than 1 year but no later than 5 years	-	-
Remuneration		
- not later than 1 year	394,940	-
	1,342,940	-

UltraCharge Israel entered into a research project agreement with NTU (the "Research Project Agreement"), in which it was decided on a collaboration that will further develop some of the licensed technology. The agreement states that the Company will fund the project and will pay NTU a total of S$1,500,000 (approximately $1,185,000) over the period of two years, which is the life span of the agreement.

As at the date of this report, the Company has paid NTU S$300,000 (approximately $237,000).

Contingent liabilities

The Group has a license agreement (the "License Agreement") with Nanyang Technology University (NTU), giving it an exclusive license to develop, manufacture, import, export, use, market and sell the invention and licensed technology from NTU. Under the License Agreement the following contingent consideration is still payable:

A. S$50,000 thousand (approximately $40,000) to be paid upon the finalisation of the prototype of the first license product.

B. S$50,000 (approximately $40,000) to be paid upon the first commercial sale of the first licensed product.

Note 17: Contingent Liabilities & Commitments (continued)

In addition, the Group must pay NTU royalty payments at a rate of 3.5% of patented licenses products net sales, and 2.25% of other licensed products net sales.

The Company's obligation for royalty payments will terminate upon the later of:

A. The last licensed patent expiration.
B. 15 years from the date of the first commercial sale of licensed product.

The Group has the right to grant sub-licenses of the licensed technology subject to the license conditions. Under the Licence Agreement, the Group will pay 15% of all sub-license receipts to NTU. The Group has agreed to make reasonable efforts to make the first commercial sale of licensed product within two and a half years following the license agreement's date (the "**Milestone**"). If the Group does not reach the Milestone, NTU will have the right to convert the license granted from exclusive to non-exclusive. The Group may terminate the License Agreement at any time by giving a written notice to NTU.

Other than disclosed above, there has been no change in commitments, contingent liabilities or contingent assets since the last annual reporting date.

Note 18: Cash Flow Information

	Consolidated	
	2017 $	2016 $
a. **Reconciliation of cash flows used in operations with loss after income tax**		
Loss after income tax	3,899,627	1,051,969
Non-cash flows in loss		
Depreciation and impairment of fixed assets	(6,967)	(686,640)
Share based payments	(577,711)	-
Listing expense	(1,059,272)	-
Impact of assets and liabilities from reverse acquisition	408,075	-
Changes in assets and liabilities:		
(Increase)decrease in receivables	130,810	29,897
(Increase)decrease in deposits	(13,001)	13,001
Increase (decrease) in trade and other payables	(141,196)	(23,067)
Increase (decrease) in accrued expenses	126,062	(222,397)
Net cash used in operating activities	2,766,427	162,763

Note 19: Related parties transactions

a) Parent entity

The parent entity within the Group is UltraCharge Limited.

b) Subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Note 19: Related parties transactions (continued)

Name	Country of Incorporation	Class of shares	Holding 2017 %	Holding 2016 %
Far North Minerals Pty Ltd[1]	Australia	Ordinary	100%	100%
UltraCharge Ltd	Israel	Ordinary	100%	0%

Note 1: The subsidiary is currently dormant. The investment in subsidiary was written down to nil during the 2016 financial year and represents the financial information of the legal parent of the group.

c) Key management personnel

Compensation of key management personnel	Entity 2017 $	Entity 2016 $
Short-term employee benefits	273,862	87,405
Post-employment benefits	-	-
Other benefits	-	-
Share based payments	352,879	80,247
Total compensation	626,741	167,653

The compensation set out above a presented in accordance with the reverse acquisition accounting policy as set out in Note 1.

Detailed remuneration disclosures are provided in the Remuneration Report on pages 13 to 18.

Other transactions with key management personnel

Reblaze Singapore Pte Ltd, a related party of Mr Kobi Ben-Shabat, Managing Director, provided re-compliance and associated services to the Group during the period on normal commercial terms and conditions. The aggregate amount recognised during the year relating to the agreement was $45,000 (30 June 2016: $nil), nil of which was outstanding at 30 June 2017 (30 June 2016: $nil).

Pathways Corporate Pty Ltd, a company of which Mr David Wheeler is a Director, charged the Group director fees of $51,348 (2016: $46,131). $Nil (2016: $Nil) was outstanding at year end.

JPINTL Services Pty Ltd, a company of which Mr John Paitaridis is a Directors, charged the Group director fees of $21,052 (2016: $Nil). $21,052 (2016: $Nil) was outstanding at year end.

Palisade Business Consulting Pty Ltd, a company of which Ms Paula Cowan is a Director, charged the Group director fees of USD$15,148 (2016: USD$34,962), $Nil of which was outstanding at 30 June 2017 (30 June 2016: $Nil).

There were no other transactions with Key Management Personnel during the financial year ending 30 June 2017 other than those disclosed above.

d) Dividends

No dividends were received from the subsidiaries in the 2017 or 2016 financial year.

Note 20: Parent entity information

The individual financial statements for the parent entity show the following aggregate amounts. The information presented has been prepared using accounting policies as disclosed in Note 1.

	2017 $	2016 $
Financial Position		
Current assets	1,550,696	1,315,059
Total assets	2,934,086	1,315,838
Current liabilities	71,107	64,935
Total liabilities	71,107	64,935
Shareholder's equity		
Issued capital	9,263,231	7,329,766
Reserves	2,211,644	370,574
Accumulated losses	(8,611,896)	(6,449,438)
	2,862,979	1,250,902
Financial Performance		
Loss for the year	(2,025,911)	(539,973)
Total comprehensive loss	(2,025,911)	(539,973)

Contingencies of the Parent Entity

There are no contingent liabilities involving the parent entity (2016: Nil).

Guarantees of the Parent Entity

There are no guarantees involving the parent entity (2016: Nil).

Contractual commitments of the Parent Entity

Included in the commitments in Note 16 are commitments incurred by the Parent Entity as follows:

	Consolidated 2017 $	 2016 $
Research and development		
- not later than 1 year	-	-
- later than 1 year but no later than 5 years	-	-
Remuneration		
- not later than 1 year	394,940	89,291
	394,940	89,291

Note 21: Financial instruments

Financial risk management

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

The main risks the Group is exposed to through its financial instruments is interest rate risk and credit risk.

a) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Floating Interest Rate	Non-interest bearing	2017	Floating Interest Rate	Non-interest bearing	2016
Financial assets	**US$**	**US$**	**Total US$**	**US$**	**US$**	**Total US$**
- Within one year						
Cash and cash equivalents	1,845,017		1,845,017	278,079		278,079
Other receivables	-	151,158	151,158	-	20,348	20,348
Total financial assets	**1,845,017**	**151,158**	**1,996,175**	**278,079**	**20,348**	**299,427**
Weighted average interest rate	0.39			1.57		
Financial Liabilities						
- Within one year						
Trade and other Payables	-	164,262	164,262	-	23,067	23,067
Other liabilities	-	96,234	96,234	-	222,297	222,297
Total financial liabilities	**-**	**260,496**	**260,496**	**-**	**245,364**	**245,364**
Weighted average interest rate	n/a			n/a		
Net financial assets	**1,845,017**	**(109,338)**	**1,735,679**	**278,079**	**(225,016)**	**53,063**

b) Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's consolidated statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss ($) Increase/(Decrease)	
	2017	2016
Increase 100 basis points	18,450	2,790
Decrease 100 basis points	(18,450)	(2,790)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. This would represent two to four movements by the Reserve Bank of Australia.

Note 21: Financial instruments (continued)

c) Foreign currency risk

The currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar (the functional currency), the New Israeli Shekel, the Australian Dollar and the Singapore Dollar.

The Company's policy is not to enter into any currency hedging transactions.

	2017		2016	
Cash and cash equivalents	**Foreign Currency**	**USD Equivalent**	**Foreign Currency**	**USD Equivalent**
New Israeli Shekels	1,204,330	344,488	1,073,095	278,079
Australian Dollar	1,952,415	1,500,529	-	-

d) Credit risk

The most significant concentration of credit risk is in relation to cash and cash equivalents, with the maximum exposure being the carrying value per the consolidated statement of financial position.

The group minimises its credit risk by using financial institutions with a credit rating of AAA.

e) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

Trade and other payables are payable within 30 days.

f) Price risk

The Company is not exposed to any material commodity price risk.

g) Capital management

The Group's policy is to maintain a strong and flexible capital base to provide investor, creditor and market confidence to sustain future development of the business. The Group monitors the statement of financial position strength and flexibility using cash flow forecast analysis and detailed budgeting processes.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

h) Fair value

Due to the short term nature of financial assets and liabilities their carrying amounts approximate fair value.

Note 22: Company details

The registered office of the Company and principal place of business is:

UltraCharge Limited
Level 6
105 St Georges Terrace
Perth, WA 6000

Note 23: Segment reporting

The Company consists of one segment operating predominately in Israel being battery technology research and development.

Note 24: Subsequent events

On 3 August 2017, the Company announced it had entered into a licensing agreement with Epsilor Electric Fuel Limited ("Epsilor") which provides UltraCharge with an exclusive license option for new battery intellectual property. UltraCharge had also entered into an agreement with Epsilor for the lease of its research facilities, hire of specialised equipment and has expanded its research team with additional resources.

Subsequent to year end, the Company announced on 30 August 2017, following a review of its operations it had closed out its agreement with NTU, maintaining exclusive rights to the patented anode technology. This will result in significant savings to the Company of around AUD$1M, without any impact on current research outputs and the development of UltraCharge's world class anode technology. Leading developer of the patented anode technology, Prof Chen Xiaodong from NTU, will remain as a member of the Company's Advisory Board. The Company's potential collaboration with NTU for a conditional grant offer by the Singapore Israel Industrial R&D Foundation (SIIRD) (announced in June 2017) will not proceed. This better positions UltraCharge to submit application for funding opportunities through the Israeli government. The Company has an extensive development capacity in Israel and continues to fast track the development of its world class technology.

Other than disclosed above, there has not been in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of UltraCharge Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of UltraCharge Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Reverse Acquisition

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 1, Note 1(n) and Note 16 of the financial report, during the year Lithex Resources Limited acquired 100% of the share capital of Ultracharge Ltd (Ultracharge Israel) for a consideration of 485,900,000 shares to the original shareholders of Ultracharge Ltd. This resulted in Ultracharge Ltd holding the majority shares in Lithex Resources Limited after the transaction. The accounting of this acquisition is a key audit matter due to the effect of the arrangement which is accounted for as Ultracharge Ltd (the accounting parent) issuing a share-based payment in return for the assets acquired in the company and a listing status. Furthermore, judgement is involved in the determination of the value of the purchase consideration settled by way of a share-based payment (please refer to Note 1(n)).	Our procedures included, but were not limited to: • Holding discussions with management as to the background of the transaction; • Evaluating management's assessment of the accounting acquirer and whether the transaction constituted a business or an asset acquisition by checking against post acquisition shareholding structure and our knowledge of the operations of the legal subsidiaries; • Evaluating the basis of valuation of the share-based payment against market capitalisation of company; • Checking the calculation of the share based payment, net assets acquired and listing expense; and • Checking that the disclosures in the financial report were in accordance with the basis of preparation as disclosed in note 1 for the reverse acquisition. We also assessed the adequacy of the related disclosures in Note 1, Note 1(n) and Note 16 to the financial report.

Recoverability of Intangible Asset

Key audit matter	*How the matter was addressed in our audit*
As detailed in Note 10 of the financial report, as at 30 June 2017, the Group has recognised an intangible asset of \$3,686,230 (30 June 2016: \$3,686,230). As the intangible asset is not yet available for use, the Group is required to test the asset for impairment in accordance with AASB 136: *Impairment of Assets*. The impairment assessment of the intangible asset is a key audit matter due to the estimates and judgements required in undertaking the assessment. As set out in Note 10, the director's assessment of the recoverability is supported by a fair value less costs of disposal methodology.	Our procedures included, but were not limited to: • Holding discussions with management regarding the impairment testing methodology applied; • Assessing the carrying value of UltraCharge Limited's net assets with regards to the Group's market capitalisation as at 30 June 2017; • Challenging the appropriateness of the Capitalised Market Approach valuation method used to determine the fair value in accordance with AASB 13 Fair value measurement. We also assessed the adequacy of the related disclosures in Note 1(j), Note 1(n) and Note 10 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of UltraCharge Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 31 August 2017

Directors’ declaration

The directors of the company declare that:

1. in the directors’ opinion, the financial statements and accompanying notes set out on pages 28 to 58 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards and the *Corporations Regulations 2001*; and

   b. give a true and fair view of the group’s financial position as at 30 June 2017 and of its performance for the year ended on that date;

2. note 1 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3. 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;

4. the remuneration disclosures included in pages 13 to 18 of the directors’ report (as part of the audited Remuneration Report), for the year ended 30 June 2017, comply with section 300A of the *Corporations Act 2001*; and

5. the directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

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

Kobi Ben-Shabat
Managing Director
Dated this 31st day of August 2017

ADDITIONAL INFORMATION – AS AT 14 AUGUST 2017

(a) Distribution schedule and number of holders of equity securities as at 14 August 2017

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (LTX)	14	5	89	601	494	1,203
Performance Rights Escrowed 24 Months	-	-	-	-	13	13
Options – 5c 02/02/19 Escrowed 24 Months	-	-	-	-	3	3
Options – 6.25c 02/02/19 Escrowed 24 Months	-	-	-	-	5	5
Options – 5c 05/04/18	-	-	-	-	4	4
Options – 5.9c 05/04/19					3	3

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 14 August 2017 is 141.

(b) 20 largest holders of quoted equity securities as at 14 August 2017

The names of the twenty largest holders of fully paid ordinary shares (ASX code: UTR) as at 14 August 2017 are:

RANK	NAME	NUMBER	PERCENTAGE
1	102 Capital Management <Ariel Malik A/C>	32,783,325	5.16%
2	102 Capital Management <Dr Borenstien Ltd A/C>	31,102,129	4.89%
3	Prof Xiaodong Chen	28,769,936	4.53%
4	Silver Horizon Pty Ltd	27,920,933	4.39%
5	Tamarind Investment Inc	18,493,158	2.91%
6	102 Capital Management <Kobi Ben-Shabath A/C>	16,888,082	2.66%
7	Yehuda Yarmut	16,811,962	2.65%
8	Reblaze Singapore Pte Ltd	15,428,399	2.43%
9	Ntuitive Pte Ltd	14,009,968	2.20%
10	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	12,700,000	2.00%
11	Open Platform Systems Limited	10,087,177	1.59%
12	102 Capital Management <Yury Nehushtan A/C>	9,655,981	1.52%
13	Citicorp Nominees Pty Limited	9,490,159	1.49%
14	Gabriel Hewitt	9,447,177	1.49%
15	102 Capital Management <Michael Shtein A/C>	8,405,981	1.32%
16	Libertine Investments Pty Ltd	7,970,114	1.25%
17	Armada Capital & Equities Pty Ltd	7,288,500	1.15%
18	Libertine Investments Pty Ltd	7,090,000	1.12%
19	102 Capital Management <Eran Gilboa A/C>	7,004,984	1.10%
20	102 Capital Management <Daniel Hacohen A/C>	5,900,999	0.93%
	Totals	**297,248,964**	**46.78%**

(c) Substantial shareholders

As at the date of this report the Company had the following substantial shareholder:

Holder	Shares	% of Issued Capital
Jason Peterson	40,846,907	5.45%
Ariel Malik	32,783,325	5.16%
Kobi Ben-Shabat	32,316,481	5.09%

(d) Voting Rights

Each fully paid ordinary share carries rights of one vote per share.

(e) Unquoted Securities

The number of unquoted securities on issue as at 14 August 2017:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options [1]	20,000,000	5c	02/12/19
Unquoted Options [2]	50,000,000	6.25c	02/12/19
Performance Rights [3]	41,250,000		
Unquoted Options [4]	8,000,000	5c	05/04/18
Unquoted Options [5]	4,000,000	5.9c	05/04/19

Persons holding more than 20% of a given class of unquoted securities as at 14 August 2017:

[1]. 50% held by Armada Capital & Equities Pty Ltd and 35% held by Celtic Capital Pty Ltd <The Celtic Capital A/C> [2]. 48% held by Armada Capital & Equities Pty Ltd and 33.6% held by Celtic Capital Pty Ltd <The Celtic Capital A/C> [3]. No investor has more than 20% [4]. 34.38% held by Libertine Investments Pty Ltd, 31.25% held by Mr Yehuda Cohen and 24.06% held by Celtic Capital Pty Ltd <The Celtic Capital A/C>. [5]. 50% held by Pathways Corporate Pty Ltd, 25% held by Mr Peter Gordon Webse and 25% held by Apical Partners Pty Ltd.

(f) Restricted Securities as at 14 August 2017

75,920,909 fully paid ordinary shares escrowed until 2 December 2018;
84,059,808 fully paid ordinary shares subject to voluntary escrow until 2 December 2018;
21,648,274 fully paid ordinary shares escrowed until 19 September 2017;
2,482,004 fully paid ordinary shares escrowed until 26 September 2017;
41,250,000 performance rights escrowed 24 months from re-quotation;
20,000,000 options expiring 3 years from issue @ $0.05 escrowed 24 months from re-quotation; and
50,000,000 options expiring 3 years from issue @ $0.0625 escrowed 24 months from re-quotation

(g) On-Market Buy-Back

There is no current on-market buyback in place.

(h) ASX Listing Rule 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing of the Company’s securities to quotation in a way consistent with its business objectives