

# **Greenpower Energy Limited**

ABN 22 000 002 111

## **Consolidated Annual Report**

For the Year Ended 30 June 2017

# Greenpower Energy Limited

ABN 22 000 002 111

For the Year Ended 30 June 2017

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# Greenpower Energy Limited

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## Directors' Report

30 June 2017

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2017.

### Directors

The following persons were Directors of Greenpower Energy Limited for part of the financial year and up to the date of this report:

### Names

Mr. Gerard King

Mr. Edwin Bulseco – Appointed 29 February 2016, Resigned 6 December 2016, Reappointed 28 March 2017

Mr. Timothy Wall – Appointed 23 May 2016, Resigned 28 March 2017

Mr. Simon Peters – Appointed 6 December 2016

### Information on directors

#### Gerard King

Qualifications

LLB

Experience

After graduating in law (LLB) from the University of Western Australia in 1963, Gerard commenced articles with (Sir) John Lavan (Lavan & Walsh) in Perth, being admitted as a solicitor in 1965, into the law firm partnership in 1966, and became its senior partner in 1978. Under Gerard, Lavan & Walsh eventually became Phillips Fox, Perth in 1985.

Throughout his career, Gerard has practised in the legal areas of commercial property, banking/finance, revenue/tax, corporate compliance, and mining law. He taught mortgage and other debt security drafting at UWA law school for 5 years, joined the Taxation Institute of Australia, and the Australian Mining and Petroleum Lawyers Association and gave papers on revenue, strata title, prospectuses, document drafting and other topics. Gerard served on the Law Society of WA Council, and its committees. He was involved in the management of his law firm from 1968 to 1991, and attended two law firm management courses at the University of New England.

Gerard has been a company director of Australasian Shopping Centres Property Trust, 1977 to 1980, Australian Mining Investments Ltd., 1983 to 2002, as well as other public companies, and is currently Chairman of Astron Limited, since 1985. He was Chairman of WA St. John Ambulance Service Board 1987 to 1996, and WA State St. John Council Chairman until 2016.

Interest in shares and options

163,477,516 Ordinary Shares and 4,000,000 Unlisted Options

Special responsibilities

Chairman and Executive Director

Other current directorships in listed entities

Gerard King is a Director of Astron Limited since 5 November 1985

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Directors' Report

30 June 2016

## Information on directors continued

### Edwin Bulseco

**Qualifications** Bachelor of Commerce

**Experience** Edwin Bulseco has a wealth of experience in capital markets and corporate strategic planning. From 2010 to 2014 Edwin served as senior equity research analyst at two of Australia's oldest stockbrokers. Edwin is currently a Director of Corporate Finance at a boutique Corporate Advisory firm gaining exposure to a broad range of sectors including Technology, Energy and Resources. Prior to working in capital markets Edwin held various internal consulting, corporate/strategic planning and commercial roles with Royal Dutch Shell.

**Interest in shares and options** Nil Ordinary Shares and Nil Options

**Special responsibilities** Non-Executive Director.

**Other current directorships in listed entities** Edwin Bulseco has been a Non-Executive Director of Transcendence Technologies Ltd since 8 June 2016

### Timothy Wall

**Qualifications** Chartered Accountant, Graduate of AICD's Company Directors and AIRA's Diploma of Investor Relations

**Experience** Mr Wall is an experienced professional with a strong background as a "hands on" COO & CFO with a specific focus on Investor Relations & Capital Markets. Mr Wall brings experience as a Finance Director, NED, COO, & CFO serving on a number of boards including ASX & AIM (London) listed companies and across a range of industries but generally focused on emerging technologies/innovation.

**Interest in shares and options** Nil Ordinary Shares and 13,000,000 Unlisted Options

**Special responsibilities** Non-Executive Director.

**Other current directorships in listed entities** Nil

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Directors' Report

30 June 2016

## Information on directors continued

### Simon Peters

Qualifications

BEng (Mining) MAusIMM (Hons)

Experience

Simon is a highly qualified Mining Engineer and Executive Manager with 16 years international and Australian experience covering mining, feasibility studies, sensitive permitting and approvals, mineral exploration, strategic planning, development resource definition and Project development.

More recently Simon was project executive for an ASX listed entity Astron Ltd and a Director of 3 subsidiaries including a joint venture subsidiary involved in funding and commissioning an African mineral sands operation and gold exploration programs. He has gained experience in production of industrial minerals, iron ore and gold and has held senior operational and management positions within Rio Tinto and Henry Walker Eltin. He holds a Bachelor of Engineering (mining) with Honors from Federation University Australia and an unrestricted WA Quarry Managers Certificate.

Simon is a partner of Sustainable Project Services which provides strategic & technical management consultancy advice to government, mining and agricultural sectors.

Interest in shares and options

75,000 Ordinary Shares and 3,000,000 Unlisted Options

Special responsibilities

Non-Executive Director

Other directorships in listed entities held in the previous three years

Managing Director of E2 Metals Limited since 27 June 2016

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Directors' Report

30 June 2017

## Principal Activities

The principal activities of the Group during the financial year were the research and development of its Coal to Liquid project, exploration for Lithium in Guyana and the hypersaline Brine project in the Northern Territory.

The principal activities of the Greenpower Energy Limited and its subsidiaries ("Greenpower") during the financial year relating to these were:

### **Northern Territory – Pretoria Project:**

- As at 30 June 2017 Greenpower holds an Application for Exploration License 31496 and 8 Exploration Licenses (EL-31459 through to EL-31466) in the Northern Territory. The initial target was to secure title in order to test underground supercritical brine reservoirs, disclosed in previous petroleum exploration, for lithium presence.
- Greenpower announced on 3 March 2017 that initial reconnaissance surface sampling indicated an extensive surface potassium clay occurrence with Potash potential. Greenpower has been working through its options to extend the program while the company awaits grant of the above Licence applications.
- It is envisaged that future exploration will include Greenpower seeking to test known underground brine reservoirs for Lithium potential.
- Greenpower is planning a sampling program in August 2017.

### **Guyana Lithium / Tantalum Project:**

- As announced on 1 May 2017 Greenpower completed funding Phase 1 operations for the Guyana Morabisi Project Area, for which exploration was undertaken by its partner Guyana Strategic Metals Inc ("GSM").
- As assays became available Greenpower announced the results of the sampling from Phase 1 which included Lithium, Tantalum and rare earth elements in the Robello area. Greenpower has evaluated its options in Guyana in terms of both the Phase 2 plan and to potentially increasing its footprint in Guyana. Executive Director Gerry King and Greenpower's geology consultant John Watts have now returned from Guyana from high level discussions with the Guyanese Government and undertook extensive reviews of the potential Phase 2 operations with GSM.
- Subsequent to the end of the quarter Greenpower announced on July 28<sup>th</sup> that it had exercised its option to progress with funding Phase 2 of the Morabisi project with field activities to commence in August 2017.

### **Victoria:**

- As at 30 June 2017 Greenpower held an application for an Exploration License for an area situated near Moe township, in the Latrobe Valley, Victoria. (Greenpower previously held Exploration Licenses 4500, 4877 and 5227, also in the Latrobe Valley, Victoria).
- The Group then intends to hold the new licence until the Company's coal to liquid technology has been advanced to the degree necessary to resort to this deposit, if necessary by converting to Retention licenses.
- Exploration of the license(s) can also be broadened in the meantime to include other minerals of interest that may be able to be exploited to add value for shareholders.

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Directors' Report

30 June 2017

## Coal to Liquid Project 'CTL':

- In November 2013 Greenpower signed a 'research and option' agreement with US-based Thermaquatica Inc., to jointly test and develop the Oxidative Hydrothermal Dissolution (OHD) process for the conversion of coal to liquids. OHD is a patented process for the conversion of coals to liquids, the rights to which are owned by Thermaquatica Inc. The arrangement provided for Greenpower to receive an exclusive license to develop and apply the OHD process on a commercial scale within Australia and New Zealand in exchange for contributing USD \$2m towards research into extraction of the products from the OHD liquid. On 12 May 2017 Greenpower and Thermaquatica signed off on the conversion of the research and option agreement to an exclusive license agreement for Australia and New Zealand.
- OHD is a novel and environmentally friendly technology for the conversion of coal and other solid organic material into low molecular weight, water soluble chemical products, with no greenhouse gases created in the process. Many of the initial products are potentially useful for producing polymers as well as other hydrocarbon based products. The process works by taking the initial macromolecular solid material such as coal and causing a reaction with small amounts of oxygen in high temperature and high-pressure water.
- During the year Greenpower concentrated on developing its understanding of the potential and marketability of the bio-stimulant output from the OHD process.
  - As such ongoing plant trials are being undertaken by Monash University which continued to report encouraging results. Studies to date have confirmed that the OHD bio-stimulant fertiliser delivers positive yield results and the studies have concluded that the OHD bio-stimulant enhances reproductive activity in plants that produce flower and seeds. These studies have lead Greenpower to focus on crop cereal and horticultural markets.
  - HRL Technology Group have been engaged and progressed with the detailed designs and costing of an OHD pilot plant in Victoria. HRL are currently working with Thermaquatica in the USA on specific tests designed to further the understanding of the process for the development of the pilot plant in Australia.
  - Greenpower is working with several consultants with respect to plant design, costings, market scope and co-funding opportunities (including government co-funding) and in so doing the company is working towards finalising a OHD Commercialisation Plan.
  - Thermaquatica are assisting by continuing their research while undertaking to increase the output quantity of liquor to cater for the increased level of testing to be carried out by HRL and the Monash University programs.
- Greenpower plans to demonstrate the process works at a commercial scale, which necessitates the building of a industrial scale Demonstration Plant, and then commence commercial production of the converted liquid, and marketing of it as a plant growth bio-stimulant. Commercialisation plant engineering design and detailed planning work has now been substantially carried out in Melbourne.
- In order to develop the project Greenpower will need to raise finance and or issue equity to provide sufficient funding to build the plant. Greenpower is also actively reviewing and applying for available Government initiatives including Grants and engaging Research and Development consultants to assist in compliance and application for research and development refunds.

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Directors' Report

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## Corporate:

- During the year Greenpower Energy Limited had engaged Patersons Corporate Finance and then Xcel Capital to provide ongoing advisory services including capital management. During the year Greenpower successfully raised \$4,555,540 net of costs.
- Greenpower had previously applied for an advanced finding to include the research funded by Greenpower Energy and undertaken by Thermaquatica at the University of Southern Illinois USA in the Group's Research and Development application, this was rejected by Innovation Australian in April 2016, and again, on review. After further reviewing the application with Greenpower Energy's R&D consultants and specialist legal counsel, Greenpower has taken the final avenue and is applying to the Administrative Appeals Tribunal for a review. The appeal is at a preliminary stage.

## Governance Arrangements

Greenpower Energy seeks to ensure the reporting of Mineral Resources and Ore Reserves is in accordance with Industry best practice and Listing Rules. All current Mineral Resources and Ore Reserves have been compiled by independent consultants recognised for their expertise in the estimation of coal resources and reserves. The Estimates have been reviewed by an independent consultant considered to be a Competent Person under the JORC Code 2012 to ensure that the resource reports comply with the listing rules.

## Matter Subsequent to the end of the Financial Year

Subsequent to the year end of the Group:

- On 28 July 2017, it was announced that Greenpower would exercise its option to proceed to Phase 2 of the Lithium Morabisi Project. This entails agreeing to the budgeted expenditure, payment of USD100,000 to Guyana Strategic Metals Inc. and the issuance of 17,500,000 Greenpower ordinary shares in accordance with the Heads of Agreement.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect 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 from Operations

The Company expects to complete its Commercialisation plan for the Coal to Liquids project, continue to develop potential OHD markets through its Monash University programs, progress the pilot plan and funding; complete Phase II of the Guyana Lithium & Tantalum project; and in the Northern Territory sample the surface potassium clays and investigate the underground brine reservoirs.

## Non-Audit Services

There were no non-audit services during the year (2016: Nil).

## Auditors Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2017 has been received and can be found on page 15 of the financial report. The auditor William Buck Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.



# Greenpower Energy Limited

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## Directors' Report

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### Environmental Regulations

The Group's operations to date are not regulated by any significant environmental regulation under the law of the Commonwealth or of a state or territory. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report on annual greenhouse gas emissions and energy use. For the measurement period 1 July 2016 to 30 June 2017 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

### Dividends Paid or Declared

No dividends were paid or declared since the start of the financial year.

### Company Secretary

Mr Matthew Suttling, B.Ec CA was appointed Company Secretary of Greenpower Energy Limited on 1 May 2007. He is a Chartered Accountant with broad experience including clients ranging from multinationals to listed public companies, other business financial and taxation services. He is currently in Public Practice.

### Business Review

#### Operating Results

The loss after providing for income tax amounted to \$2,320,120 (2016: \$2,873,530). The loss included \$577,097 in share based payments expense (2016: \$196,315) while the 2016 loss included an impairment against the carrying value of the Tenements held of \$1,324,439. Current year exploration and development expenses increased by \$222,611 which included the Morabisi Phase 1 expenditure and OHD program, where the Group's policy is to expense exploration and initial expenditures. Administration costs increased to \$748,612 (2016: \$430,068) which was impacted by increased consultancy support and the costs of business, they would not be anticipated to increase in 2018. Overall expenditure will increase in 2018 with the:

- development of the CTL project including consultancy to identify potential markets, completion of the commercialisation plan, research and pilot plant design costs
- agreement to fund Phase 2 of the Morasibi Lithium and Tantalum project
- exploration and research with the Pretoria Project

The Directors are committed to carefully utilising current resources, reviewing potentially markets for output, partners and other funding initiatives.

### Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Mr Gerard King	6	6
Mr Edwin Belseco	6	6
Mr Timothy Wall	3	3
Mr Simon Peters	3	3

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## Directors' Report

30 June 2017

### Remuneration Report (AUDITED)

The key management personnel of the Group consisted of the following directors and other persons:

- Gerard King - Executive Chairman
- Edwin Bulseco – Non-Executive Director
- Timothy Wall – Non-Executive Director
- Simon Peters – Non-Executive
- Matthew Suttling - CFO/Company Secretary

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporation Act 2001. This report details the nature and amount of remuneration for each director of Greenpower Energy Limited, and for the executives of the Group.

### Remuneration Policy

As the Group develops it will be implementing the following remuneration guidelines. The remuneration policy of Greenpower Energy Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Greenpower Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for the board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives was developed by the board and legal advisors. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation where applicable. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the high calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- Executives will also be entitled to participate in future employee share and option arrangements.
- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares allocated to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using appropriate methodologies.
- The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No such advice was obtained during the year. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and can participate in the employee option plan.

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Directors' Report

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## Service Agreements

Greenpower Energy Limited has implemented service agreements with key management personnel. The major provision of the agreements related to the remuneration are set out below:

- Confirmation of the executive and non-executive fees payable
- Employment conditions with the Greenpower Energy and the consultant and their consulting entity
- Termination is dependent on with or without cause where termination payments are limited by the Corporations Act or the ASX Listing rules to a maximum of 12 months remuneration with an inclusive 6 month notice period or zero with cause.

## Use of Remuneration Consultants

During the year the Directors did not utilise the services of remuneration consultants in determining the amount of remuneration for each Director and Executive.

## Voting and Comments Made at the Company's 2016 Annual General Meeting

The Company passed the motion approving the 2016 remuneration report with 94.03% of the votes received and cast at the meeting (after eliminating excluded votes). The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## Share-Based Compensation

During the year 23,000,000 unlisted options were issued to directors and consultants of Greenpower Energy Limited as approved at the EGM held on 23 January 2017. No additional options over shares in Greenpower Energy Limited were granted during the year in accordance with the Company Employee Share Option Plan ("ESOP").

The options are issued to provide long-term incentives for executives and consultants to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

During the year 25,010,000 ordinary shares in the company were issued as a result of the exercise of remuneration options to directors of Greenpower Energy Limited or other key management personnel of the group.

## Additional information

No performance based bonuses have been paid to key management personnel during the financial year. It is the intent of the board to include performance bonuses as part of remuneration packages when mine production commences.

For non-executive Directors the aggregate pool limit approved by shareholders as Directors Fees is \$100,000 as approved at the 2009 Annual General Meeting.

# Greenpower Energy Limited

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Directors' Report

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## Details of Remuneration

Details of remuneration of the directors and key management personnel of the group are set out below:

2017	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary \$	Cash profit share \$	Cash Bonus \$	Cash Benefits \$	Superannuation \$	Equity \$	Options \$	
Gerard King	78,000	-	-	-	-	-	58,823	136,823
Edwin Bulseco 1.	24,000	-	-	-	-	-	-	24,000
Timothy Wall 2.	38,000	-	-	-	-	-	209,452	247,452
Simon Peters 3.	21,000	-	-	-	-	-	44,117	65,117
Matthew Suttlng	54,166	-	-	-	-	-	44,117	98,283
	215,166	-	-	-	-	-	356,509	571,675

2016	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary \$	Cash profit share \$	Cash Bonus \$	Non-cash Benefits \$	Superannuation \$	Equity \$	Options \$	
Gerard King	60,000	-	-	-	-	-	43,626	103,626
Edwin Bulseco 1.	12,000	-	-	-	-	-	43,626	55,626
Timothy Wall 2.	6,000	-	-	-	-	-	-	6,000
Alan Flavelle 4.	131,808	-	-	-	12,192	-	-	144,000
Ronald McCullough 5.	-	-	-	-	-	-	-	-
Takanao Mitsui 5.	-	-	-	-	-	-	-	-
Matthew Suttlng	50,000	-	-	-	-	-	21,856	71,856
	259,808	-	-	-	12,192	-	109,108	381,108

1. Edwin Bulseco appointed as a Director on 29 February 2016, resigned on 6 December 2016 and was reappointed 28 March 2017
2. Timothy Wall was appointed as a Director on 23 May 2016 and resigned on 28 March 2017
3. Simon Peters was appointed as a Director on 6 December 2016
4. Alan Flavelle resigned as a Director on 30 June 2016
5. Ronald McCullough and Tony Mitsui resigned 29 February 2016.

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was fixed and at risk.

	Fixed	At Risk Long
	Remuneration	Term
	%	%
<b>Directors</b>		
Gerard King	57	43
Edwin Bulseco	100	-
Timothy Wall	15	85
Simon Peters	32	68
<b>KMP</b>		
Matthew Suttlng	55	45

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## Directors' Report

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### Other transactions with Key Management Personnel

Greenpower has engaged Xcel Capital to provide an ongoing corporate advisory role. The corporate advisory services mandate is on essentially the same terms as Greenpower's previous service provider and includes the same team. Director Edwin Bulseco is a principal of Xcel Capital, however is not engaged on the Greenpower account. Greenpower incurred capital raising costs of \$63,598 and advisory fees of \$28,500 during the year. There were no other Key Management personnel related party transactions during the year.

### Key Management Personnel Share and Option Holdings

The number of ordinary shares in Greenpower Energy Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	On exercise of options	Net Change Other #	Balance at resignation date	Balance at end of year
<b>30 June 2017</b>					
<b>Directors</b>					
Gerard King #1.	168,977,516	10,000,000	(15,000,000)	-	163,977,516
Edwin Bulseco #2.	7,010,030	10,000,000	(17,010,030)	-	-
Timothy Wall	-	-	-	-	-
Simon Peters	75,000	-	-	-	75,000
<b>Other KMP</b>					
Matthew Suttling #2.	251,730	5,010,000	(1,900,000)	-	3,361,730
	176,314,276	25,010,000	(33,910,030)	-	167,414,246

# Net change other are ordinary shares movements as follows:

#1. A related party of Gerard King, Pandora Nominees Pty Ltd transferred 10,000,000 shares to Alan Flavelle and disposed 5,000,000 shares on market.

#2. On market disposals during the year.

Details of Options Issued During the year:

	Grant Date	Number Granted	Value per Option \$	Value of options at grant date	Number lapsed during the year
<b>30 June 2017</b>					
<b>Directors</b>					
Gerard King	23 January 2017	4,000,000	0.015	58,823	-
Edwin Bulseco	-	-	-	-	-
Timothy Wall	23 January 2017	10,000,000	0.017	165,334	-
Timothy Wall	23 January 2017	3,000,000	0.015	44,117	-
Simon Peters	23 January 2017	3,000,000	0.015	44,117	-
<b>Other KMP</b>					
Matthew Suttling	23 January 2017	3,000,000	0.015	44,117	-

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## Directors' Report

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30 June 2017	Exercise Price Cents	Vesting and first exercise date	Last exercise date
<b>Directors</b>			
Gerard King	0.022	23 January 2017	1 January 2019
Edwin Bulseco	-	-	-
Timothy Wall	0.025	23 January 2017	1 January 2019
Timothy Wall	0.022	23 January 2017	1 January 2019
Simon Peters	0.022	23 January 2017	1 January 2019
<b>Other KMP</b>			
Matthew Suttling	0.022	23 January 2017	1 January 2019

The options granted in the year ended 30 June 2017 were issued and paid at \$Nil and are exercisable at as per the table below. They vested immediately.

The options have been valued using Black Scholes methodology, the Black Scholes assumptions and details are outlined below:

	Unlisted options	Unlisted options
Number of options in series	13,000,000	10,000,000
Underlying share price	\$0.026	\$0.026
Exercise price	\$0.022	\$0.025
Expected volatility	100%	100%
Option life	1.93 years	2.99 years
Expiry date	01 January 2019	23 January 2020
Dividend yield	0.00%	0.00%
Interest rate	2.75%	2.75%

### Options Held by KMP

	Opening Balance	Granted as remuneration	On exercise of options	Expired	Vested and Exercisable	Vested and Un- exercisable
Gerard King	10,000,000	4,000,000	10,000,000	-	4,000,000	-
Edwin Bulseco	10,000,000	-	10,000,000	-	-	-
Timothy Wall	-	13,000,000	-	-	13,000,000	-
Simon Peters	-	3,000,000	-	-	3,000,000	-
Matthew Suttling	5,160,000	3,000,000	5,010,000	150,000	3,000,000	-
	25,160,000	23,000,000	25,010,000	150,000	23,000,000	-

On 23 January 2017 23,000,000 KMP Options were issued as approved by the Extraordinary General Meeting held on 23 January 2017. No further Options were issued during the year. No options have been granted to the directors or KMP since the end of the financial year. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. Refer above tables for the exercise price of the options.

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## Directors' Report

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### Performance-based Remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages due to the stage of the Group's development, as such no link between remuneration and financial performance currently exists.

The table below sets out summary information about the Group's earnings and movement in share price for the five years to 30 June 2017:

	2017	2016	2015	2014	2013
	\$	\$	\$	\$	\$
Income	49,659	12,418	31,042	21,982	396,073
Net loss before tax	(2,411,036)	(2,873,530)	(806,434)	(1,726,517)	(1,121,806)
Net loss after tax benefit	(2,320,120)	(2,873,530)	(701,717)	(1,726,517)	(1,212,490)
Share Price at end of year (cents)	0.2	0.5	0.9	0.2	0.1
Basic and diluted loss per share	(0.02)	(0.87)	(0.76)	(1.87)	(1.46)

### Long Term Benefits and Termination Benefits

The Group's Employee Share and Option Plan aligns remuneration with at risk long term benefits. The Group has no long-term benefits payable or termination benefits due.

### End of Audited Remuneration Report

#### Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

#### Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2017 has been received and can be found on page 17 of the financial report.

#### Proceedings on Behalf of Company

No person has applied for leave of Court under s237 of the Corporations Act 2001 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.

The Company was not a party to any such proceedings during the period.

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Directors' Report

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## Options

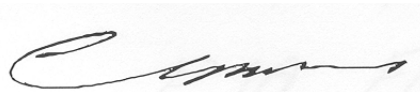
### Unissued shares under option

At the date of this report, the unissued ordinary shares of Greenpower Energy Limited under option are as follows:

Date Options Granted	Expiry Date	Exercise Price Cents	Number under Option
13/10/2016	13/10/2019	1.0	85,100,000
23/01/2017	01/01/2019	2.2	28,400,000
23/01/2017	23/01/2020	2.5	10,000,000
			<hr/>
			123,500,000

### Sign off details

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



Director: .....

Gerard King

Dated this 31<sup>st</sup> day of August 2017



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREENPOWER ENERGY LIMITED**

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

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

*William Buck*

**William Buck Audit (WA) Pty Ltd**  
ABN 67 125 012 124

*Conley Manifis*

**Conley Manifis**  
Director

Dated this 31<sup>st</sup> day of August, 2017

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 3, 15 Labouchere Road  
South Perth WA 6151

PO Box 748  
South Perth WA 6951

Telephone: +61 8 6436 2888  
[williambuck.com](http://williambuck.com)

# Greenpower Energy Limited

ABN 22 000 002 111

## Consolidated Income Statement

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Other income	4	30,613	3,510
Interest income		19,046	8,908
Occupancy costs		(12,420)	(11,385)
Administrative costs		(1,105,447)	(626,843)
Exploration and Tenement costs		(1,342,828)	(899,630)
Impairment of Tenements	13	-	(1,324,439)
Finance costs		-	(23,651)
<b>Profit (loss) before income tax</b>		<b>(2,411,036)</b>	<b>(2,873,530)</b>
Income tax benefit	5	90,916	-
<b>Loss after income tax</b>		<b>(2,320,120)</b>	<b>(2,873,530)</b>
<b>Loss attributable to owners of Greenpower Energy Limited</b>		<b>(2,320,120)</b>	<b>(2,873,530)</b>
<b>Loss per share:</b>			
Basic loss per share (cents)	6	(0.25)	(0.87)
Diluted loss per share (cents)	6	(0.25)	(0.87)

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Greenpower Energy Limited

ABN 22 000 002 111

## Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
<b>Net loss for the year</b>	<b>(2,320,120)</b>	<b>(2,873,530)</b>
<b>Other comprehensive income:</b>		
Items that may be reclassified to profit or loss		
Reclassification adjustment on disposal of available for sale assets	<b>375,785</b>	42,029
<b>Other comprehensive income for the year, net of tax</b>	<b>375,785</b>	42,029
<b>Total comprehensive loss for the year</b>	<b>(1,944,335)</b>	<b>(2,831,501)</b>
Total comprehensive loss attributable to:		
Owners of Greenpower Energy Limited	<b>(1,944,335)</b>	<b>(2,831,501)</b>
	<b>(1,944,335)</b>	<b>(2,831,501)</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Greenpower Energy Limited

ABN 22 000 002 111

## Consolidated Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	3,714,845	668,042
Trade and other receivables	8	24,569	35,017
<b>TOTAL CURRENT ASSETS</b>		<b>3,739,414</b>	<b>703,059</b>
<b>NON-CURRENT ASSETS</b>			
Available for sale assets	9	30,000	268,902
Plant and equipment	10	1,082	1,407
Intangible assets	11	8,320	-
Exploration and evaluation assets	13	340,732	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>270,309</b>	<b>270,309</b>
<b>TOTAL ASSETS</b>		<b>973,368</b>	<b>973,368</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	208,068	219,766
<b>TOTAL CURRENT LIABILITIES</b>		<b>208,068</b>	<b>219,766</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>208,068</b>	<b>219,766</b>
<b>NET ASSETS</b>		<b>3,911,480</b>	<b>753,602</b>
<b>EQUITY</b>			
Contributed equity	15	69,872,680	64,701,662
Reserves	16	544,313	11,205,611
Accumulated losses	17	(66,505,513)	(75,153,671)
<b>TOTAL EQUITY</b>		<b>3,911,480</b>	<b>753,602</b>

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

# Greenpower Energy Limited

ABN 22 000 002 111

## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2016</b>	<b>64,701,662</b>	<b>(75,153,671)</b>	<b>10,314,793</b>	<b>473,960</b>	<b>416,858</b>	<b>753,602</b>
Loss for the year	-	(2,320,120)	-	-	-	(2,320,120)
Revaluation	-	-	-	-	(29,740)	(29,740)
Reclassification adjustment on disposal of available for sale assets	-	375,785	-	-	(375,785)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(1,944,335)</b>	<b>-</b>	<b>-</b>	<b>(405,525)</b>	<b>(2,349,860)</b>
Reclassification adjustment of capital profit reserve	-	10,314,793	(10,314,793)	-	-	-
Shares issued during the year (net of costs)	3,658,341	-	-	-	-	3,658,341
Options exercised	1,512,677	-	-	(240,477)	-	1,272,200
Options expired	-	277,700	-	(277,700)	-	-
Options issued	-	-	-	577,197	-	577,197
<b>Balance at 30 June 2017</b>	<b>69,872,680</b>	<b>(66,505,513)</b>	<b>-</b>	<b>532,980</b>	<b>11,333</b>	<b>3,911,480</b>

2016

	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
<b>Balance at 1 July 2015</b>	<b>63,398,286</b>	<b>(72,280,141)</b>	<b>10,314,793</b>	<b>277,600</b>	<b>374,829</b>	<b>2,085,367</b>
Loss for the year	-	(2,873,530)	-	-	-	(2,873,530)
Revaluation	-	-	-	-	42,029	42,029
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(2,873,530)</b>	<b>-</b>	<b>-</b>	<b>42,029</b>	<b>(2,831,501)</b>
Shares issued during the year (net of costs)	1,303,376	-	-	-	-	1,303,376
Options issued	-	-	-	196,360	-	196,360
<b>Balance at 30 June 2016</b>	<b>64,701,662</b>	<b>(75,153,671)</b>	<b>10,314,793</b>	<b>473,960</b>	<b>416,858</b>	<b>753,602</b>

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

# Greenpower Energy Limited

ABN 22 000 002 111

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Payments to suppliers and employees		(1,834,524)	(1,282,921)
Other income received		8,402	-
Interest received		19,046	8,908
Interest paid		-	(4,009)
Income tax benefit received		90,916	104,905
Net cash provided by (used in) operating activities	18(a)	(1,716,160)	(1,173,117)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of exploration assets		(15,732)	-
Purchase of intangible assets		(8,320)	-
Proceeds from disposal of investments		231,374	97,958
Net cash provided by investing activities		207,322	97,958
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares and options net of transaction costs		4,555,641	428,421
Proceeds from issue of Converting loans		-	450,000
Net cash used by financing activities		4,555,641	878,421
Net increase (decrease) in cash and cash equivalents held		3,046,803	(196,738)
Cash and cash equivalents at beginning of year		668,042	864,780
Cash and cash equivalents at end of financial year	7	3,714,845	668,042

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

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 1 Corporate Information

The financial report of Greenpower Energy Limited for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 31 August 2017 and covers Greenpower Energy Limited as an individual entity as well as the consolidated entity consisting of Greenpower Energy Limited and its subsidiaries as required by the Corporations Act 2001.

The financial report is presented in the Australian currency.

Greenpower Energy Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

### 2 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial report is a general purpose financial statement 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*.

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. The financial statements and notes comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Principles of Consolidation

##### Subsidiaries

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Subsidiaries are accounted for in the Parent entity financial statements at cost. A list of subsidiary entities is contained in Note 12 to the financial statements. All subsidiary entities have a 30 June financial year end.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors. The Directors are responsible for allocating resources and assessing the performance of the operating segments.

### (d) Other Income

Other income is recognised at the fair value of the consideration received or receivable.

Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Dividends received are accounted for when received.

### (e) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Greenpower Energy Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.



# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (f) Impairment of Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

### (g) Cash and Cash Equivalents

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

### (h) Property, Plant and Equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

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<b>Class of Asset</b>	
Office Equipment	3-4 Years

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# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (i) Exploration and Evaluation Assets

Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each year to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at year end and the Directors are satisfied that the value is recoverable.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

### (j) Intangibles

Intangible assets being website development is recorded at cost, it has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (k) Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

### (l) Investments and Available for Sale Assets

All investments and available for sale assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and available for sale assets subsequent to initial recognition are set out below.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### Available-for-sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Impairment testing is performed annually.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

### (m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30 day payment terms.

### (n) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### (o) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares associated with the acquisition of a business are included as part of the purchase consideration.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (p) Earnings per Share

#### Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of Greenpower Energy Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the 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.

### (q) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and from within the Group.

#### *Key estimates - income taxes*

The Group has not recognised deferred tax assets relating to carried forward tax losses as utilisation of the tax losses also depends on the ability of the group to satisfy certain tests at the time the losses are recouped. Due to the recent capital raising of the parent entity, there are some concerns that the entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. The probability of future profit and utilisation of income tax losses will be reliant on the successful development of the group's intellectual property.

#### *Key judgments - exploration and evaluation assets*

The Group has not capitalised expenditure relating to exploration and evaluation during the year other than initial acquisition costs. At year end no impairment has been brought to account against the carrying value being the initial cost of Exploration Licenses acquired.

#### *Key judgments - available-for-sale investments*

The Group maintains a portfolio of securities with a carrying value of \$30,000 at the end of the reporting period. Certain individual investments have declined in value and impairment adjustments have been brought to account against the financial assets reserve.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (r) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST except where 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.

Receivables and payables 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.

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.

### (s) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by Company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, impairment of financial assets and hedge accounting.	Given the nature of the Company's financial assets and financial liabilities, the Company does not expect the impact to be significant.	Must be applied for reporting periods commencing on or after 1 January 2018. Therefore the application date for the company will be for the reporting period commencing on 1 July 2018.
AASB 15 Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.	Based on the Company's assessment, the impact is not expected to be significant.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore the application date for the Company will be for the reporting period commencing on 1 July 2018.

### (t) New and Amended Accounting Policies Adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 3 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Audit or review - William Buck Audit (WA) Pty Ltd	25,090	24,105
- Total remuneration for audit services	<u>25,090</u>	<u>24,105</u>

### 4 Other Income

	2017	2016
	\$	\$
- Gain on disposal of available for sale investments	22,211	3,510
- Other income	8,402	-
	<u>30,613</u>	<u>3,510</u>

### 5 Loss per Share

#### (a) Reconciliation of Loss used to calculate Loss per share

	2017	2016
	\$	\$
Loss	1,944,334	2,873,530
Loss used to calculate basic and diluted EPS	<u>1,944,334</u>	<u>2,873,530</u>

#### (b) Weighted average number of ordinary shares (diluted):

	2017	2016
Weighted average number of ordinary shares outstanding during the year number used in calculating:		
basic EPS	911,524,250	332,132,739
diluted EPS	<u>911,524,250</u>	<u>332,132,739</u>

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Parent Company as the numerator (ie no adjustments to loss were necessary in 2017 or 2016).

The weighted average number of ordinary shares has been utilised in the calculation of basic and diluted loss per share.

76,820,822 of potential ordinary shares have not been considered in calculating Diluted EPS as they are anti-dilutive.

### 6 Income Tax Expense

#### (a) The major components of tax expense (income) comprise:

	2017	2016
	\$	\$
Research and development refund received	(90,916)	-
	<u>(90,916)</u>	<u>-</u>

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

**(b) The prima facie tax benefit/(expense) from the loss before income tax is reconciled to the income tax as follows:**

	2017	2016
	\$	\$
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2016: 30%)		
- the Group	<b>(663,035)</b>	(862,059)
	<b>(663,035)</b>	(862,059)
Add/Less tax effect of:		
- losses not brought to account	<b>753,951</b>	862,059
- Research and development refund received	<b>90,916</b>	-
Income tax attributable to parent entity	-	-

**(c) Unrecognised temporary differences**

	2017	2016
	\$	\$
Deferred Tax Assets at 27.5% (2016: 30%)	<b>205,139</b>	82,372
Losses not brought to account	<b>1,816,593</b>	1,527,872

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Availability of losses is subject to passing the required tests under the ITAA 1997/1936.

## 7 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank	<b>3,559,004</b>	515,594
Short-term bank deposits	<b>155,841</b>	152,448
	<b>3,714,845</b>	668,042

### Reconciliation of Cash

	2017	2016
	\$	\$
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<b>3,714,845</b>	668,042
	<b>3,714,845</b>	668,042

The effective interest rate on short-term bank deposits was 1.95% (2016: 2.3%).

**(a) Short term deposit**

Short term deposits are held as a security for various bank guarantees.

# Greenpower Energy Limited

ABN 22 000 002 111

## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 8 Trade and Other Receivables

	Note	2017 \$	2016 \$
<b>CURRENT</b>			
Other receivables	8(a)	24,569	35,017
		<b>24,569</b>	<b>35,017</b>

#### (a) Other Receivables

Other receivables represent receivables due from the Australian Taxation Office and other amounts which are not impaired and will be receivable.

### 9 Available-for-Sale Financial Assets

#### Available-for-Sale Financial Assets Comprise:

	2017 \$	2016 \$
Listed investments shares in listed corporations	30,000	268,902
<b>Total available for sale assets at fair value</b>	<b>30,000</b>	<b>268,902</b>

Available for sale assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

#### Fair Value

Listed investments have been valued at the quoted market bid price at the end of the reporting period.

At 30 June 2017 and 30 June 2016, the aggregate fair values and carrying amounts of financial assets and financial liabilities approximate their carrying amounts.

Available-for-sale financial instruments are recognised in the statement of financial position of the Group according to the hierarchy stipulated in AASB 13.

	2017 \$	2016 \$
Available-for-sale financial assets ASX Listed equity shares – Level 1	30,000	268,902
	<b>30,000</b>	<b>268,902</b>

#### (a) Reconciliation of Available-for-Sale Financial Assets

	2017 \$	2016 \$
Opening Balance	268,902	321,322
Net gain/(loss) on revaluation of financial assets	(7,528)	42,029
Proceeds on disposal	(231,374)	(94,449)
	<b>30,000</b>	<b>268,902</b>



# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 10 Plant and Equipment

	2017 \$	2016 \$
<b>PLANT AND EQUIPMENT</b>		
Office equipment		
At cost	5,796	5,796
Accumulated depreciation	(4,714)	(4,389)
Total office equipment	1,082	1,407
<b>Total plant and equipment</b>	<b>1,082</b>	<b>1,407</b>

#### (a) Movements in Carrying Amounts

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

	Office Equipment \$
<b>Balance at 30 June 2017</b>	
Balance at the beginning of year	1,407
Additions	-
Depreciation expense	(325)
<b>Balance at 30 June 2017</b>	<b>1,082</b>
<b>Balance at 30 June 2016</b>	
Balance at the beginning of year	1,731
Additions	-
Depreciation expense	(324)
<b>Balance at 30 June 2016</b>	<b>1,407</b>

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 11 Intangible Assets

	Note	2017 \$	2016 \$
Other intangible assets			
Cost	12(b)	8,320	13,249
Accumulated amortisation and impairment		-	(13,249)
<b>Net carrying value</b>		<b>8,320</b>	<b>-</b>
<b>Total Intangibles</b>		<b>8,320</b>	<b>-</b>

#### (a) Movements in Carrying Amounts

	Other intangible assets - Website \$
<b>Year ended 30 June 2017</b>	
Opening balance	-
Additions	8,320
Amortisation	-
<b>Closing value at 30 June 2017</b>	<b>8,320</b>
<b>Year ended 30 June 2016</b>	
Opening balance	136
Additions	-
Amortisation	(136)
<b>Closing value at 30 June 2016</b>	<b>-</b>

#### (b) Intangible Assets

Intangible assets are represented by capitalised costs of the Group's website development.

### 12 Controlled Entities

	Principal Activity	Country of incorporation	Percentage Owned 2017	Percentage Owned 2016
<b>Subsidiaries of parent entity:</b>				
Greenpower Group Ltd	Investment	Australia	100	100
GCC Asset Holdings Pty Ltd	Investment	Australia	100	100
Northern Exploration Pty Ltd #	Exploration NT	Australia	100	100
Sawells Pty Ltd	Coal Exploration VIC	Australia	100	100
Greengrowth Bio-Stimulants Pty Ltd	Non-trading	Australia	100	100
Greenpower Chemicals Pty Ltd ^	Non-trading	Australia	100	100

# Northern Exploration Pty Ltd (formerly Greenpower Natural Gas Pty Ltd)

^ Greenpower Chemicals Pty Ltd (formerly Greenpower Latrobe CTL Pty Ltd)

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 13 Exploration and Evaluation Assets

	Note	2017 \$	2016 \$
NON-CURRENT			
Exploration permits		<b>340,732</b>	-

#### Movements in Other Assets

	Exploration permits \$	Total \$
<b>Year ended 30 June 2017</b>		
Opening balance	-	-
Additions	340,732	340,732
<b>Balance at 30 June 2017</b>	<b>340,732</b>	<b>340,732</b>
<b>Year ended 30 June 2016</b>		
Opening balance	1,324,439	1,324,439
Impairment of Tenements	(1,324,439)	(1,324,439)
<b>Balance at 30 June 2016</b>	-	-

#### Exploration permits

Greenpower currently has one Exploration Licence application in Victoria and 9 applications in the Northern Territory.

Greenpower's partner Guyana Strategic Metals Inc hold an exploration licence in the Lithium and Tantalum project area of Morabisi.

### 14 Trade and Other Payables

	2017 \$	2016 \$
CURRENT		
Trade payables	<b>82,525</b>	123,624
Other payables	<b>125,543</b>	96,142
	<b>208,068</b>	219,766

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 15 Issued Capital

	2017	2016
	\$	\$
1,025,999,976 (2016: 608,899,976) Ordinary Shares	<b>69,872,680</b>	64,701,662
	<b>69,872,680</b>	64,701,662

The Company has no authorised share capital or par value in respect of its issued shares.

#### Movements in ordinary share capital

	No. of shares	\$
<b>Year ended 30 June 2017</b>		
At the beginning of year	608,899,976	64,701,662
Shares issued during the year	417,100,000	5,762,677
Cost of listing shares	-	(591,659)
Balance at 30 June 2017	1,025,999,976	69,872,680
<b>Year ended 30 June 2016</b>		
At the beginning of year	92,465,787	63,398,286
Shares issued during the year	516,434,189	1,549,303
Cost of listing shares	-	(245,927)
Balance at 30 June 2016	608,899,976	64,701,662

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

#### Capital Risk Management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may pay dividends to shareholders, return capital to shareholders, issue new shares or sell assets. During 2017, the Group's strategy, which was unchanged from 2016, was to maintain minimum borrowings outside of trade and other payables. During the previous year a loan on commercial terms from a Director was received.

	2017	2016
	\$	\$
Cash and cash equivalents	<b>3,714,845</b>	668,042
Less: payables	<b>(208,068)</b>	(219,766)
<b>Net cash</b>	<b>3,506,777</b>	448,276
Total equity	<b>3,911,480</b>	753,602
<b>Total capital</b>	<b>404,703</b>	305,326

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 16 Reserves

	2017	2016
	\$	\$
Capital Realisation Reserve	-	10,314,793
Share Based Payments Reserve	532,980	473,960
Available For Sale Asset Reserve	11,333	416,858
	544,313	11,205,611
	2017	2016
	\$	\$
<b>Capital Realisation Reserve</b>		
Opening balance	10,314,793	10,314,793
Reclassification adjustment of profits earned in prior periods	(10,314,793)	-
	-	10,314,793
<b>Share Based Payments Reserve</b>		
Opening balance	473,960	277,600
Options exercised	(240,477)	-
Options expired	(277,700)	-
Share based payments	577,197	196,360
	532,980	473,960
<b>Available For Sale Asset Reserve</b>		
Opening balance	416,858	374,829
Fair value adjustment	(29,740)	42,029
Reclassification adjustment on disposal of available for sale assets	(375,785)	-
Deferred tax in income statement	-	-
Deferred tax in statement of financial position	-	-
	11,333	416,858
<b>Total reserves</b>	<b>544,313</b>	<b>11,205,611</b>

#### Capital Realisation Reserve

The capital realisation reserve records profits on revalued assets realised in prior periods.

#### Available For Sale Asset Reserve

The financial assets reserve recognises movements in fair value of available for sale financial assets.

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### Share Based Payments Reserve

The share based payments reserve records items recognised as expenses on valuation of employee share options.

Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion and set out in the Offer provided that the exercise price is not less than the average Market Price on ASX on the five trading days prior to the day the Directors resolve to grant the Options. Any options that are not exercised grant date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging and Option Exercise Notice accompanied by the payment of the exercise Price.

### Summary of options granted under the Long-Term Incentive Plan

The following table illustrates the number and the weighted average exercise price (WAEP) of and movements in shares options under the long-term incentive plan:

	<b>2017 Number</b>	<b>2017 WAEP</b>	<b>2016 Number</b>	<b>2016 WAEP</b>
Outstanding at the beginning of the year	<b>45,450,000</b>	<b>0.005</b>	700,000	0.05
Granted during the year	<b>23,000,000</b>	<b>0.02</b>	45,000,000	0.005
Vested during the year	-	-	-	-
Exercised during the year	<b>(45,000,000)</b>			
Lapsed/cancelled during the year	<b>(450,000)</b>	-	(250,000)	-
Forfeited during the year	-	-	-	-
Outstanding at the year end	<b>35,000,000</b>		45,450,000	
Exercisable at the year end	<b>35,000,000</b>		45,450,000	

### Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 is 2 years (2016: 5 years).

### Range of exercise price of share options

The exercise price for options outstanding at the end of the year is .022 to .025 (2016: .005 to .05) cents.

### Weighted average fair value of share options

The weighted average fair value of options granted during the year is 0.02 (2016: 0.000001).

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### Share option valuation

The fair value of the equity-settled share options granted under the LTIP is estimated at the date of grant using a Black Scholes model, which takes into account factors including the options exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying shares at grant date, historical and expected dividends and the expected life of the option.

The options were valued using Black Scholes with the below assumptions:

	Unlisted options	Unlisted options
Number of options in series	25,000,000	10,000,000
Underlying share price	\$0.026	\$0.026
Exercise price	\$0.022	\$0.025
Expected volatility	100%	100%
Option life	1.93 years	2.99 years
Expiry date	01 January 2019	23 January 2020
Dividend yield	0.00%	0.00%
Interest rate	2.75%	2.75%

# Expected volatility has been based on an evaluation of the historical volatility of the share price of similar companies operating in the junior explorer mining industry, particularly over the historical period commensurate with the expected term.

### 17 Accumulated Losses

	2017	2016
	\$	\$
<b>Accumulated losses</b>		
Opening balance	(75,153,671)	(72,280,141)
Net loss for the period	(2,320,120)	(2,873,530)
Reclassification adjustments:		
- Options lapsed transferred from reserves	277,700	-
- Reclassification adjustment of profits earned in prior periods	10,314,793	-
- Available for sale assets reserve transferred	375,785	-
<b>Total</b>	<b>(66,505,513)</b>	<b>(75,153,671)</b>

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 18 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2017	2016
	\$	\$
Net loss for the year	(1,944,335)	(2,873,530)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	-	136
Depreciation	325	324
Loss on impairment of tenement	-	1,324,439
Share based payments	627,097	196,315
Fair value adjustment	(375,785)	-
Net (gain)/loss on disposal of investments	(22,211)	(3,510)
Income tax benefit	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	10,448	83,298
(Decrease)/Increase in trade payables and accruals	(11,699)	99,411
<b>Net cash (outflow) from operating activities</b>	<b>(1,716,160)</b>	<b>(1,173,117)</b>

### 19 Capital Commitments

#### Capital Expenditure Commitments

	2017	2016
	\$	\$
Capital expenditure commitments contracted for:		
Exploration Permits	-	-
Coal to Liquids	-	-
	-	-
Payable:		
- not later than 12 months	-	-
- between 12 months and 5 years	-	-
	-	-



# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 20 Related Party Transactions

**(a) Parent entity**

The ultimate parent entity within the Group is Greenpower Energy Limited.

**(b) Subsidiaries**

Interests in subsidiaries are set out in note 12.

**(c) Compensation**

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2017	2016
	\$	\$
Short-term employee benefits	215,166	259,808
Post-employment benefits	-	12,192
Long-term benefits	-	-
Share-based payments	356,509	109,108
	<b>571,675</b>	<b>381,108</b>

**(d) Transactions and balances with related parties**

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- During the year Greenpower engaged Xcel Capital to provide an ongoing corporate advisory role. The corporate advisory services mandate is on essentially the same terms as Greenpower's previous service provider and includes the same team. Director Edwin Bulseco is a principal of Xcel Capital, however is not engaged on the Greenpower account. Greenpower incurred capital raising costs of \$63,598 and advisory fees of \$28,500 during the year. As at 30 June 2017 \$92,097 was due and payable (2016: \$Nil).

### 21 Contingent liabilities and contingent assets

The Group had contingent liabilities at 30 June 2017 in respect of:

(i) Guarantees

The Group has provided bank guarantees in favour of the Minister of Energy and Resources with respect to a security deposit and in favour of Minister of Energy and Resources Victoria with respect to a contract performance at 30 June 2017. The total of these guarantees at 30 June 2017 was \$20,000 with a financial institution (30 June 2016: \$20,000).

### 22 Financial Risk Management

**(a) Financial Risks**

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

The Group manages liquidity risk by prudent monitoring of expenditure in line with available funds.

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### (b) Net Fair Values

#### Fair Value Measurement

The Group's fair values of financial instruments are categorised by the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### (c) Foreign Currency Risk

During the year ended 30 June 2017, as a result of a relationship with Thermaquatica Inc., a company incorporated in the USA and its investment in Guyana (denominated in USD) the financial performance of the Group was affected by movements in the AUD\$/USD\$ exchange rates. Greenpower has sort to hedge this exposure by opening a USD account with the Commonwealth Bank, as at 30 June 2017 this account held USD 376,500. There is no formal foreign currency management policy, however the Group monitors its foreign currency expenditure on an ongoing basis. There were no foreign currency commitments as at 30 June 2017.

### (d) Credit Risk

The Group has no significant concentrations of credit risk other than cash at bank which is held with the Commonwealth Bank of Australia and Westpac Bank both AA- rated Australian banks. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 22 Financial Risk Management continued

#### (e) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments (e.g. borrowing repayments). The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

##### Maturity analysis

	Carrying Amount	Contractual Cash flows	< 6 months	6- 12 months	1- 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>							
Trade and other payables	208,068	208,068	208,068	-	-	-	208,068
	208,068	208,068	208,068	-	-	-	208,068
<b>Year ended 30 June 2016</b>							
Trade and other payables	219,766	219,766	219,766	-	-	-	219,766
	219,766	219,766	219,766	-	-	-	219,766

#### (f) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available-for-sale.

To manage its price risk arising from investments in equity securities, the Group regularly reviews the holdings and maintains a portfolio which the Directors believe has strong core values. The Group's equity investments are publicly traded and are listed on the ASX.

The maximum exposure to price risk from an income statement perspective at reporting date is the carrying amount of the investments.

	+ 20% 2017 \$	2016 \$	- 20% 2017 \$	2016 \$
Financial Assets	6,000	53,780	(6,000)	(53,780)
	6,000	53,780	(6,000)	(53,780)

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 22 Financial Risk Management continued

#### (g) Interest Rate Risk

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA- rated bank accounts.

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial Assets:</b>										
Cash and cash equivalents	0.9	1.5	3,559,004	515,594	155,841	152,448	-	-	3,714,845	668,042
Receivables	-	-	-	-	-	-	24,569	35,017	24,569	35,017
<b>Total Financial Assets</b>			<b>3,559,004</b>	<b>515,594</b>	<b>155,841</b>	<b>152,448</b>	<b>24,569</b>	<b>35,017</b>	<b>3,739,414</b>	<b>703,059</b>
<b>Financial Liabilities:</b>										
Trade and sundry payables	-	-	-	-	-	-	208,068	219,766	208,068	219,766
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208,068</b>	<b>219,766</b>	<b>208,068</b>	<b>219,766</b>

#### Sensitivity analysis

The following tables show the movements in profit due to higher/lower interest costs from variable interest rate cash balances.

	+ .5% (50 basis points)		- .5% (50 basis points)	
	2017 \$	2016 \$	2017 \$	2016 \$
Cash at bank	10,957	3,340	(10,957)	(3,340)
	10,957	3,340	(10,957)	(3,340)

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 23 Segment Reporting

The Group operates predominantly in one business segment being Exploration activities. During the year end 30 June 2017 geographical Exploration was undertaken in Australia and Guyana (Guyana Exploration was incurred via Greenpower's exploration partner Guyana Strategic Minerals Inc.).

### 24 Parent Entity

The following information has been extracted from the books and records of the parent, Greenpower Energy Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Greenpower Energy Limited has been prepared on the same basis as the consolidated financial statements.

#### *Investments in subsidiaries*

Investments in subsidiaries, are accounted for at cost in the financial statements of the parent entity.

	2017	2016
	\$	\$
<b>Consolidated Statement of Financial Position</b>		
Assets		
Current assets	3,637,878	607,064
Non-current assets	481,671	366,210
<b>Total Assets</b>	<b>4,119,548</b>	<b>973,274</b>
Liabilities		
Current liabilities	208,068	219,766
<b>Total Liabilities</b>	<b>208,068</b>	<b>219,766</b>
Equity		
Issued capital	69,872,680	64,701,662
Accumulated losses	(66,494,180)	(74,736,907)
Capital Realisation Reserve	-	10,314,793
Share Based Payments Reserve	532,980	473,960
<b>Total Equity</b>	<b>3,911,480</b>	<b>753,508</b>
<b>Consolidated Income Statement</b>		
Total loss for the year	(2,349,765)	(2,831,596)
<b>Total comprehensive loss</b>	<b>(2,349,765)</b>	<b>(2,831,596)</b>

#### **Guarantees entered into by the parent entity in relation to the debts of its subsidiaries**

Pursuant to ASIC Instrument 2016/785 Greenpower Energy Limited and its wholly owned subsidiaries (refer note 12) entered into a deed of cross guarantee. The effect to the deed is that Greenpower has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of any debt subject to the guarantee. The controlled entities have given a similar guarantee in the event that Greenpower is wound up or if it does not meet its obligations under the terms of any debt subject to the guarantee.

# Greenpower Energy Limited

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## Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2017

### 24 Parent entity continued

#### Contingent liabilities of the parent entity.

The Directors are not aware of any contingent liabilities at reporting date.

#### Contractual commitments by the parent entity.

	2017	2016
	\$	\$
Capital expenditure commitments contracted for:		
Coal to Liquids payable not later than 12 months	-	-
	-	-

### 25 Events After the Reporting Date

Subsequent to the year end of the Group:

- On 28 July 2017, it was announced that Greenpower would exercise its option to proceed to Phase 2 of the Lithium Morabisi Project. This entails agreeing to the budgeted expenditure, payment of USD100,000 to Guyana Strategic Metals Inc. and the issuance of 17,500,000 Greenpower ordinary shares in accordance with the Head of Agreement.

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

### 26 Company Details

#### Registered office

The registered office of the company is:

Greenpower Energy Limited  
1st Floor, 46 Ord Street  
West Perth WA 6005

#### Principal place of business

The principal place of business is:

Greenpower Energy Limited  
1st Floor, 46 Ord Street  
West Perth WA 6005

# Greenpower Energy Limited

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## Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 16 to 44, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Corporations Regulations 2001 and other mandatory professional reporting requirements, Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group.
2. the Chief Executive Officer and Chief Finance Officer have each declared that as required by Section 295A:
  - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
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.

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



Director .....

Dated 31 August 2017

## Greenpower Energy Limited

Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Greenpower Energy Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated income statement, consolidated statement of 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 statements, including a summary of significant accounting policies and other explanatory information, 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 then ended; 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 auditor independence requirements of 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.

#### CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road  
South Perth WA 6151

PO Box 748  
South Perth WA 6951

Telephone: +61 8 6436 2888  
[williambuck.com](http://williambuck.com)



## Independent auditor's report to members (cont'd.)

### 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

CARRYING VALUE OF EXPLORATION COSTS	
Area of focus	How our audit addressed it
Refer also to notes 2(i) and 13	
<p>The Group have incurred exploration costs in relation to exploration activities for Lithium and Tantalum in Guyana. Furthermore, exploration costs relating to securing Exploration Licenses in the Northern Territory of Australia have also been capitalised. There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may not be appropriate and that capitalised costs exceed the value in use.</p> <p>An impairment review is only required if an impairment trigger is identified. Due to the nature of the resources industry, indicators of impairment applying the value in use model could include:</p> <ul style="list-style-type: none"> <li>— Viability of the projects</li> <li>— Changes to exploration plans and permits</li> <li>— Loss of rights to tenements</li> <li>— Changes to reserve estimates</li> <li>— Costs of extraction and production</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs.</li> <li>— Assessing the viability of the new tenements and whether there were any indicators of impairment to those costs capitalized in the current period.</li> </ul> <p>We assessed the adequacy of the Group's disclosures in respect of the transactions.</p>

## Independent auditor's report to members (cont'd.)

SHARE BASED PAYMENTS	
Area of focus Refer also to note 16	How our audit addressed it
<p>The Group has entered into a share-based payment arrangement during the year. The options were issued to provide long term incentives for executives and consultants to deliver long term shareholder returns. Participation in the plan was at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.</p> <p>The above arrangement required significant judgments and estimations by management, including the following:</p> <ul style="list-style-type: none"> <li>— The evaluation of the grant date of each arrangement, and the evaluation of the fair value of the underlying share price of the Company as at the grant date;</li> <li>— The evaluation of key inputs into the Black Scholes option pricing model, including the significant judgment of the forecast volatility of the share option over its exercise period.</li> </ul> <p>The results of these share-based payment arrangements materially affect the disclosures.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Evaluating the fair values of share-based payment arrangements by understanding and documenting the assumptions used. In determining the grant dates, we evaluated what were the most appropriate dates based on the terms and conditions of the share-based payment arrangements.</li> <li>— For the specific application of the Black Scholes model, we assessed the experience of the CFO in preparing these calculations. We retested some of the assumptions used in the model and recalculated those fair values using volatility applied in the model to be appropriately reasonable and within industry norms.</li> </ul> <p>We also reconciled the vesting of the share-based payment arrangements to disclosures made in both the key management personnel compensation note and the disclosures in the Remuneration Report.</p>

## Independent auditor's report to members (cont'd.)

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included 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 accordingly 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.

## Independent auditor's report to members (cont'd.)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Independent auditor's report to members (cont'd.)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 8 to 13 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Greenpower Energy 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.



William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124



C. Manifis  
Director

Date this day 31<sup>st</sup> day of August 2017

# Greenpower Energy Limited

## ASX Additional Information

For the Year Ended 30 June 2017

### ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 25 August 2017.

### Voting Rights

#### Ordinary Shares

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

#### Options

No voting rights.

### Distribution of Equity Security Holders

Holding	Holders	Number of Shares
1 - 1,000	936	177,001
1,001 - 5,000	286	848,088
5,001 - 10,000	180	1,528,399
10,001 - 100,000	1,198	56,169,764
100,000 and over	1,029	967,276,724
	3,629	1,025,999,976

There were 1,820 holders of less than a marketable parcel of ordinary shares.

### 20 Largest Option holders

	Options Number held	% of issued options
EFI Management Pty Ltd <EFI Management A/C>	13,000,000	10.53%
Mr Alan John Flavelle	10,000,000	8.10%
Top Class Holdings Pty Ltd <The Onslow Super Fund A/C>	8,000,000	6.48%
Mr Dennis Mehmet Deniz + Mrs Aynur Nihal Deniz <Densa Super Fund A/C>	6,000,000	4.86%
Mr Paul Robert Dalla-Libera	5,110,735	4.14%
Miss Jennifer Karen Krohn	4,005,000	3.24%
Pandora Nominees Pty Ltd	4,000,000	3.24%
Mr Edmund Norman Strong + Mrs Theresa Claire Strong <Strong Superannuation A/C>	3,000,000	2.43%
Mr Simon Peters	3,000,000	2.43%
Mr Matthew Denis Suttling <Suttling Family A/C>	3,000,000	2.43%
Mr Daniel Robert Buzai + Ms Tingting Wu <Simao Superfund A/C>	2,737,000	2.22%
Mr Theam Huah Yeoh	2,502,664	2.03%
Mr Aaron Gill	2,000,000	1.62%
Mrs Penelope Jane Gill	2,000,000	1.62%
Wildbase Enterprises Pty Ltd	2,000,000	1.62%
Mr John Adrian + Mrs Judith Margaret Watts <John Watts Super Fund A/C>	2,000,000	1.62%
Mr Toni Sinozic + Mrs Anka Sinozic	1,900,000	1.54%
Paros Super (Qld) Pty Ltd <Paros Super A/C>	1,890,999	1.53%
Mr Pradeep Arundavaraja	1,779,000	1.44%
Mr Domenic Marino	1,750,000	1.42%
	79,675,398	64.54

# Greenpower Energy Limited

## ASX Additional Information

For the Year Ended 30 June 2017

### Unissued Equity Securities

Total options issued 123,500,000.

### 20 Largest Shareholders

	Ordinary shares	
	Number held	% of issued shares
Pandora Nominees Pty Ltd	134,500,000	13.11
Tregeare Pty Ltd	28,977,516	2.82
Mr Abdul Naser Siddiqui	23,400,000	2.28
Mr Dennis Mehmet Deniz + Mrs Aynur Nihal Deniz <Densa Super Fund A/C>	23,100,000	2.25
Mr Toni Sinozic + Mrs Anka Sinozic	20,000,000	1.95
Hsbc Custody Nominees Australia Limited	16,678,403	1.63
C1 C2 Superannuation Pty Ltd <C1 C2 Super Fund A/C>	14,140,274	1.38
Mr Thomas Andrew Wood	14,000,000	1.36
Mr Niels Mosegaard + Ms Wannee Phetsakare	10,000,000	0.97
Precision Investments Pty Ltd <Erkan Superfund A/C>	9,596,000	0.94
Astron Limited	9,513,018	0.93
Mrs Diane Beverley Tweedie + Mr Michael Clive Tweedie <M & D Tweedie Family A/C>	8,712,271	0.85
Mr Earle Allon Richardson + Mrs Leanne Moya Walter <Richardson Super Fund A/C>	8,500,000	0.83
Mr Gangadhar Bevinakoppa + Dr Savitridevi Bevinakoppa <Koppa Family Super Fund A/C>	6,505,220	0.63
Packer Road Nominees Pty Ltd	6,100,000	0.59
T T Nicholls Pty Ltd <Superannuation Account>	6,000,000	0.58
Dr Frank Udovicic + Mrs Mary Udovicic	6,000,000	0.58
Mr Sloane William Porth	5,900,000	0.58
Bilim Pty Limited <Superannuation Fund A/C>	5,537,037	0.54
Mrs Xiaoli Cai	5,400,000	0.53
	<b>362,559,739</b>	<b>35.33</b>

### Securities exchange

The Company is listed on the Australian Securities Exchange.