Appendix 4D

1. Company Details

Name of Entity

UltraCharge Limited (Formerly Lithex Resources Limited)

ABN	Half year ended ("current period")	Half year ended ("previous period")
97 140 316 463	31 December 2018	31 December 2017

2. Results for announcement to the market

			USD $
2.1 Revenues from ordinary activities	Up	1,402% to	42,187
2.2 Profit / (loss) from ordinary activities after tax attributable to members - 31 December 2017: loss of ($1,547,298)	Down	152% to	(3,903,530)
2.3 Net profit / (loss) for the period attributable to members - 31 December 2017: loss of ($1,510,448)	Down	175% to	(4,160,459)

2.4 Dividends	Amount per security	Franked amount per security
Interim dividend declared	N/A	N/A
2.5 Record date for determining entitlements to the dividend		N/A

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood

The last 6 months have been significant for UltraCharge with major progress achieved across a number of fields, including progressing the development of our technology and enhancing our intellectual property in our main solution LNMO & Tio2.

The Company has made considerable progress with the Joint Development Agreement (JDA) with Chemours (a Fortune 500 company) to build a world leading research and development team. We have also established new partnerships with leading suppliers of battery raw materials and enhanced our in-house capabilities to deliver samples to interested strategic customers for testing.

Consequently, during the reporting period, we have been heavily focused on commercialising the Company's intellectual property and have secured contracts to deliver our solution to customers.

At present, we expect first revenues from our two & three-wheel project will be received in the first half of 2019. The Company has reduced spending on discretionary matters and is extremely focussed on both our research and development and commercialisation of our lithium-ion battery technologies. We also hope to be able to strengthen our cash position sources that will assist us to achieve our business goals. The Company is advancing in negotiations in relation to various funding opportunities and anticipates an announcement in regard to securing additional funding to be made in the next 2-3 months. We will update the market when the Company is in a position to do so.

Furthermore, the Group recognised an impairment of intangible assets of $2,862,195 following value in use calculations across the Group's intangible assets.

3. Net tangible assets per security	31 December 2018 $	31 December 2017 $
Net tangible asset backing per ordinary security	0.0011	0.0030

4. Details of entities over which control has been gained or lost

4.1. Control gained over entities

N/A

4.2. Control lost over entities

N/A

5. Dividends

Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend:				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans.	N/A

7. Details of associates and joint entities

N/A

8. Foreign entities

N/A

9. If the accounts are subject to audit dispute or qualification, details are described below.

N/A

Sign here: Date: 28 February 2019

Director

Print Name: Kobi Ben-Shabat

ULTRACHARGE LIMITED

ABN 97 140 316 463

Interim Financial Report for the Half-Year Ended 31 December 2018

The information contained in this report is to be read in conjunction with UltraCharge Limited’s 2018 Annual Report, any announcements to the market by UltraCharge Limited during the half-year period ended 31 December 2018.

Directors' report

Your Directors submit the financial report for the company for the half-year ended 31 December 2018.

Directors

The names of the directors who held office during or since the end of the half-year:

Mr Doron Nevo – Non-Executive Chairman

Mr Kobi Ben-Shabat – Managing Director

Mr Yury Nehushtan – Non-Executive Director

Mr John Paitaridis – Non-Executive

Mr David Wheeler – Non-Executive Director

Review of Operations

RESULTS OF OPERATIONS

During the half year, ended 31 December 2018, UltraCharge Ltd (**the Company** or **UltraCharge**) reported a net loss after tax attributable to the members of UltraCharge Limited of $3,903,530 (31 December 2017: $1,547,298).

The last 6 months have been significant for UltraCharge with major progress achieved across a number of fields, including progressing the development of our technology and enhancing our intellectual property in our main solution LNMO & Tio2.

The Company has made considerable progress with the Joint Development Agreement (**JDA**) with Chemours (a Fortune 500 company) to build a world leading research and development team. We have also established new partnerships with leading suppliers of battery raw materials and enhanced our in-house capabilities to deliver samples to interested strategic customers for testing.

Consequently, during the reporting period, we have been heavily focused on commercialising the Company's intellectual property and have secured contracts to deliver our solution to customers.

At present, we expect first revenues from our two & three-wheel project will be received in the first half of 2019. The Company has reduced spending on discretionary matters and is extremely focussed on both our research and development and commercialisation of our lithium-ion battery technologies. We also hope to be able to strengthen our cash position sources that will assist us to achieve our business goals. The Company is advancing in negotiations in relation to various funding opportunities and anticipates an announcement in regard to securing additional funding to be made in the next 2-3 months. We will update the market when the Company is in a position to do so.

Business performance

On top of achieving some great technical results, we have also taken major steps towards commercialisation of our lithium-ion battery technologies.

During the reporting period UltraCharge made significant progress in its strategy to grow the business, highlighted by the following key achievements:

1. UTR Israel received two orders from an Israeli Government institution for a project to develop a prototype battery. The project, which was consisted of two orders of AUD $60,000 each. The first order was completed successfully and delivered on time during the reporting period, with the second order being received and

completed subsequent to year end. The project represents a future revenue opportunity on top of this order with additional income yet to be confirmed.

2. The main focus is the supply of a test battery pack to Blitz Motors under the terms of the Purchase Agreement first announced by the Company in May 2018. The test battery pack, which will extend the range of the Blitz electric scooter by up to 50 percent, is expected to be supplied to Blitz Motors in the next month. The potential revenue for UltraCharge in CY 2019 under the Purchase Agreement could exceed USD$1M.
3. UltraCharge has supplied 35 battery packs to Roadix under the Supply Agreement announced in December 2018 with an additional 65 packs in to be supplied in the next month. This is the first order as part of the Company's supply plan for CY 2019. The potential revenue for UltraCharge under the Roadix Supply Agreement in CY 2019 may exceed USD$200K in sales.
4. The Company signed a Joint Venture Agreement with PT Garda, a leading battery supplier to the Indonesian Army, to establish a local production facility and for PT Garda to secure orders of batteries in Indonesia and throughout the ASEAN region. PT Garda must secure firm orders of at least USD$5 million worth of lithium-ion batteries from its military clientele in order to proceed with the JV. As this has not yet occurred, at this stage this opportunity is on hold.
5. UltraCharge has progressed on the JDA with the world's second largest TiO_2 manufacturer, Chemours, to scale-up production and develop new ways of improving the TiO_2 Anode material, as well as reducing the cost of production to sustain commercial aspects of future supplies of Anode material. Chemours have provided USD$75,000 in support of the project while investing funds internally as part of the JDA.
6. UltraCharge has developed a unique opportunity by combining its state-of-the-art, high voltage LNMO cathode with its TiO_2 Anode. Combining the two electrodes will result in a high power, high-energy, ultra-fast charging battery, with the potential to change the automotive Battery Electric Vehicle market. The Company has received a small order from a car manufacture to test the prototype cells that can show the progress in this field. The Company will deliver in next few months.

Corporate

Mr Ben-Shabat received a CEO Bonus that included the issue of 7,000,000 fully paid ordinary shares, of which were approved by at an Extraordinary General Meeting of Shareholders on 17 August 2018 following the satisfaction of Key Performance Indicators during the year ended 30 June 2018, being:

- Sign a commercialisation or partnership or joint venture or development agreement that leads to production capabilities with a strategic partner;
- Acquisition of intellectual property that leads into potential commercialisation or joint development with a strategic partner;
- Commercialisation contract to sell batteries to a customer with sales of more than $1,000,000.

Following the execution of the joint venture agreement with PT Garda Persada, the Company issued consultant Yehuda Cohen 5,000,000 fully paid ordinary shares in lieu of cash for services provided.

On 17 August 2018, the Company received Shareholder approval to issue 50,000,000 unlisted options for services provided under the Armada Capital Mandate relating to the May 2018 Capital Raising.

During the period 12,750,000 performance rights were converted into fully paid ordinary shares following the satisfaction of their vesting conditions.

Shares to be issued

On 18 May 2018, the Company agreed to issue Mr Cohen 2,500,000 fully paid ordinary shares as reimbursement for costs incurred.

Other than set out above, there were no other significant changes to the nature of the consolidated group's principal activities during the period.

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

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the half-year ended 31 December 2018.

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

Kobi Ben-Shabat
Managing Director
Dated this 28th day of February 2019

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Australia

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

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

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

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

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2019

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2018

	Note	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $
Revenue		41,726	-
Other income		461	2,808
General and administrative expenses		(195,587)	(491,078)
Corporate expenses	6	(227,227)	(201,430)
Sales and marketing expenses		(60,392)	(90,375)
Research and development expenses		(554,156)	(549,988)
Other expenses		(11,562)	(10,665)
Impairment loss	7	(2,862,195)	-
Share based payments		(34,598)	(206,570)
Loss before income tax		**(3,903,530)**	**(1,547,298)**
Income tax expense			
Loss after tax		**(3,903,530)**	**(1,547,298)**
Other comprehensive income/(expense) for the period			
Items that may be reclassified through profit or loss			
Exchange differences on translating foreign operations		(256,929)	36,850
Total comprehensive loss for the period		**(4,160,459)**	**(1,510,448)**
Total comprehensive loss attributable to members of UltraCharge Limited		**(4,160,459)**	**(1,510,448)**
Loss per share for the half-year attributable to the members of UltraCharge Ltd (cents per share)		(0.43)	(0.23)
Diluted loss per share for the half-year attributable to the members of UltraCharge Ltd (cents per share)		(0.43)	(0.23)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

as at 31 December 2018

	Note	As at 31 December 2018 $	As at 30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents		1,001,537	2,159,687
Trade and other receivables		101,965	239,282
Total Current Assets		**1,103,502**	**2,398,969**
Non-Current Assets			
Property, plant and equipment		222,172	212,490
Intangible assets	7	1,758,000	4,628,387
Total Non-Current Assets		**1,980,172**	**4,840,877**
TOTAL ASSETS		**3,083,674**	**7,239,846**
LIABILITIES			
Current Liabilities			
Trade and other payables		264,811	204,379
Other creditors		-	90,743
TOTAL CURRENT LIABILITIES		**264,811**	**295,122**
TOTAL LIABILITIES		**264,811**	**295,122**
NET ASSETS		**2,818,863**	**6,944,724**
EQUITY			
Contributed equity	8	12,548,100	12,548,100
Other reserves		2,343,359	2,565,690
Accumulated losses		(12,072,596)	(8,169,066)
TOTAL EQUITY		**2,818,863**	**6,944,724**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the half-year ended 31 December 2018

	Note	Contributed equity $	Accumulated Losses $	Foreign Exchange Reserve $	Share Based Payments Reserve $	Total $
Balance as at 1 July 2017		**8,235,517**	**(4,951,596)**	**241,270**	**1,998,228**	**5,523,419**
Loss attributable to members of entity for the half year ended 31 December 2017		-	(1,547,298)	-	-	(1,547,298)
Total comprehensive loss for the half year		-	-	36,850	-	36,850
Transactions with owners in their capacity as owners		**-**	(1,547,298)	36,850	**-**	**(1,510,448)**
Issue of share capital						
Issued to sophisticated investors		1,997,131	-	-	-	**1,997,131**
Share based payments		-	-	-	311,084	**311,084**
Transaction costs		(232,059)	-	-	-	**(232,059)**
As at 31 December 2017		**10,000,589**	**(6,498,894)**	**278,120**	**2,309,312**	**6,089,127**
Balance as at 1 July 2018		**12,548,100**	**(8,169,066)**	**18,339**	**2,547,351**	**6,944,724**
Loss attributable to members of entity for the half year ended 31 December 2018		-	(3,903,530)	-	-	(3,903,530)
Other comprehensive income		-	-	(256,929)	-	(256,929)
Total comprehensive loss for the half-year		**-**	**(3,903,530)**	**(256,929)**	**-**	**(4,160,459)**
Transactions with owners in their capacity as owners						
Issue of share capital		-	-	-	-	**-**
Share based payments		-	-	-	34,598	34,598
Transaction costs		-	-	-	-	**-**
As at 31 December 2018		**12,548,100**	**(12,072,596)**	**(238,590)**	**2,581,949**	**2,818,863**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the half-year ended 31 December 2018

	Note	Half-Year ended 31 December 2018 $	Half-Year ended 31 December 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		40,875	-
Payments to suppliers and employees		(573,145)	(886,730)
Payments for research		(509,833)	(535,599)
Interest received		461	2,808
Net cash flows used in operating activities		**(1,041,642)**	**(1,419,521)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(25,222)	(115,616)
Purchase of intangible assets		-	(141,534)
Net cash flows used in investing activities		**(25,222)**	**(257,150)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	**1,997,131**
Payment of share issue costs		-	(127,930)
Net cash flows from financing activities		**-**	**1,869,201**
Net increase in cash and cash equivalents		**(1,066,864)**	**192,530**
Cash and cash equivalents at beginning of financial period		2,159,687	1,845,017
Net foreign exchange differences		(91,286)	31,619
Cash and cash equivalents at end of financial period		**1,001,537**	**2,069,166**

The accompanying notes form part of these financial statements.

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

Note 1: Statement of significant accounting policies

This condensed interim financial report for the half-year reporting period ended 31 December 2018 is a condensed general purpose financial report prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of UltraCharge Israel, prepared in accordance with International Financial Reporting Standards (IFRS), for the year ended 30 June 2018 and any public announcements made by UltraCharge Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial report was authorised for issue by the Directors on 28 February 2019.

The financial report is presented in the US dollars which is the functional currency of the parent.

Adoption of new and revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed in below. The impact of these standards, and the other new and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

Changes in accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

<u>AASB 9 Financial Instruments – Impact of Adoption</u>

Impairment of financial assets

The Group's financial assets subject to AASB 9's new expected credit loss model are cash and trade receivables, which arise from the provision of services and sale of goods.

The impact of the impairment requirements of AASB 9 on the Group's financial assets has not resulted in a material impact to the financial statements.

Under AASB 9, the Group was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model. This change in methodology has not had a material impact on the financial statements. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure or a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

<u>AASB 9 Financial Instruments – Accounting Policies Applied from 1 January 2018</u>

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

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

The classification depends on how the Group manages the financial assets and the contractual terms of the cash flows. At half year end, all of the Group's financial assets have been classified as those to be measured at amortised cost.

Measurement

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

Impairment

From 1 July 2018, the Group assesses expected credit losses associated on a forward-looking basis. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

<u>AASB 15 Revenue from Contracts with Customers – Impact of Adoption</u>

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018 which resulted in changes to accounting policies but no adjustments to the amounts recognised in the financial statements.

<u>AASB 15 Revenue from Contracts with Customers – Accounting policies</u>

Group revenues consist of the following elements:

- physical products which are sent to the customer, where revenue is recognised upon shipment or arrival of batteries, dependent on the terms that have been agreed with the customer;

The Group has no material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Basis of Preparation

Going concern basis of accounting

For the half-year ended 31 December 2018 the Group recorded a loss of $3,903,530 (2017: $1,547,298) and had net cash outflows from operating activities of $1,041,642 (2017: $1,419,521).

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

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

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

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

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

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

Note 2: Segment reporting

The Group consists of one segment operating predominately in Israel and investing in research, development and commercialisation of intellectual property relating to lithium-ion battery technology.

Note 3: Subsequent events

There has not been in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature that has not been disclosed elsewhere in this report, in the opinion of the directors of the company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Note 4: Contingent Liabilities & Commitments

Commitments

There has been no change in commitments, contingent liabilities or contingent assets since the last annual reporting date.

Note 5: Dividends

No dividends have been paid or provided for during the half-year.

Note 6: Corporate Expenses

	Consolidated	
	Half-Year ended 31 December 2018 $	Half-Year ended 31 December 2017 $
Stock exchange fees	26,689	46,611
Consultants	55,355	80,092
Corporate advisory fees	29,031	37,403
Legal Fees	82,755	-
Other corporate expenses	33,397	37,324
	227,227	201,430

Note 7: Intangible Asset

	Consolidated	
	31 December 2018 $	30 June 2018 $
Development assets	1,647,010	4,509,205
Patents	110,990	119,182
Total intangible assets	1,758,000	4,628,387

Note 7: Intangible Asset

	31 December 2018 $	30 June 2018 $
Consolidated:		
Carrying amount 1 July 2017	4,628,387	3,686,230
Additions – development assets[1]	-	823,000
Additions – patents	-	130,000
Disposals	-	-
Amortisation – patents	(8,192)	(10,843)
Impairment loss	(2,862,195)	-
Carrying amount at end of financial period	1,758,000	4,628,387

Impairment

The recoverable value of the Group's Intangible Assets are tested on an bi-annual basis at both the cash generating unit (CGU) level and individual asset level where an impairment indicator exists. In the case that significant events or changes in circumstances indicating possible impairment arise during the year, the Group would assess impairment of the CGU or individual asset following such events and changes.

The recoverable amounts of the Group's CGU is calculated using the value-in-use (VIU) method, which reflects the present value of the future cash flows expected to be derived from the CGU. The future cash flow is based on the Board approved budget and then projections for subsequent years. This calculated recoverable amount is then compared with the carrying value of the assets of CGU.

Arising from the VIU calculations across the Group's CGU, a $2,862,195 charge has been recognised which relates to the impairment of intangible assets.

Significant accounting judgements, estimates and assumptions Impairment of intangible assets

The Group determines whether intangibles with indefinite useful lives are impaired under the criteria set out in AASB 136 *Impairment of Assets*. This requires an estimation of the recoverable amount of the cash generating unit, to which these assets are allocated, using a VIU discounted cash flow methodology, which includes management's judgement around future cash flows, growth rates and discount rates.

Key assumptions used for value-in-use calculations

The recoverable amount of the Group's CGU has been calculated based on the following key assumptions:

- Discount rate - 21.0%
- Cash flow forecast – Board approved forecast

The growth rate is based on the board's estimate of the long-term growth rate of the company's product. The discount rate represents the respective CGUs weighted average cost of capital as determined by prevailing or benchmarked market inputs, risk adjusted, where necessary.

Note 8: Issued capital

	Consolidated	
	31 December 2018 $	30 June 2018 $
937,172,286 (2018: 912,422,286) fully paid ordinary shares	12,548,100	12,548,100

Note 8: Issued capital

Movement in Issued Capital

		31 December 2018 No.	31 December 2018 $.	30 June 2018 No.	30 June 2018 $.
a.	**Ordinary shares**				
	At the beginning of reporting period	912,422,286	12,548,100	634,893,121	8,235,517
	Shares issued during the period				
	Cancelation of shares	-	-	(28,603,987)	-
	Shares issued to sophisticated investors	-	-	238,695,652	3,905,901
	Shares issued to brokers	-	-	10,000,000	175,607
	Shares issued for ETV acquisition	-	-	30,000,000	623,000
	Shares issued to CEO as part of bonus[1]	7,000,000	-	-	129,034
	Shares issued to consultants[2]	5,000,000	-	-	92,167
	Shares to be issued as reimbursement[3]	-	-	-	42,360
	Conversion of performance rights	12,750,000	-	27,437,500	-
	Less Share issue costs	-	-	-	(655,486)
	At reporting date	937,172,286	12,548,100	912,422,286	12,548,100

1) Kobi Ben-Shabat received a CEO Bonus of USD$70,000 and 7,000,000 fully paid ordinary shares, of which were approved by at an Extraordinary General Meeting of Shareholders on 17 August 2018 following the satisfaction of Key Performance Indicators during 30 June 2018, being:
   - Sign a commercialisation or partnership or joint venture or development agreement that leads to production capabilities with a strategic partner;
   - Acquisition of intellectual property that leads into potential commercialisation or joint development with a strategic partner;
   - Commercialisation contract to sell batteries to a customer with sales of more than $1,000,000.

   The Shares outlined above were deemed to be issued on 18 May 2018 and were issued 14 September 2018 following receipt of shareholder approval.
2) Following the execution of the joint venture agreement with PT Garda Persada, the Company has agreed to issue consultant Yehuda Cohen 5,000,000 fully paid ordinary shares in lieu of cash for services provided.

   The Shares issued outlined above were deemed to be issued on 18 May 2018 and were issued 14 September 2018.
3) Consultant Yehuda Cohen transferred shares in the full and final settlement of an invoice relating to the Company. On 18 May 2018, the Company agreed to issue Yehuda Cohen 2,500,000 fully paid ordinary shares as reimbursement for costs incurred. These shares are yet to be issued.

Terms and Conditions of Issued Capital

Ordinary Shares

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

Note 9: Share Based Payment Reserve

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

	Consolidated	
	2018 $	2017 $
Balance at beginning of period	2,547,351	1,998,227
Fair value of options issued recognised as share issue costs	-	104,515
Performance Rights granted 2 December 2016	34,598	206,570
Balance as at end of period	2,581,949	2,309,312

Options on issue

The following reconciles the outstanding share options at the beginning of the reporting period, and the end of the reporting period

	31 December 2018 No.	30 June 2018 No.
Description		
At the beginning of reporting period	124,000,000	82,000,000
Options issued during the period	50,000,000	50,000,000
Granted but not issued during the period[1]		50,000,000
Exercised during the period	-	-
Granted during the period	-	-
Expired during the period	-	(8,000,000)
Balance at the end of the period	174,000,000	174,000,000
Exercisable at the end of the period	174,000,000	124,000,000

1. On 17 August 2018, the Company received Shareholder approval to issue 50,000,000 unlisted options for services provided under the Armada Capital Mandate relating to the May 2018 Capital Raising.

Options

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

Unlisted

4,000,000 exercisable at $0.059 before 5 April 2019
20,000,000 exercisable at $0.05 before 2 December 2019
50,000,000 exercisable at $0.0625 before 2 December 2019
100,000,000 exercisable at $0.05 before 30 June 2020

Note 9: Share Based Payment Reserve

Options

Share issue costs

The table below summaries options granted to suppliers during the half-year:

2018								
Grant Date	Expiry date	Exercise price	Balance at start of the period	Granted during the half-year	Exercised during the half-year	Expired during the half-year	Balance at end of the half-year	Exercisable at end of the half year
		AUD $	Number	Number	Number	Number	Number	Number
18 May 18[5]	30 Jun 20	0.05	-	50,000,000	-	-	50,000,000	50,000,000

1. On 17 August 2018, the Company received Shareholder approval to issue 50,000,000 unlisted options for services provided under the Armada Capital Mandate relating to the May 2018 Capital Raising. The unlisted options will be issued for AUD$0.0001 per option, the total expense recognised for the options to be issued was $103,456 is recognised in equity as a share issue cost in the 30 June 2018 reporting period. The options were issued 14 September 2018 following receipt of shareholder approval.

Note 10: Related parties transactions

Key management personnel

Reblaze Singapore Pte Ltd, a related party of Mr Kobi Ben-Shabat, Managing Director, charged the Group director fees of $87,000 (2017: $108,000).

Note 11: Financial Instruments

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount at the reporting date.

Directors’ declaration

The directors of the company declare that:

1. in the directors’ opinion, the financial statements and accompanying notes are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and

    b. give a true and fair view of the company’s financial position as at 31 December 2018 and of its performance for the half year ended on that date;

2. in the directors’ opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

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

Kobi Ben-Shabat
Director
Dated this 28th day of February 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of UltraCharge Limited

Report on the Half-Year Financial Report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 28 February 2019