

GENEX POWER LIMITED – FULL YEAR RESULTS FOR THE YEAR ENDED 30 JUNE 2015

Highlights

- Net loss after tax of \$3.05 million
- \$13.79 million of funding raised during the year (before costs) to develop the Kidston Pumped Storage Hydro Project (Kidston PSH Project)
- Increased expenditure over the previous corresponding period due to:
 - the acquisition of Kidston Gold Mines Limited;
 - completion of the Kidston PSH Project Pre-feasibility study;
 - capital raising costs and expenses; and
 - work undertaken in association with the Company's Initial Public Offering (IPO) and listing on the (Australian Securities Exchange (ASX).

For the year ended 30 June 2015, Genex Power Limited (**Genex, Company or Consolidated Entity**) incurred an after tax loss of \$3.05 million. The majority of expenditure was incurred on the acquisition of Kidston Gold Mines Limited from Barrick Gold Corporation (Barrick) and the completion of the Kidston PSH Project pre-feasibility study.

The Company did not generate any income during the year, other than through bank interest and a small research and development rebate from the Australian Tax Office (ATO).

In July 2014, Genex raised \$2.0 million through the issue of 20,000,000 shares at an issue price of \$0.10 per share with the assistance of Morgans Stockbroking. These funds allowed Genex to complete the acquisition of the Kidston site from Barrick as well as complete the Kidston PSH Project pre-feasibility study. To assist with the pre-feasibility study, which was completed in December 2014, Genex engaged a number of highly experienced and reputable consultants. The outcome of the pre-feasibility study demonstrated that at a conceptual level, the Kidston PSH Project is technically and economically viable.

In April 2015, Genex executed a Convertible Note Agreement with Zhefu Hydropower International Engineering Corporation Limited ("Zhefu") to provide interim funding for the Company. Zhefu is the largest specialist hydroelectric turbine manufacturer in China. Zhefu's strategic investment proposes a continued strategic relationship between Zhefu and Genex going forward.

In July 2015, the Company raised a total of \$8.0 million (before expenses) through the issue of 40 million shares at an issue price of \$0.20 per share and 20 million Loyalty Options in conjunction with an IPO to list on the ASX.

The successful IPO of Genex provides, inter alia, funding for the Company to undertake a full feasibility study for the Kidston PSH Project and to progress the approvals process required the project's development.

Cash at Bank

As at 30 June 2015, Genex had cash at bank of \$10,669,145. The cash balance includes the receipt of \$8,000,000 from the Company's IPO via the issue of 40 million shares. Whilst the settlement of the IPO occurred on 30 June 2015, the Company was restricted from utilising this amount until such a time it successfully listed on the ASX. The Company listed on the ASX on 8 July 2015 thereby freeing any restriction on the cash on that date.

APPENDIX 4E

PRELIMINARY FINAL REPORT

1. Company details

Name of entity:	Genex Power Limited
ABN:	18 152 098 854
Reporting Period:	Year ended 30 June 2015
Previous corresponding period:	Year ended 30 June 2014

2. Results for announcement to the market

Key information				Year ended 30 June 2015 \$
		%		
2.1	Revenue from ordinary activities	Up	2,362	to 83,309
2.2	Loss from ordinary activities attributable to the owners of Genex Power Limited	Up	466	to 3,053,274
2.3	Total Comprehensive Loss for the period attributable to the owners of Genex Power Limited	Up	466	to 3,053,274

Dividends

- 2.4 No dividends have been paid or provided for during the period.

2.5 Brief explanation of the figures reported above necessary to enable the figures to be understood.

The principal activities of the consolidated entity during the course of the year consisted of undertaking a pre-feasibility study (PFS) in relation to the technical and economic viability of developing a pumped storage hydro power project at Kidston in far north Queensland. In order to commence the PFS the Company undertook a capital raising of \$2,000,000 in July 2014.

The Company did not receive any revenue during the period other than interest earned from its bank accounts as well as a research and development rebate from the ATO totaling \$83,309.

The consolidated entity generated an operating loss of \$3,053,274 for the year ended 30 June 2015 (from a loss of \$540,696 in the period ended 30 June 2014) principally due to costs associated with an increase in activity by the Company in undertaking the Kidston PSH project pre-feasibility study and undertaking a listing on the ASX.

3. Net tangible assets	Reporting period	Previous corresponding period
Net tangible assets per ordinary share	4.08 cents	(4.86) cents

The calculation of net tangible assets per ordinary share uses the total number of shares on issue as at 30 June 2015. This includes 23,678,750 shares which were issued to Zhefu on 30 June 2015 following the conversion of the Convertible Note. The Convertible Note automatically converted into ordinary shares at \$0.16 per share upon the fulfilment of all listing conditions.

The total number of shares as at 30 June 2015 includes 40 million shares issued in conjunction with the IPO of the Company on 30 June 2015. The Company was restricted from utilising any of its \$8.0 million IPO cash proceeds and investors were restricted from trading their IPO shares until such time as the Company successfully listed on the ASX. The Company was listed on the ASX on 8 July 2015.

4. Control gained over entities

There was no change in the status of the consolidated entity through the year.

5. Loss of control over entities

There was no change in the status of the consolidated entity through the year.

6. Details of associates and joint ventures

There are no associates of the consolidated entity.

7. Audit

The attached Preliminary Financial Report of Genex Power Limited for the year ended 30 June 2015 is based on the Financial Report of Genex Power Limited for the year ended 30 June 2015 which is in the process of being audited.

8. Attachments

The Preliminary Final Report of Genex Power Limited for the year ended 30 June 2015 is attached.

9. Signed

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

Dated this 28th day of August 2015.

Signed:

A handwritten signature in black ink, appearing to be 'M. Addison', with a stylized flourish at the end.

Michael J. Addison
Managing Director

Genex Power Limited
Preliminary Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Revenue	83,309	3,384
Expenses		
Project site costs	(678,223)	(54,225)
Salary expenses	(1,046,611)	(109,375)
Administrative expenses	(308,509)	(36,137)
Compliance cost and regulatory fees	(111,733)	(2,481)
Project consulting costs	(542,121)	(106,507)
Legal fees	(38,945)	(216,915)
Travel and marketing	(104,494)	(17,230)
IPO costs	(297,998)	-
Finance expenses	(4,500)	-
Other expenses	(3,449)	-
Total Expenses	(3,136,583)	(542,870)
Loss before income tax expense	(3,053,274)	(539,486)
Income tax expense	-	(1,210)
Loss after income tax expense	(3,053,274)	(540,696)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss for the period attributable to the owners of Genex Power Limited	(3,053,274)	(540,696)
	Cents	Cents
Basic earnings per share	(3.26)	(1.01)
Diluted earnings per share	(3.26)	(1.01)

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

Genex Power Limited
Preliminary Consolidated Statement of financial position
As at 30 June 2015

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	10,669,145	238,907
Trade and other receivables	80,075	31,118
Prepayments	58,122	57,953
	10,807,342	327,978
Non-Current Assets		
Environmental bond receivable	3,804,311	3,804,311
Goodwill	3,804,312	3,804,312
Other Assets	18,270	-
	7,626,893	7,608,623
Total Assets	18,434,235	7,936,601
Liabilities		
Current Liabilities		
Trade and other payables	491,160	107,459
Loans	46,285	44,006
Provisions	25,195	-
Environmental bond payable	3,804,311	3,000,000
Rehabilitation and restoration provision	234,000	234,000
	4,600,951	3,385,465
Non-Current Liabilities		
Rehabilitation and restoration provision	3,570,311	3,570,311
Environmental bond payable	-	804,311
	3,570,311	4,374,622
Total Liabilities	8,171,262	7,760,087
Net Assets	10,262,973	176,514
Equity		
Share capital	12,477,028	717,350
Option reserves	1,380,085	30
Accumulated losses	(3,594,140)	(540,866)
Total Equity	10,262,973	176,514

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

Genex Power Limited
Preliminary Consolidated Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2013	170	-	(170)	-
Loss after income tax	-	-	(540,696)	(540,696)
Shares issued during the year net issue costs	717,180	-	-	717,180
Share options issued during the year	-	30	-	30
Balance at 30 June 2014	717,350	30	(540,866)	176,514
Balance at 1 July 2014	717,350	30	(540,866)	176,514
Loss after income tax	-	-	(3,053,274)	(3,053,274)
Shares issued during the year net issue costs	11,759,678	-	-	11,759,678
Share options issued during the year	-	1,380,055	-	1,380,055
Balance at 30 June 2015	12,477,028	1,380,085	(3,594,140)	10,262,973

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

Genex Power Limited
Preliminary Consolidated Statement of cash flows
For the year ended 30 June 2015

	Consolidated	
	30 June 2015	30 June 2014
	\$	\$
Cashflow from Operating Activities		
Receipts from non-ordinary activities	11,880	-
Payments to suppliers and employees (inclusive of GST)	(2,202,874)	(524,483)
Interest income	22,472	3,384
Interest expense	(4,500)	-
Income tax paid	-	(1,210)
Net cash utilised by operating activities	(2,173,022)	(522,309)
Cashflow from Investing Activities		
Payment for purchase of business, net of cash acquired	-	-
Net cash used in investing activities	-	-
Cashflow from Financing Activities		
Gross proceeds from issue of shares	13,788,600	736,350
Capital raising and IPO related costs	(1,187,618)	(19,170)
Net proceeds from issue of shares	12,600,982	717,180
Net proceeds from issue of options	-	30
Net loans	2,278	44,006
Net cash from financing activities	12,603,260	761,216
Net increase in cash and cash equivalents	10,430,238	238,907
Cash and Cash equivalent at the beginning of the financial year	238,907	-
Cash and Cash equivalents at the end of the financial year	10,669,145	238,907

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

Genex Power Limited
Notes to the Preliminary Consolidated Financial Statements
For the year ended 30 June 2015

1. Earnings Per Share

	Consolidated	
	30 June	30 June
	2015	2014
	\$	\$
Total comprehensive loss for the year	3,053,274	540,696
Weighted average number of ordinary shares used in calculating basic earnings per share	93,711,660	53,688,877
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	93,711,660	53,688,877
	Cents	Cents
Basic earnings per share	(3.26)	(1.01)
Diluted earnings per share	(3.26)	(1.01)

2. Income tax expense

	Consolidated	
	30 June	30 June
	2015	2014
	\$	\$
Income tax expense		
Current tax	-	1,210
Adjustment recognised for prior periods	-	-
Aggregate income tax expense	-	1,210
Income tax expense is attributable to:	-	1,210
Aggregate income tax expense	-	1,210
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	-	4,031
Tax at the statutory tax rate of 30%	-	1,210
Income tax expense	-	1,210

Genex Power Limited
Notes to the Preliminary Consolidated Financial Statements (continued)
For the period ended 30 June 2015

3. Equity - issued capital

	30 June 2015 Shares	30 June 2014 Shares	30 June 2015 \$	30 June 2014 \$
Ordinary shares - fully paid	158,393,750	74,700,000	12,477,028	717,350
<i>Movements in ordinary share capital</i>				

Details	Date	No of shares	Issue price	\$
Balance	1 July 2013	17,000,000		170
Issue of shares	2 September 2013	23,000,000	\$0.00001	230
Issue of shares	29 October 2013	20,000,000	\$0.00001	200
Issue of shares	14 March 2014	14,700,000	\$0.05	735,000
Issue of shares	5 May 2014	15,000	\$0.05	750
Share issue costs, net of tax				(19,000)
Balance	30 June 2014	74,715,000		717,350
Issue of shares	18 July 2014	19,309,000	\$0.10	1,930,900
Issue of shares	27 July 2014	691,000	\$0.10	69,100
Issue of shares pursuant to Zhefu Convertible Note	30 June 2015	23,678,750	\$0.16	3,788,600
Issue of shares - IPO	30 June 2015	40,000,000	\$0.20	8,000,000
Issue of Loyalty Options	30 June 2015			(1,380,000)
Share issue costs, net of tax		-	-	(648,867)
Movement for the year		83,678,750		11,759,678
Balance	30 June 2015	158,393,750		12,477,028

4. Events after the reporting year

Subsequent to the end of the year ended 30 June 2015 the following events took place:

The IPO was closed on 25 June 2015. The Company raised a total of \$8 million (before expenses) in conjunction with the IPO through issuing 40 million shares and 20 million loyalty options to new investors. Whilst settlement of the IPO occurred on 30 June 2015, the Company was restricted from utilising IPO cash and investors were restricted from trading their IPO shares until such a time the Company had successfully listed on the ASX.

The shares of Genex Power Limited were listed on the ASX on 8 July 2015 thereby freeing any restriction on its IPO cash proceeds and IPO shares on that date.

On 5 August 2015, Genex lodged an ANZ Bank Guarantee of \$3,000,000 with the Department of Environment and Heritage Protection to partially replace the Kidston Environmental Bond, previously lodged by Barrick Gold Australia. The total amount of the Environmental Bond is \$3,804,311. In accordance with the Kidston Share Sale Agreement, Genex will replace the remaining \$804,311 of the Environmental Bond by 31 December 2015. The ANZ Bank Guarantee is secured against a \$3,000,000 term deposit that ANZ Bank holds on behalf of the Company.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 30 June 2015 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.