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Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2017

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2017

CONTENTS

	<u>Page</u>
Financial Statements	
Directors' Report	1-2
Auditor's Independence Declaration	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8-11
Declaration by Directors	12
Independent Review Report	13-14

For personal use only

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ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2017

Your directors present their Report on the Company and its subsidiaries (the Group) for the half year ended 31 December 2017.

Directors

The names of the directors in office at any time during, or since the end of, the half year are:

Mr G King
Mr S Peters
Mr E. Bulseco

Review of operations

The Group's principal businesses are, and during the financial period, were:

- the development of its coal to liquid project utilising its exclusive (to Australia) license over the patented Oxidative Hydrothermal Dissolution ("OHD") process, to produce, in a totally greenhouse-gas free manner, a unique plant growth bio-stimulant and other useable platform chemicals;
- mineral exploration, with Guyana Strategic Metals Inc. ("GSM") in Guyana (the "Morabisi" project prospective for Lithium and Tantalum); and
- mineral exploration in the Northern Territory of Australia for hypersaline brine potentially containing lithium-rich salts.

For the period ended 31 December 2017 the Group recorded a consolidated loss of \$1,819,213 and incurred net operating cash outflows of \$1,718,790. The expenditure reflected the Group's commitment to Phase 2 of the Guyana Morabisi project and advancement of the OHD coal to liquid project.

Projects

Thermaquatica Coal to Liquid Technology

During the half year ending 31 December 2017 significant advances have been made with the technology in terms of small and commercial-scale plant design and, in relation to the plant growth bio-stimulant, ongoing application testing and business case development. Monash University is providing ongoing assistance with the bio-stimulant application, specifically tomato, wheat and other plants growing trials. Greenpower has worked with a number of industry experts in examining industry application, process development and assistance in applying for Federal and State support.

The Guyana Lithium Project

During the half year the Group finalised the expenditure commitment for Phase 2 (of 4) of the steps provided in the executed Heads of Agreement with GSM to acquire, in stages, 74% of the ownership and control of the lithium-tantalum-rare earths prospective "Morabisi Project" in the Republic of Guyana.

Analytical results received to date from the Phase 2 alluvial sampling program have been very encouraging, and subsequent to period end Greenpower agreed to the early commencement of a drilling campaign.

Northern Territory Hypersaline Brine Project

The Group holds 8 Exploration Licences in the Northern Territory. The Group plans to test the brines for lithium potential from mineral salts. Greenpower anticipates working with companies drilling in the licence areas which is currently on hold awaiting approvals from the Northern Territory government for drilling.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Financial Statements

For the Half Year Ended 31 December 2017

Subsequent Events

- Greenpower anticipates that it will commence Phase 3 of the Guyanese Morabisi Project prospective for lithium and tantalum, from Guyana Strategic Metals Inc. This will include a drilling program with an expenditure budget of USD 1,050,000.
- Greenpower has engaged EPIC Systems, an engineering company in the USA, to design an updated PDU unit envisaged to be shipped to Australia and operated by HRL in Victoria.

There were no other material events subsequent to 31 December 2017.

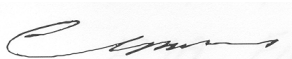
Disclosure Statement

It is recommended that this report is read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by the Company during the half-year ended 31 December 2017 and to the date of this report in accordance with the continuous disclosure requirements of the Australian Securities Exchange ("ASX") Listing Rules.

Auditors Independence Declaration

A copy of the Auditors Independence Declaration by the lead auditor as required under section 307C of the Corporations Act 2001 is included on Page 3 to this half year report.

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



Director:

Mr G.A. King
Dated this 14 February 2018

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 half-year ended 31 December 2017 there have been:

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

William Buck

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

C
Conly Manifis
Director

Dated this 14th day of February, 2018

**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

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Greenpower Energy Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Revenue	8,364	14,992
Administrative expenses	(731,513)	(316,075)
Depreciation and amortisation	(1,562)	(162)
Occupancy costs	(6,210)	(6,210)
Exploration and Tenement costs	(1,088,292)	(292,939)
Net loss before tax	(1,819,213)	(600,394)
Income tax (expense)/benefit	-	-
Net loss for the half year after tax	(1,819,213)	(600,394)
Other Comprehensive Income		
Items that will be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets	(667)	(26,406)
Other Comprehensive Income for the half year, net of tax	(667)	(26,406)
Total comprehensive loss for the half year	(1,819,880)	(626,800)
Total comprehensive loss for the half year attributable to Owners of Greenpower Energy Limited	(1,819,880)	(626,800)
Attributable to owners of Greenpower Energy Limited:		
Basic loss per share (cents per share)	(0.17)	(0.07)
Diluted loss per share (cents per share)	(0.17)	(0.07)

The above Consolidated Statement of Profit or Loss and Other 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 31 December 2017

		31 December	
	Note	2017	30 June 2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	1,870,352	3,714,845
Trade and other receivables		45,116	24,569
Total current assets		1,915,468	3,739,414
Non-current assets			
Other financial assets	11	30,036	30,000
Plant and equipment		918	1,082
Intangible assets		6,922	8,320
Exploration and evaluation assets		920,732	340,732
Total non-current assets		958,608	380,134
TOTAL ASSETS		2,874,076	4,119,548
LIABILITIES			
Current liabilities			
Trade and other payables		127,406	208,068
Total current liabilities		127,406	208,068
TOTAL LIABILITIES		127,406	208,068
NET ASSETS		2,746,670	3,911,480
EQUITY			
Contributed Equity	9	70,343,873	69,872,680
Reserves		727,523	544,313
Accumulated losses		(68,324,726)	(66,505,513)
TOTAL EQUITY		2,746,670	3,911,480

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 Half Year Ended 31 December 2017

31 December 2017

	Ordinary Shares \$	Accumulated Losses \$	Capital Realisation Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2017	69,872,680	(66,505,513)	-	532,980	11,333	3,911,480
Loss for the half year	-	(1,819,213)	-	-	-	(1,819,213)
Other comprehensive income:						
- Revaluation	-	-	-	-	(667)	(667)
Total comprehensive income for the half year	-	(1,819,213)	-	-	(667)	(1,819,880)
Shares issued during the year (net of costs)	471,193	-	-	-	-	471,193
Options exercised	-	-	-	-	-	-
Issue of options	-	-	-	183,877	-	183,877
Balance as at 31 December 2017	70,343,873	(68,324,726)	-	716,857	10,666	2,746,670

31 December 2016

	Ordinary Shares \$	Accumulated Losses \$	Capital Realisation Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2016	64,701,662	(75,153,671)	10,314,793	473,960	416,858	753,602
Loss for the half year	-	(600,394)	-	-	-	(600,394)
Other comprehensive income:						
- Revaluation	-	-	-	-	(26,406)	(26,406)
Total comprehensive income for the half year	-	(600,394)	-	-	(26,406)	(626,800)
Shares issued during the year (net of costs)	2,483,089	-	-	-	-	2,483,089
Options exercised	225,000	-	-	-	-	225,000
Options expired	-	12,500	-	(12,500)	-	-
Issue of options	-	-	-	100	-	100
Balance as at 31 December 2016	67,409,751	(75,741,565)	10,314,793	461,560	390,452	2,834,991

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 Half Year Ended 31 December 2017

		31 December 2017	31 December 2016
	Note	\$	\$
Cash generated from operating activities:			
Payments to suppliers and employees		(1,727,154)	(739,939)
Interest received		8,364	4,963
Net cash outflow in operating activities		(1,718,790)	(734,976)
Cash flows from investing activities:			
Acquisition of exploration assets		(125,703)	-
Proceeds from disposal of investments		-	111,027
Net cash outflow/inflow from investing activities		(125,703)	111,027
Cash flows from financing activities:			
Proceeds from the issues of shares and options		-	3,100,000
Transaction costs		-	(391,811)
Net cash outflow/inflow from financing activities		-	2,708,189
Net (decreases)/increases in cash and cash equivalents		(1,844,493)	2,084,240
Cash and cash equivalents at beginning of period		3,714,845	668,042
Cash and cash equivalents at end of period	7	1,870,352	2,752,282

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

1 Basis of Preparation

These general purpose financial statements for the half year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

These half year financial statements do not include all the notes of the type normally included in the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by Greenpower Energy Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

The same accounting policies and methods of computation have been followed in these half year financial statements as compared with the most recent annual financial statements; except for the adoption of the following new and revised accounting standards.

Standards and Interpretations adopted in the current year:

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the half year ended 31 December 2017. In adopting these new and revised pronouncements, the Group has determined that there has been no material impact to the Group's reported position or performance.

2 Going Concern

For the period ended 31 December 2017 the Group recorded a consolidated loss of \$1,819,213 and incurred net operating cash outflows of \$1,718,790. The expenditure reflected the Group's commitment to Phase 2 of the Guyana Morabisi project and advancement of the OHD coal to liquid project.

The directors have assessed the Group's operating and research costs along with future commitments for tenement exploration costs in order to establish the future funding requirements for the Group. Based on this assessment there are indications that it may not have sufficient working capital to realise its assets and extinguish its liabilities in the normal course of business.

As at 31 December 2017 the group has cash of \$1,870,352. The group anticipates performing a capital raising in 2018 to enable it to fund further exploration of its tenements and ongoing development of its Coal to Liquid project. In the event that the above mentioned strategies cannot be implemented successfully, management will need to reassess its operations, projects and funding requirements going forward. The outcome of such an assessment might conclude that the going concern basis of accounting may not be appropriate with the result that the group may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from that stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

3 Contingent Liabilities and Assets

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 31 December 2017.

4 Subsequent Events

- Greenpower anticipates that it will commence Phase 3 of the Guyanese Morabisi Project prospective for lithium and tantalum, from Guyana Strategic Metals Inc. This will include a drilling program with an expenditure budget of USD 1,050,000.
- Greenpower has engaged EPIC Systems, an engineering company in the USA, to design an updated PDU unit envisaged to be shipped to Australia and operated by HRL in Victoria.

There were no other material events subsequent to 31 December 2017.

5 Capital Commitments

	31 December 2017	30 June 2017
Capital expenditure commitments contracted for:	\$	\$
Exploration Permits	-	-
CTL	105,910	-
Total	105,910	-

	31 December 2017	30 June 2017
Exploration Commitments Payable:	\$	\$
- not later than 12 months	105,910	-
- between 12 months and 5 years	-	-
Total	105,910	-

6 Related Party Transactions

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.

7 Cash and Cash Equivalents

	31 December 2017	30 June 2017
Cash and Cash Equivalents:	\$	\$
Cash at bank	1,712,985	3,559,004
Short term deposits	157,367	155,841
Total	1,870,352	3,714,845

As at 31 December 2017 there is a restriction on available cash of \$157,367. The Group has a number of short term deposits held as a security for various Victorian exploration licenses on released tenements. The Group anticipates that the securities should be released shortly.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

8 Segment Reporting

The Group operates predominantly in one business and geographical segment being Exploration activities throughout Australia.

The Group via a heads of agreement was funding exploration in Guyana undertaken by Greenpower's exploration partner and operator Guyana Strategic Minerals Inc.

9 Issued Capital

	31 December 2017		30 June 2017	
	No	\$	No	\$
Ordinary shares				
- Opening balance 1 July	1,025,999,976	69,872,680	608,899,976	64,701,662
- Shares issued in half year	18,189,655	475,000	-	-
- Shares issued in year	-	-	417,100,000	5,762,677
- Cost of listing shares	-	(3,807)	-	(591,659)
Total as at 31 December	1,044,189,631	70,343,873	1,025,999,976	69,872,680

10 Earnings Per Share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Parent Company as the numerator, i.e., no adjustments to loss were necessary during the six months period to 31 December 2017 and 31 December 2016.

The weighted average number of shares for the purpose of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31 December 2017	31 December 2016
Weighted average number shares used in basis earnings per share	1,036,874,226	793,156,807
Total	1,036,874,226	793,156,807

16,000,000 (six months ended 31 December 2016: 45,000,000) of potential ordinary shares have not been consider in calculating diluted EPS as they are anti-dilutive.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

11 Fair Value Measurement of Financial Instruments

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

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

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2017 and 30 June 2017 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
31 December 2017				
Assets				
Listed securities	29,333	-	-	29,333
Unlisted securities	-	-	707	707
Total	29,333	-	707	30,036
Net fair value	29,333	-	707	30,036
<hr/>				
	Level 1	Level 2	Level 3	Total
30 June 2017				
Assets				
Listed securities	30,000	-	-	30,000
Unlisted securities	-	-	-	-
Total	30,000	-	-	30,000
Net fair value	30,000	-	-	30,000

Greenpower Energy Limited

ABN 22 000 002 111

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 11 are in accordance with the Corporations Act 2001 and:
 - (a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2017 and of its performance as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
2. 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 signed in accordance with a resolution of the Board of Directors.



Director
Mr G.A. King

Dated 14 February 2018

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Greenpower Energy Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Greenpower Energy Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity) on pages 4 to 12, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant 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 Greenpower Energy Limited on pages 4 to 12 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,819,880 and incurred net operating cash outflows of \$1,718,790 during the half year ended 31 December 2017. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors' 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review.

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

Independent auditor's review report to members (cont.)

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 financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its 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 Greenpower Energy Limited, 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 Greenpower Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



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



Conley Manifis
Director

Date this 14th day of February, 2018

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