

ASX RELEASE

APPENDIX 4C – QUARTERLY CASH FLOW REPORT – DECEMBER 2015

PERTH, AUSTRALIA; 29 JANUARY 2016: Hazer Group Limited (ASX: HZR) lodges the attached Appendix 4C Quarterly Cashflow Report for the period ending 31 December 2015.

Commentary is provided as follows:

- The Company had cash reserves of \$4.6m as at 31 December 2015
- Hazer's cash position was significantly boosted by the successful completion of the Company's Initial Public Offering and listing on ASX. The IPO raised a total of \$5m (\$4.7m net of share issue costs) from investors, and closed early with significant oversubscriptions
- Net operating cashflow for the quarter was (\$0.423m); including \$0.135m of one off costs associated with the IPO transaction.
- The Company is now well funded to undertake the core development activities necessary to further commercialise the Hazer Process

About Hazer Group Limited

Hazer Group Limited ("Hazer" or "The Company") is an early stage technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process was developed by researchers at The University of Western Australia (UWA) over several years, before the intellectual property rights were assigned to the Company for further commercial development.

The Hazer Process enables the effective conversion of natural gas, and similar feedstocks, into hydrogen and high quality graphite, using iron ore as a process catalyst. The aim of the Hazer Process will be to achieve savings for hydrogen producers, as well as providing 'clean' hydrogen (i.e. with significant lower production of carbon dioxide emissions), enabling such hydrogen to be used in a range of developing 'clean energy' applications, as well as in large existing chemical processing industries. The graphite produced by the Hazer Process is high purity (>90%wt), highly crystalline 'synthetic' graphite as is generally used in batteries and other high value graphite applications.

Geoff Pocock
Managing Director



For Further Information

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

HAZER GROUP LIMITED

ABN

40 144 044 600

Quarter ended ("current quarter")

31 DECEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers		
1.2 Payments for		
(a) staff costs	(108,917)	(184,854)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other admin and working capital	(146,006)	(235,605)
(f) IPO costs inc ASX initial listing fees	(134,789)	(210,238)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1,798	3,739
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
(a) net GST received/(paid)	(35,701)	(33,498)
Net operating cash flows	(423,616)	(660,456)

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(423,616)	(660,456)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	0	0
1.14 Total operating and investing cash flows	(423,616)	(660,456)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	5,000,000	5,000,000
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
(a) Share issue costs	(307,500)	(307,500)
Net financing cash flows	4,692,500	4,692,500
Net increase (decrease) in cash held	4,268,884	4,032,044
1.21 Cash at beginning of quarter/year to date	326,087	562,927
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	4,594,971	4,594,971

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	209,963
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	<p>Explanation necessary for an understanding of the transactions</p> <ul style="list-style-type: none"> - Fees paid to Polaris Consulting (WA) Pty Ltd, a company controlled by Director Geoff Pocock, as per the Services Agreement outlined in the IPO Prospectus (\$136,063) - Fees paid to Mac Equity Partners (International) Pty Ltd, a company of which Directors Geoff Pocock and Bryant McLarty are shareholders and directors, as per the Corporate Services Agreement outlined in the IPO Prospectus (\$52,000) - Salary and superannuation paid to the Managing Director Geoff Pocock (\$21,900) 	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	4,594,971	326,927
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	4,594,971	326,087

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 January 2016
 (Company secretary)

Print name: Emma Waldon

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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