

## APPENDIX 4C – JUNE 2016 QUARTERLY CASH FLOW REPORT

**PERTH, AUSTRALIA; 29 JULY 2016:** Hazer Group Limited (ASX: HZR) lodges the attached Appendix 4C Quarterly Cash Flow Report for the period ended 30 June 2016.

The Company had cash reserves of \$4.678 million as at 30 June 2016. Cash reserves decreased by \$0.471 million during the quarter as the Company's core research and development activities to commercialise the Hazer Process were established at the University of Sydney. This collaboration has given Hazer access to further expertise and allowed the company to bring forward the commercialisation timeline of the Hazer Process.

Net operating cash flow during the quarter of (\$0.599 million) was partially offset by \$0.128 million of net proceeds from the pro-rata Entitlement Option Issue which completed during the period.

Key achievements during the quarter were:

- Successful commissioning of the Static Bed Reactor, enabling Hazer to assess the effect of different iron ore types and sizes on the hydrogen and graphite product quality.
- Construction and commissioning of a Fluidised Bed Reactor allowing for further scale-up of Hazer's process. These new reactors are capable of generating more than one kilogram of graphite per day, over 3,000 times the amounts previously produced.
- Initial characterisation testing of Hazer graphite, as well as further optimisation of these reactor conditions to improve the yield and quality of both the hydrogen and graphite.
- The company also secured two key appointments. Dr Andrew Harris, lead Director of Laing O'Rourke Engineering Excellence Group, was appointed as a Non-Executive Director and Dr Andrew Minett was appointed Chairman of the newly created Science Advisory Committee. Both individuals have significant expertise in process development, hydrogen production and new energy technologies.

The Company remains well funded to continue the ongoing commercialisation and development focused on further scale up of the core Hazer Process. The company also continues to work towards the design and construction of a demonstration / pilot plant, expected to be undertaken in 2017. The pilot plant is expected to be capable of producing hundreds of kilograms of combined hydrogen and graphite products per day.

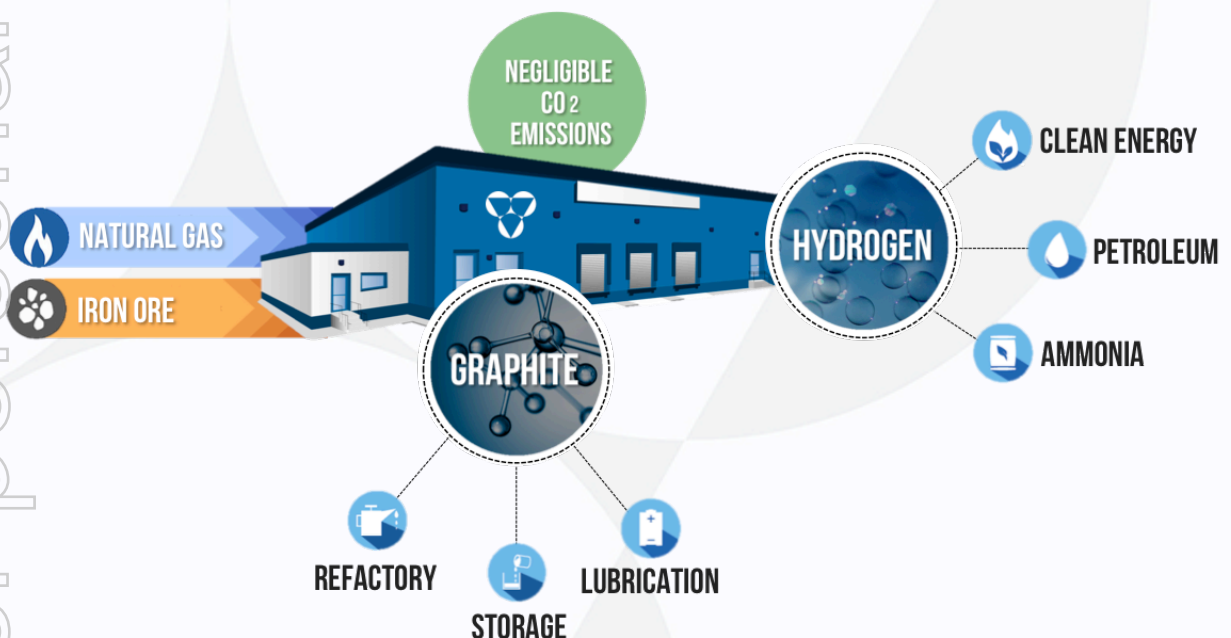


# ABOUT HAZER GROUP

## ABOUT HAZER GROUP:

Hazer Group Limited is a pioneering technology company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. Hazer Group strives to lead the way in clean hydrogen and graphite production with low carbon dioxide emissions.

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 (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, highly crystalline 'synthetic' graphite as is generally used in batteries and other high value graphite applications.



## Hazer Group Limited - Social Media Policy

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow Hazer on Twitter (@hazergroupltd), LinkedIn, Google+ and Youtube.

# 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")

30 JUNE 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers		
1.2 Payments for		
(a) staff costs	(275)	(581)
(b) advertising and marketing		
(c) research and development	(138)	(197)
(d) leased assets		
(e) other admin and working capital	(229)	(603)
(f) IPO costs inc ASX initial listing fees		(131)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	36	49
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)	(18)	(16)
(b) R&D tax refund	24	24
<b>Net operating cash flows</b>	<b>(599)</b>	<b>(1,455)</b>

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**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(599)	(1,455)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(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)		
<b>Net investing cash flows</b>	<b>0</b>	<b>0</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(599)</b>	<b>(1,455)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	151	6,046
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	(23)	(476)
<b>Net financing cash flows</b>	<b>128</b>	<b>5,570</b>
<b>Net increase (decrease) in cash held</b>	<b>(471)</b>	<b>4,115</b>
1.21 Cash at beginning of quarter/year to date	5,149	563
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>4,678</b>	<b>4,678</b>

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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	154
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"> <li>- 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 (\$39k)</li> <li>- Salary and superannuation paid to the Managing Director (\$80k)</li> <li>- Director fees and superannuation paid to Non-Executive Directors (\$35k)</li> </ul>	

**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	1,178	2,149
4.2 Deposits at call	3,500	3,000
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>4,678</b>	<b>5,149</b>

**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 July 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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