

## **APPENDIX 4C – 31 MARCH 2017 QUARTERLY CASHFLOW REPORT**

**PERTH, AUSTRALIA; 28<sup>th</sup> APRIL 2017:** Hazer Group Ltd (“Hazer” or “the Company”) (ASX:HZR, HZRO) lodges the attached Appendix 4C Quarterly Cashflow Report for the 9 month period ended 31 March 2017.

The Company had cash reserves of \$7.25m as at 31 March 2017, increasing by \$4.2m during the quarter following a \$5.0m strategic placement at \$0.60 per share to existing shareholder Mineral Resources Limited (ASX:MIN).

Operating cash outflows for the quarter were \$0.80m as the Company continued its core research and development activities to commercialise the Hazer Process and procured parts and engineering services for a Pre Pilot Plant which has now been constructed. Payments in relation to the Pre Pilot Plant will continue into the quarter ended 30 June 2017. Operating cashflows also included the receipt of a \$0.28m R&D Tax Incentive rebate for FY16.

The completion of construction and “hot commissioning” of the Company’s Pre Pilot Plant during the quarter marked a significant milestone in the Company’s transition from laboratory-based standard equipment to a custom-designed and constructed plant.

Cash reserves will be further bolstered in the coming quarter following a recently closed Share Purchase Plan (“Plan”) which has successfully raised a further \$2.13m. Under the Plan, eligible shareholders could apply for up to \$15,000 of shares at \$0.60 each.

Proceeds from the recent capital raising activities will be used to continue Hazer’s ongoing commercialisation and development of the Hazer Process and also enable Hazer to expand the capability of the Pre Pilot Plant and commence planning for further scale up of the Hazer Process.

**[ENDS]**

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### **ABOUT HAZER GROUP LTD**

Hazer Group Limited (“Hazer” or “The Company”) is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. 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.

For further information, investor or media enquiries, please contact:

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#### **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 subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

HAZER GROUP LIMITED

**ABN**

40 144 044 600

**Quarter ended ("current quarter")**

31 MARCH 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(455)	(992)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(389)	(1,085)
(f) administration and corporate costs	(239)	(672)
1.3 Dividends received (see note 3)		
1.4 Interest received	13	57
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
- Net GST received / (paid)	(12)	(37)
- R&D tax rebate	281	281
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(801)</b>	<b>(2,447)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) businesses (see item 10)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	5,000	5,000
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	3	20
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>5,003</b>	<b>5,020</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,049	4,678
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(801)	(2,447)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,003	5,020

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>7,251</b>	<b>7,251</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7,201	999
5.2	Call deposits		2,000
5.3	Bank overdrafts		
5.4	Other – bank guarantee	50	50
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,251</b>	<b>3,049</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
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140
0

- Fees paid to Mac Equity Partners (International) Pty Ltd, a company of which Director Geoff Pocock is a shareholder and director, as per the Corporate Services Agreement outlined in the IPO Prospectus (\$39k)
- Salary and superannuation paid to the Managing Director (\$66k)
- Director fees and superannuation paid to Non-Executive Directors (\$35k)

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
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0
0

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(550)
9.2 Product manufacturing and operating costs	0
9.3 Advertising and marketing	0
9.4 Leased assets	0
9.5 Staff costs	(425)
9.6 Administration and corporate costs	(250)
9.7 Other (provide details if material)	
- Proceeds from share purchase plan share issue	2,134
- Share issue costs	(40)
<b>9.8 Total estimated cash outflows</b>	<b>869</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: .....28 April 2017.....

Print name: .....Emma Waldon.....

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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