Hazer Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Hazer Group Limited
ABN:	40 144 044 600
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

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Revenues from ordinary activities	down	51%	to	1,297,805
Loss from ordinary activities after tax	up	41%	to	(16,414,826)
Loss for the year	up	41%	to	(16,414,826)

Dividends
No dividend has been declared.

Comments
Revenues from ordinary activities decreased by 51% to $1,297,805 due to recognition of a lower non CDP R&D claim of $1,227,221 than in the prior year (2021: $2,278,381).

Loss from ordinary activities after tax increased to $16,414,826 in 2022 (2021: $11,656,094). The increased loss was primarily due to the increased spending on the CDP construction during the year, with $9,604,916 subsequently impaired and expensed, compared to the prior year's impairment in 2021 of $5,501,361.

Since commencing the Commercial Demonstration Plant (CDP) the Company spent $26,164,430 to the end of 30 June 2022 (2022: $16,673,069 2021: $8,439,490 and 2020: $1,051,871) and offset: $7,068,153 in R&D rebates, realised in the year on commencement of the CDP's cold operations; and $3,990,000 (2022: Nil and 2021: $3,990,000) from a grant received from the Australian Renewable Energy Agency (ARENA). The net costs incurred on the CDP to the end of 30 June 2022 of $15,106,277 ($26,164,430 of total costs, less $7,068,153 for R&D offset, less $3,990,000 associated with grant funds received from ARENA) have been expensed to the profit and loss in line with the Australian accounting standard AASB 136 Impairment of Assets. Other non-cash expenditure for 2022 included share-based payments associated with options issued to management and employees of $143,427 (2021: $3,200,397) and depreciation and amortisation expenses of $77,474 (2021: $47,425).

The Company's total operating expenses increased by 42% to $7,886,814 (2021: $5,571,370), and comprise; increases in consulting and research costs of $2,494,151 (2021: $1,319,954); increased finance costs of $629,864 (2021: $203,522) attributable to costs associated with the revaluation of Convertible Notes issued to AP Ventures in 2021; increased administration expenses $1,488,300 (2021: $1,160,543) mainly due to tax and accounting advice and preparation of the FY22 R&D claim; and employee benefits expenditure $3,274,499 (2021: $2,887,351) associated with additional technical staff engaged in research and development activities, along with the accompanying corporate functions.

The net operating cash outflow for the year was $5,237,375 (2021: inflow of $5,111,843). Primary operating cash outflows for 2022 were for payments to suppliers and employees of $6,627,156 (2021: $5,472,676). Cash inflows in 2021 came from the ARENA grant of $9,410,000 used for the Commercial Demonstration Plant Project (2022: nil) and the receipt of the research and development tax incentive rebate of $1,326,917 in 2022 (2021: $951,463). The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies and is an important program that strongly supports Australian innovation. ARENA grant funding received is held in a restricted cash account until conditions associated with agreed funding milestones are achieved and approved by ARENA.

Investing cash outflows of $16,061,049 (2021: $6,595,264) during the year related to capital costs associated with the Hazer Commercial Demonstration Plant.

Financing cash inflows increased by 63% to $16,073,763 (2021: $9,878,104). Funds were generated during the year from: the issue of 15,217,392 shares ($0.92 exercise price); exercise of 1,000,000 unlisted Series L options ($0.50 exercise price), 85,000 unlisted Series M options ($0.70 exercise price) and 10,000 unlisted Series K options ($1.20 exercise price); proceeds from borrowings after transaction costs of $2,000,000 (2021: $2,127,776); and proceeds from convertible notes after transaction costs was $nil in 2022 (2021: $4,000,000).

Financing cash outflows associated with the repayment of borrowings and lease liabilities were $1,387,505 (2021: $1,026,350) and predominantly used to repay the loan facility held with Mitchell Asset Management.

The Company's cash and cash-equivalent were $18,027,924 at 30 June 2022 (2021: $24,640,090) and net assets at 30 June 2022 were $12,451,967 (2021: $13,316,270).

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	7.48	9.16

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4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Details of associates and joint venture entities

Not applicable.

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7. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

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8. Attachments

The Annual Report of Hazer Group Limited for the year ended 30 June 2022 is attached.

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9. Signed

Signed Tim Goldsmith ________________________ Date: 29 August 2022

Tim Goldsmith
Director

Hazer Group Limited

ABN 40 144 044 600

Annual Report – 30 June 2022

Hazer Group Limited
Corporate directory
For the year ended 30 June 2022

Directors	Tim Goldsmith (Non-Executive Chairman) Danielle Lee (Non-Executive Director) Andrew Hinkly (Non-Executive Director) Jack Hamilton (Non-Executive Director) (appointed 1 November 2021) Andrew Harris (Non-Executive Director) (retired on 8 December 2021) Geoff Ward (Executive Director) (retired on 1 July 2022)
Company Secretary	Romolo Santoro
Registered office	Level 9, 99 St Georges Terrace Perth WA 6000
Principal place of business	Level 9, 99 St Georges Terrace Perth WA 6000
Share register	Link Market Services Limited QV1 Building, Level 12, 250 St Georges Terrace Perth WA 6000
Auditor	RSM Australia Partners Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	Lavan Legal Level 20/1 William St Perth WA 6000
Bankers	Commonwealth Bank of Australia 150 St Georges Terrace Perth WA 6000
Stock exchange listing	Hazer Group Limited shares are listed on the Australian Securities Exchange (ASX code: HZR)
Website	www.hazergroup.com.au
Corporate Governance Statement	https://hazergroup.com.au/investors/#corporategovernance

Dear Shareholder

On behalf of the Board, I am pleased to present the 2022 Annual Report to shareholders.

The last year has been both an exciting and challenging year for the Company.

The major focus for Hazer during FY22 has been the design and construction of our Commercial Demonstration Project (CDP) located at the Woodman Point Water Recovery Facility. As you are all aware, this project is a key step in demonstrating the scale-up and commercial potential of the Hazer Process, a world leading methane pyrolysis technology for the low emission and cost-effective production of clean hydrogen. We were delighted to reach the completion of construction and commissioning activities for the CDP this year, with the introduction of first biogas feed to the plant occurring on 28 June 2022.

Delivery of the CDP project has not been without challenge in FY22. The general construction, engineering and procurement environment has been extremely difficult, with disruptions in international supply chains and restricted access to labour, materials and equipment, making construction challenging. We have not been immune to these factors and regretfully have seen some delays and cost increases for our CDP Project. I'd like to acknowledge the efforts of all in the project team who have worked hard to mitigate and control these impacts.

As a new technology undertaking a complex first-of-type project, we have also encountered some technical challenges. Regrettably, we have suffered two setbacks in the supply of the Hazer reactor and high-temperature heat-exchanger equipment during manufacturing in Australia and China. These setbacks, while being manufacturing related and not directly impacting our technology, have delayed the schedule for hot operations of the CDP with the result that production of hydrogen and graphitic carbon from the plant will not occur until sometime in 2023. We have put in place a program to learn from and respond to these failures with the development of an improved reactor design that will avoid the use of these complex materials, and following the completion of FY22, we were delighted to announce that we had entered into a contract with Hatch, a leading international engineering design company, to support us on these activities. As always, we will keep shareholders fully informed of the forward program as it is updated.

The overall outlook for our Hazer technology remains enormously promising, with international interest in methane pyrolysis technologies continuing to increase. The strong foundations we have built in our technical development program, our R&D program and the flagship impact of our CDP has positioned Hazer very well against competing technologies. We continue to observe this in the strong interest shown in our technology by leading companies in Asia, Europe and North America.

As well as progress with the CDP, we have made significant strides in FY22 in business development activities to establish international collaborations.

During the year, Hazer executed a Memorandum of Understanding (MOU) with Suncor Energy Inc. and FortisBC Energy Inc. to develop a 2,500 tpa low-carbon emission hydrogen production facility based on the Hazer Technology to be located in British Columbia, Canada. The proposed Burrard Hydrogen Project will process natural gas feedstock to produce 2,500 tpa low-carbon emission hydrogen and approximately 9,000 tonnes of synthetic graphite by-product. The initial high-level schedule for the project targets a final investment decision (FID) in 2023, with operations targeted to commence in 2025.

In April, the project secured up to C$8 million of grant funding from the province of British Columbia via the CleanBC Innovation Acceleration Program. Funds will be used to support the pre-FID activities of the project, including the initial feasibility study, front-end engineering and design (FEED) studies, permitting applications and other studies, including assessing the capacity to blend produced hydrogen into the Fortis BC natural gas system. As part of this project, Hazer will progress detailed design of a larger-scale reactor necessary to support the 2,500 tpa capacity and will build and operate a reactor prototype at the Burrard project site.

Hazer remains very fortunate in the strong support and assistance we have continued to receive from key partners. I would like to acknowledge the ongoing support of Water Corporation and the Australian Renewable Energy Agency (ARENA). Water Corp and ARENA have been key to the success of the CDP providing grant funding to support the construction (ARENA) and a project site and biogas feed (Water Corp). We greatly appreciate the constructive support of both these organisations and would like to express our ongoing thanks for their assistance.

We are also grateful for the ongoing support of you, our shareholders and acknowledge the strong support of the Company shown by both new and existing shareholders through FY22. Your strong support has enabled significant progress through FY22, and I look forward to delivering further progress in FY23.

During the year we also saw Professor Andrew Harris retire from the Board after the November 2021 Annual General Meeting. Andrew was a Director of Hazer for 6 years, and I would like to thank him for his contribution to the Company. At the same meeting, we welcomed Dr Jack Hamilton to the Hazer Board. Jack's experience with developing new technology and execution of infrastructure projects will be important as we navigate the next stage of our development, and I am confident he will bring invaluable knowledge to our Board deliberations.

Finally, at the end of FY22, we announced a planned succession for the current Chief Executive, Mr Geoff Ward, with Mr Glenn Corrie to assume the role of Chief Executive Officer of Hazer Group from 10 October 2022. On behalf of the Board, I would like to thank Geoff for his work as Chief Executive Officer and Managing Director over the last four years. The Company has grown significantly and advanced materially under his leadership, and we are all very excited for the prospects ahead based on the strong platform developed by Geoff, the management team, and the Board.

I look forward to your continued support as a shareholder as the Company continues its exciting journey.

Yours faithfully

Mr Tim Goldsmith
Non-Executive Chairman

ABOUT HAZER GROUP

Hazer Group Limited ("Hazer" or the "Company") is a clean technology development company focused on the commercialisation of the Hazer Process – a novel, low carbon emission hydrogen and graphite production technology. The technology initially developed at the University of Western Australia has the potential to deliver two high-value products while reducing carbon emissions through both production and use.

Low-emission hydrogen and graphite are both key products in a de-carbonising economy, and there is a significant global focus on developing a hydrogen economy as part of a transition to a low-carbon environment.

During the year, the Company made significant progress on its core development pathway to commercialise the Hazer Process and completed the construction and commissioning of the Commercial Demonstration Plant (CDP).

COMMERCIAL DEMONSTRATION PLANT PROJECT

Project Overview

Hazer is delighted to have completed the construction and commissioning of the CDP located at Woodman Point, Western Australia, with the introduction of first biogas feedgas of the plant occurring on 28 June.

The Hazer Commercial Demonstration Project is the first fully integrated demonstration of the Hazer Process. The facility will process biogas produced from the treatment of wastewater at the Woodman Point Water Recovery Facility to produce hydrogen and graphite. The CDP is a key step in demonstrating the scale-up and commercial potential of the Hazer technology, a world leading example of methane pyrolysis, a low emission and cost-effective method to produce clean hydrogen.

Since the completion of construction and commissioning by our engineering and construction contractor Primero, operations at the plant have been handed over to the Hazer operations team and our operations & maintenance contractor, Valmec. Going forward, the Hazer operations team will progress a series of planned cold operations trials covering fluidisation, gas conditioning, solids handling, process control, and integration of safety and utilities systems. This phase will deliver initial process data to de-risk the start-up of the second testing phase, which will commence after the fabrication and installation of the Hazer hot-wall reactor and associated high-temperature equipment is completed.

As a new technology undertaking a complex first-of-type project, we have also encountered some technical challenges. Regrettably, we have suffered two setbacks in the supply of the Hazer reactor and high-temperature heat-exchanger equipment during manufacturing in Australia and China. These setbacks, while being manufacturing related and not directly impacting our technology, have delayed the schedule for hot operations of the CDP with the result that production of hydrogen and graphitic carbon from the plant will not occur until sometime in 2023.

Construction of the hot-wall reactor, vessel materials are advancing at the manufacturing mill in China. The reactor vessel has progressed through the first and second forging stages and associated quality assurance processes. The reactor vessel's delivery schedule remains subject to some uncertainty due to the current congested shipping and freight situation around the Shanghai area. The Company is continuing to monitor this closely.

Subsequent to the end of the financial year, Hazer advised shareholders that a critical failure had occurred while undertaking heat-treatment of the high-temperature heat-exchanger in Australia, and we have been working on a rectification plan and options to complete the manufacture of the heat exchanger.

We have put in place a program to learn from and respond to these failures with the development of an improved reactor design that will avoid using these complex materials. We are delighted to announce that we had entered a contract with Hatch, a leading international engineering design company, to support us on these activities.

Project Financing

Funding for the CDP was secured through a combination of equity capital raisings, the exercise of options, grant funding of up to $9.41 million from the Australian Renewable Energy Agency (ARENA) and a $6.0 million senior secured loan facility from Mitchell Asset Management (MAM), and $4 million via the issue of 4,000,000 convertible notes to AP Ventures Fund II GP LLP (AP Ventures). In June 2022, AP Ventures converted 1,333,333 of its convertible notes into 2,430,455 Hazer ordinary shares and subsequent to the end of the financial year in August 2022, converted a further 1,333,333 convertible notes into 2,008,402 Hazer ordinary shares.

ARENA Funding Agreement

In March 2020, Hazer entered into a binding Funding Agreement with the Australian Renewable Energy Agency (ARENA) for a grant of up to $9.41 million to support the construction and operation of the CDP, and Hazer will be eligible for a further $3.92 million when the CDP has its hot reactor installed. Once milestone 3 is achieved, the total grant funding received will be $7.91 million.

Senior Secured Loan Facility

In July 2020, Hazer executed binding agreements with Mitchell Asset Management (MAM) for a $6 million senior secured loan facility to support the construction of the CDP. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP, and the loan can also be used to improve the short term liquidity of the Company.

Subsequent to year-end, the loan terms for the MAM loan were renegotiated, resetting the availability of previously drawn funds that had been re-paid by funds received from historical R&D Tax Incentive rebates. The renegotiated facility provides $6.5 million to support future R&D activities and will terminate in February 2024.

The Australian Federal Government's R&D Tax Incentive Program provides a cash refund on eligible research and development activities performed by Australian companies. The drawdown of the first tranche was made in Q4 calendar year 2020, and the second drawdown was made in Q3 calendar year 2021.

Together, Hazer's cash resources ($18.03 million as at 30 June 2022), the MAM loan and the ARENA grant are forecast to be sufficient to fully fund the construction and commissioning of the CDP.

Issue of Convertible Notes and Options to AP Ventures Fund II GP LLP

On 12 April 2021, Hazer issued 4,000,000 unlisted, unsecured convertible notes with a face value of $1 each and 2,250,000 unlisted options (with a collective exercise price of $1) to AP Ventures Fund II GP LLP. The Convertible Notes can be converted into Hazer ordinary shares between 30 November 2021 and 12 April 2026. If the Notes are converted, the conversion price will be the higher of $0.20 per share or the 5-day volume-weighted average price of Hazer Shares at the time of conversion.

On 29th June 2022, 1,333,333 Convertible Notes were converted into 2,430,455 shares.

Subsequent to the end of the financial year, on 4 August 2022, a further 1,333,333 Convertible Notes were converted into 2,008,402 shares.

COMMERCIAL OPPORTUNITIES & PARTNERSHIPS

Interest in low-emission technologies continues to be very strong internationally across Europe, Asia and North America, with a significant focus on accelerating national decarbonisation plans and increased ambition to tackle climate change on a global scale. We have seen increased engagement with Hazer about the potential to apply the Hazer technology in a range of scenarios, with particular emphasis on the role it could play in the future decarbonisation of heavy industry, such as steel mills and other large scale manufacturing industries.

We have seen increased engagement with Hazer about the potential to apply the Hazer technology in various scenarios, with particular emphasis on its role in the future decarbonisation of heavy industry. This builds on our ongoing work to increase partners in Europe, Asia, North America, and Australia and develop collaborative partnerships in markets with policy environments that incentivise early uptake of low carbon processes and have the appetite for industrial demonstration opportunities.

We continue to focus on identifying prospective early commercialisation opportunities for the Hazer process in these regions and across applications, including heavy manufacturing, steel production, power generation, and transport. The Company is in various stages of discussion – from enquiry, exchange of confidentiality agreements and various levels of due diligence with over 20 major international companies across Europe, Japan, Asia, North America and Australia. These discussions are continuing with the aim to progress toward securing the first generation of commercial opportunities that Hazer are seeking to build on the platform established by the CDP.

Suncor Energy and FortisBC Energy

In February 2022, the Company executed a Memorandum of Understanding (MOU) with Suncor Energy and FortisBC Energy to develop a 2,500 tpa low-carbon emission hydrogen production facility using Hazer's technology. The proposed Hydrogen project will process natural gas feedstock to produce 2,500 tpa low-carbon emission hydrogen and approximately 9,000 tonnes of synthetic graphite by-product.

Suncor will lead the development of the project through the initial feasibility study, engineering, and construction phases of the project, and on completion, will operate the facility. FortisBC will supply natural gas feedstock to the project and will purchase the hydrogen produced from the facility. Hazer will supply the Hazer process technology, lead engineering relating to the core Hazer technology components, and manage the supply of catalyst to the project.

The initial high-level schedule for the project targets a final investment decision (FID) in 2023, with operations targeted to commence in 2025.

Hazer is pleased to advise that the proposed Burrard Hazer Hydrogen project will receive up to C$8 million of grant funding from the province of British Columbia. Under the terms of the Funding Agreement, the funds will be used to support the pre-FID activities of the project, including the initial feasibility study, front-end engineering and design (FEED) studies, permitting applications and studies, and the assessment of the capacity to blend produced hydrogen into the Fortis BC natural gas system. As part of this project, Hazer will progress detailed design of a larger scale reactor necessary to support the 2,500 tpa capacity and will build and operate a prototype of this reactor at the Burrard project site.

RESEARCH & DEVELOPMENT PROGRAM

Research & development remains a core activity for Hazer, with high potential impact programs continuing in 2021 on graphite purification, characterisation, and catalyst & graphite optimisation research. Research is conducted through collaboration with the University of Sydney's School of Chemical and Biochemical Engineering and secured through matched funding awarded by the Innovative Manufacturing CRC (IMCRC) in prior years.

Hazer continued progressing with R&D studies under our arrangement with the Innovative Manufacturing Cooperative Research Centre. Our contract with the IMCRC has been extended until the end of 2022, allowing us to continue the current phase of R&D activities while we review future R&D priorities and goals.

After the end of the financial year, Hazer secured a patent award in the USA for our patent Application No. 15/563430, "A Process for producing hydrogen and graphitic carbon from hydrocarbons". This is excellent news and continues our success in prosecuting our intellectual property protection strategy through a combination of patent protections, trade secrets and know-how.

Hazer is continuing to explore additional applications for our novel graphitic materials. We continue to be encouraged by the market potential for Hazer Graphite in various market segments in purified and unpurified forms. The Hazer CDP will provide the first larger volume of graphite to support market development by delivering sufficient material to allow larger scale testing or trials with customers to build on the initial smaller scale sample testing undertaken during the pilot program.

OUTLOOK

2023 will be another important year for Hazer. We will progress through the cold operations testing phase and into hot operations once the fabrication and supply of the hot-wall reactor and high-temperature heat exchanger is completed.

The planned rigorous testing schedule will demonstrate the continuous operation of the process with the full integration of all required sub-systems for scale-up to commercial operations. The program will derive the engineering data (including confirmation of fluidisation characteristics at a larger scale, heat-transfer parameters and carbon emission parameters) necessary to support the scale-up of the process. The full operation of the project will demonstrate the safe continuous production of low-emission hydrogen and graphite.

We are grateful for the support of ARENA and Water Corporation in making this exciting world-first project possible. The Hazer technology enables a new source of low-emission renewable hydrogen to be developed. It will increase the utilisation of waste resources, improve civic infrastructure and offer new economic opportunities through the development of graphite-manufacturing opportunities and hydrogen for transport or clean energy.

I'd like to thank the Board for their continued support and look forward to updating shareholders in due course as we deliver the CDP, continue exploring potential partnerships and collaborations, and progress our R&D efforts.

Mr Geoff Ward
Chief Executive Officer

The directors present their report, together with the financial statements, on the Hazer Group Limited (referred to hereafter as 'the Company') for the year ended 30 June 2022.

Directors
The following persons were Directors of Hazer Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Tim Goldsmith
- Danielle Lee
- Andrew Hinkley
- Jack Hamilton - appointed 1 November 2021
- Andrew Harris - retired on 8 December 2021
- Geoff Ward - retired on 1 July 2022 (Glenn Corrie will replace Geoff Ward as CEO and Executive Director on 10 October 2022)

Principal activities
During the financial year, the principal continuing activities of the Company consisted of research and development of novel graphite-and-hydrogen-production technology.

The Company has intellectual property rights to a technology (the ‘Hazer Process’), which enables the production of hydrogen gas from the thermo-catalytic decomposition of methane (natural gas) with negligible carbon dioxide emissions and the coproduction of a high-purity graphite product.

Dividends
There were no dividends paid during the year.

Review of operations
Revenues from ordinary activities decreased by 51% to $1,297,805 due to recognition of a lower non CDP R&D claim in the current year of $1,227,221 (2021: $2,278,381).

Loss from ordinary activities after tax increased to $16,414,826 in 2022 (2021: $11,656,094). The increased loss was primarily due to the increased spending on the CDP construction during the year, with $9,604,916 subsequently impaired and expensed, compared to the prior year's impairment in 2021 of $5,501,361.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year
Geoff Ward resigned as Managing Director on 1 July 2022, from this date Mr Ward's role in the Company continues as Chief Executive Officer until the role is handed over to Mr Glenn Corrie on 10 October 2022.

In July 2022 the high-temperature heat-exchanger suffered a critical failure while undergoing heat-treatment in Australia. The fabricator’s representatives have attended the site to assess the situation and collect data to evaluate the cause of the failure and are working to determine a rectification plan and options to complete the manufacture of the heat exchanger.

Following the reporting date, on 5th August 2022, AP Ventures converted a further 1,333,333 Convertible Notes into 2,008,402 shares.

On 17 August 2022, the Senior Secured Loan Facility with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) was amended as follows: A loan repayment is scheduled to be made for the lesser of the FY22 Research and Development rebate received or $2,309,095 plus the accumulated interest from 1 July 2022 until the repayment is made by no later than 28 February 2023; after the repayment of the $2,309,095 plus the accumulated interest from 1 July 2022, the Company's future available drawdown limit is re-set to $6,000,000; the interest charged on outstanding amounts from 18 August 2022 is the RBA Cash Target Rate plus a margin of 10.65% p.a; and the loan termination date is 28 February 2024.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	**Tim Goldsmith**
Title:	Non-Executive Chairman (Independent Director)
Length of service:	Director since 24 July 2017
Qualifications:	Bachelor of Commerce from the Polytechnic of North London (now North London University). Member of the Institute of Chartered Accountants Australia and New Zealand.
Experience and expertise:	Tim was previously a partner at global professional services firm PricewaterhouseCoopers (PwC) for over 20 years. Tim held multiple roles during his PwC career and is best known for leading PwC's global mining team, with more than 2,000 partners and staff in more than 100 mining countries. During his tenure as Global Mining Leader, Tim was also responsible for PwC's thought leadership on the future of the mining industry and was a well-known presenter at mining conferences around the globe. Tim was an early participator in the China growth story and initiated a China focus in 2002 that led to PwC's Australia China desk, which is known throughout China today. As National China Desk Leader, Tim worked extremely closely with many state-owned and private Chinese investors and companies to facilitate Chinese foreign investment in Australian mining and other assets.
Other current directorships:	Non-Executive Director of Costa Group Holdings Ltd (ASX: CGC)
Former directorships (last 3 years):	Chairman of Kopore Metals Limited (ASX: KMT) and Chairman of Angel Seafood Holdings Limited (ASX: AS1)
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	1,078,237
Interests in options:	None
Contractual rights to shares:	None

Name:	**Danielle Lee**
Title:	Non-Executive Director (Independent Director)
Length of service:	Director since 16 September 2015
Qualifications:	Bachelor of Economics from the University of Western Australia, Bachelor of Laws from the University of Western Australia (first class honours), Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia
Experience and expertise:	Danielle is an experienced corporate lawyer with more than 25 years' experience. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised Australian public and private companies in a range of industries on corporate transactions, including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture arrangements.
Other current directorships:	Non-Executive Director of Rare Foods Australia Ltd (ASX: RFA) Non-Executive Director of Openn Negotiation Ltd (ASX: OPN)
Former directorships (last 3 years):	Non-Executive Director of Ocean Grown Abalone Ltd (ASX: OGA)
Special responsibilities:	Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	682,608
Interests in options:	None
Contractual rights to shares:	None

Name:	**Andrew Hinkly**
Title:	Non-Executive Director (Non-Independent Director)
Length of service:	Director since 21 April 2021
Qualifications:	Master of Business Administration from the University of Manchester and Bachelor of Science in Civil Engineering from the University of Loughborough.
Experience and expertise:	Andrew is the Founding Managing Partner of AP Ventures. As Managing Partner at AP Ventures, Andrew has been involved in numerous investments in the hydrogen sector across all aspects of the hydrogen value chain. Prior to AP Ventures, Andrew has enjoyed a high profile career spanning more than 25 years working in commercial roles across the automotive and mining industries, including senior leadership positions at Anglo American, where he worked for a decade and was a member of Anglo American Platinum Executive Committee, and the Ford Motor Company where he was a member of the North American Executive Committee. At Ford, he led the Production Procurement operations of Ford Americas and was responsible for $45 billion of annual purchases from over 40,000 suppliers.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Indirect interest, as Managing Partner of AP Ventures, 4,680,455 shares[1]
Interests in options:	None
Contractual rights to shares:	Indirect interest, as Managing Partner of AP Ventures, 2,666,667 convertible notes[1]

[1] Indirect interest as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued 4,000,000 unlisted, unsecured Convertible Notes with a face value of $1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares.

Name:	**Jack Hamilton**
Title:	Non-Executive Director (Independent Director)
Length of service:	Director since 1 November 2021
Qualifications:	Bachelor of Engineering (Chemical) and Doctorate of Philosophy (Engineering) from the University of Melbourne. A Fellow of the Australian Institute of Energy (FAIE) and a Fellow of the Australian Institute of Company Directors (FAICD).
Experience and expertise:	Jack Hamilton is a highly experienced senior executive and board director with extensive expertise across technology, operations and manufacturing, project management, business development and commercial ventures. Dr Hamilton has held senior positions locally and internationally across the energy sector, including heading up Australia's largest resource project as Director of North West Shelf Ventures for Woodside Energy Ltd.
Other current directorships:	Non-executive director with Calix Ltd (ASX CXL)
Former directorships (last 3 years):	Chairman of AnteoTech (ASX ADO)
Special responsibilities:	Chair of Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	67,500
Interests in options:	None
Contractual rights to shares:	None

Name:	**Andrew Harris**
Title:	Non-Executive Director (Independent Director)
Length of service:	Director 21 June 2016 to 8 December 2021
Qualifications:	PhD in engineering from the University of Cambridge and undergraduate degrees in engineering and science from the University of Queensland. A Fellow of the Institution of Chemical Engineers and Engineers Australia and a member of the Australian Institute of Company Directors
Experience and expertise:	Dr Andrew Harris is highly experienced in renewable energy, sustainability, biomimicry, nanotechnology, process engineering and the hydrogen energy economy. He is the lead Director of the Engineering Excellence Group within Laing O'Rourke's internal engineering and innovation team. Laing O'Rourke is one of the world's largest privately owned engineering and construction companies, with annual revenues of $8 billion, 15,000 staff and operations in Europe, North America, the Middle East, Asia and Australia. The Engineering Excellence Group was established to be a global centre of excellence, to transform Laing O'Rourke's capabilities through strategic innovation, research and development, and enhanced technical performance. Dr Harris is also a Professor of Chemical and Bimolecular Engineering at the University of Sydney and Co-Director of the Laboratory for Sustainable Technology, the state of the art laboratory where Hazer has established its core development activities for the Hazer Process. Dr Harris was the youngest ever professor of Chemical Engineering appointed at the University of Sydney. Dr Harris was also previously the Chief Technology Officer of Zenogen Pty Ltd, a Sydney-based hydrogen production technology company, and was a co-founder of Oak Nano, a University of Sydney start-up commercialising novel carbon nanotube technology. Oak Nano designed and built the largest carbon nanotube production facility in the southern hemisphere.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Remuneration and Nomination Committee and Member of the Audit and Risk Committee
Interests in shares:	127,922 at date of retirement
Interests in options:	None
Contractual rights to shares:	None

Name:	**Geoff Ward**
Title:	Managing Director and Chief Executive Officer
Length of service:	Managing Director since 30 April 2019, and Chief Executive Officer since 8 October 2018
Qualifications:	Master of Business Administration and Bachelor of Engineering
Experience and expertise:	Geoff has over 20 years of experience in the oil and gas, resources and renewable energy sectors. Geoff's experience covers strategy, commercial management, financial management, mergers and acquisitions, capital project development, and operations. In addition to his executive experience, Geoff has served as a Director of a leading corporate advisory firm, Azure Capital. Geoff's advisory experience covers mergers and acquisitions, joint ventures, strategic reviews and turnarounds, debt and equity capital raisings. Geoff has advised Boards and led transactions in engineering services, clean technology and resources sectors. Geoff holds a Master of Business Administration from the University of Western Australia, receiving a Director's Letter of Commendation, and a Bachelor of Engineering (Chemical) (Honours) from the University of Melbourne.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director
Interests in shares:	1,479,970 at date of retirement
Interests in options:	4,000,000 (Unlisted options) at date of retirement
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary
Romolo Santoro has held the role of Company Secretary since 1 January 2021.

Romolo is a highly credentialled senior executive with experience in a broad range of roles across finance, commercial development, corporate services management, corporate governance and company administration. He has worked for ASX listed energy, resources, and construction companies, including Woodside Energy, Alinta Energy and Clough.

Romolo is a Chartered Accountant and Chartered Secretary with a Bachelor of Business in Accounting and Finance. He holds a Master of Business Administration, a Graduate Diploma in Applied Corporate Governance and is a Graduate of the Australian Institute of Company Directors.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Tim Goldsmith	8	8	2	2	2	2
Danielle Lee	8	8	2	2	2	2
Andrew Harris	5	5	1	1	1	1
Jack Hamilton	4	4	1	1	1	1
Andrew Hinkley	6	8	-	-	-	-
Geoff Ward	8	8	2	2	2	2

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency
- capital management

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel, and it is based on the following factors:

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the remuneration structure of non-executive directors and executive directors is separate.

Non-executive directors remuneration
Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Non-Executive Directors do not receive any retirement benefits, other than statutory superannuation.

ASX listing rules require the aggregate Non-Executive Director’s remuneration be determined periodically by a general meeting. Aggregate fixed remuneration for all Non-Executive Directors as determined by the Board is not to exceed $300,000 per annum. Directors’ fees cover all main board and committee activities.

The level of Non-Executive Director fixed fees as at the reporting date are as follows:

Tim Goldsmith	$ 60,000 plus statutory superannuation per annum
Danielle Lee	$ 40,000 plus statutory superannuation per annum
Andrew Harris	$ 40,000 plus statutory superannuation per annum
Andrew Hinkley	Reimbursement of reasonable fees and expenses in attending one annual face-to-face meeting of the Board in Australia.
Jack Hamilton	$ 44,000 per annum

Non-Executive Directors may also receive performance-related compensation via options following receipt of shareholder approval. The issue of share-based payments as part of Non-Executive Director remuneration ensures that Director remuneration is competitive with market standards and provides an incentive to pursue longer-term success for the Company. It also reduces the demand on the cash resources of the Company and assists in ensuring the continuity of service of Directors who have extensive knowledge of the Company, its business activities and assets and the industry in which it operates. Details of share-based compensation is contained in this report.

Executive remuneration
The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation, and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where it does not create additional costs to the Company and provides additional value to the executive.

Performance-based short-term incentives ('STI') may be provided to executives to align the business targets with those executives responsible for meeting those targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options may be awarded to executives based on long-term incentive measures, including increasing shareholder value. Share-based LTIs issued to the Managing Director are subject to shareholder approval.

Use of remuneration consultants
During the financial year ended 30 June 2022, the Company did not engage the services of an independent remuneration consultant to review its remuneration for Directors, key management personnel and other senior executives.

Voting and comments made at the company's Annual General Meeting ('AGM')
The Company received 89.43% “for” votes on its Remuneration Report for the year ended 30 June 2021.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Company are set out in the following tables.

The key management personnel of the Company consisted of the following Directors of the Company:

- Tim Goldsmith – Non-Executive Chairman
- Danielle Lee - Non-Executive Director
- Andrew Hinkly – Non-Executive Director
- Jack Hamilton – Non-Executive Director - appointed 1 November 2021
- Andrew Harris – Non-Executive Director - retired on 8 December 2021
- Geoff Ward – Executive Director - retired on 1 July 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Tim Goldsmith	64,500	-	-	1,500	-	-	66,000
Danielle Lee	40,000	-	-	4,000	-	-	44,000
Andrew Hinkly	-	-	-	-	-	-	-
Jack Hamilton [1]	29,343	-	-	-	-	-	29,343
Andrew Harris [2]	17,576	-	-	1,758	-	-	19,334
Executive Directors:							
Geoff Ward [3]	320,119	42,525	-	33,429	-	-	396,073
	471,538	42,525	-	40,687	-	-	554,750

[1] Jack Hamilton's remuneration is for the period 1 November 2021 to 30 June 2022

[2] Andrew Harris' remuneration is for the period 1 July 2021 to 8 December 2021

[3] Geoff Ward's cash bonus includes a figure of $28,350 in relation to the current financial year that was paid after the year end.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Tim Goldsmith	60,000	-	-	5,700	-	-	65,700
Danielle Lee	40,000	-	-	3,800	-	-	43,800
Andrew Harris	40,000	-	-	3,800	-	-	43,800
Andrew Hinkly	-	-	-	-	-	-	-
Executive Directors:							
Geoff Ward [1]	307,500	100,000	-	38,713	-	88,585	534,798
	447,500	100,000	-	52,013	-	88,585	688,098

[1] Geoff Ward's Share-based payments relate to options issued in a prior period vesting over multiple periods.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Non-Executive Directors:						
Tim Goldsmith	100%	100%	-	-	-	-
Danielle Lee	100%	100%	-	-	-	-
Andrew Hinkly	-	-	-	-	-	-
Jack Hamilton	100%	-	-	-	-	-
Andrew Harris	100%	100%	-	-	-	-
Executive Directors:						
Geoff Ward	89%	64%	11%	19%	-	17%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Geoff Ward
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	8 October 2018
Term of agreement:	Open
Details:	Base salary of $325,238 plus statutory superannuation from 1 January 2022, to be reviewed annually by the Nomination and Remuneration Committee. For the period ending 30 June 2022– a cash bonus of up 30% if KPIs set by the Board are met. Achievement of set KPIs is at the discretion of the Nomination and Remuneration Committee. Three-month termination notice by either party. Twelve-month non-solicitation clause after termination.

Share-based compensation

Options
There were no options over ordinary shares issued during this financial year to Directors and other key management personnel.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Tim Goldsmith	-	-	-	-
Danielle Lee	-	-	-	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	-	-	-
Andrew Harris	-	-	-	-
Geoff Ward	-	-	-	2,000,000
	-	-	-	2,000,000

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consists of options for the year
Year ended 30 June 2022	$	$	$	%
Tim Goldsmith	-	-	1,800,000	-
Danielle Lee	-	-	-	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	-	-	-
Andrew Harris	-	-	-	-
Geoff Ward	-	500,000	500,000	-
	-	500,000	2,300,000	

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consists of options for the year
Year ended 30 June 2021	$	$	$	%
Tim Goldsmith	-	-	1,187,500	-
Danielle Lee	-	60,000	-	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	-	-	-
Andrew Harris	-	-	-	-
Geoff Ward	-	-	-	17%
	-	60,000	1,187,500	

Additional information

The earnings of the Company for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Revenues from ordinary activities	1,297,805	2,664,459	1,436,617	1,669,368	798,877
Loss after income tax	16,414,826	11,656,094	3,225,289	4,396,377	11,009,331
Net assets	12,451,967	13,316,270	18,013,551	5,834,306	6,884,346

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end ($)	0.76	0.86	0.37	0.26	0.25
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(10.38)	(8.22)	(2.99)	(4.71)	(13.37)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/Other	Balance at the end of the year
Ordinary Shares					
Tim Goldsmith	1,048,844	-	29,393	-	1,078,237
Danielle Lee	650,000	-	32,608	-	682,608
Andrew Hinkly	-	-	4,680,455 [1]	-	4,680,455
Jack Hamilton	-	-	67,500	-	67,500
Andrew Harris [3]	127,922	-	-	-	127,922
Geoff Ward	479,970	-	1,000,000 [2]	-	1,479,970
	2,306,736	-	5,809,956	-	8,116,692

[1] Indirect interest as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued with 4,000,000 unlisted, unsecured Convertible Notes with a face value of $1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares.

[2] Exercise of 1,000,000 Series L options.

[3] Closing balance represents shares held at resignation date 8 December 2021.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Additions	Expired Forfeited/ exercised	Balance at the end of the year
Options over ordinary shares					
Tim Goldsmith	1,500,000	-	-	(1,500,000) [1]	-
Danielle Lee	-	-	-	-	-
Andrew Hinkly	2,250,000	-	-	(2,250,000) [2]	-
Jack Hamilton	-	-	-	-	-
Geoff Ward	6,000,000	-	-	(2,000,000) [3]	4,000,000
	9,750,000	-	-	(5,750,000)	4,000,000

[1] Series K Options expired during the year.

[2] Indirect interests as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. This option was exercised in December 2021.

[3] Series L Options: 1,000,000 exercised during the year, and 1,000,000 expired during the year.

Other transactions with key management personnel and their related parties

The number of Convertible Notes in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Additions	Expired Forfeited/ exercised	Balance at the end of the year
Convertible Notes					
Tim Goldsmith	-	-	-	-	-
Danielle Lee	-	-	-	-	-
Andrew Hinkly	4,000,000	-	-	(1,333,333) [1]	2,666,667
Jack Hamilton	-	-	-	-	-
Andrew Harris	-	-	-	-	-
Geoff Ward	-	-	-	-	-
	4,000,000	-	-	(1,333,333)	2,666,667

[1] Indirect interest as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 4,000,000 unlisted, unsecured Convertible Notes with a face value of $1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Options series	Grant date	Expiry date	Exercise price	Number under option
Series M	29/08/2018	30/06/2023	$0.70	500,000
Series M	14/11/2018	30/06/2023	$0.70	1,915,000
Series N	14/11/2018	30/06/2024	$0.90	2,000,000
Series M	18/10/2019	30/06/2023	$0.70	1,550,000
Series N	18/10/2019	30/06/2024	$0.90	1,450,000
Series N	01/12/2020	30/06/2024	$0.90	2,000,000
				9,415,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
The following ordinary shares of the Company were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Options series	Grant date	Expiry date	Exercise price	Number of shares issued
Series K	04/12/2017	31/12/2021	$1.20	10,000
Series L	14/11/2018	30/06/2022	$0.50	1,000,000
Series M	14/11/2018	30/06/2023	$0.70	85,000
Series O	12/04/2021	12/04/2026	$1.00 [1]	2,250,000

[1] Exercise price of Series O shares is $1 collectively for all units of options.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor.

Auditor's independence declaration
A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on the following page.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Tim Goldsmith
Chairman

29 August 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hazer Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PARTNERS

AWhyte

Perth, WA
Dated: 29 August 2022

ALASDAIR WHYTE
Partner

Contents

General information

The financial statements cover Hazer Group Limited as an individual entity. The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Hazer Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 9, 99 St Georges Terrace Perth WA 6000	Level 9, 99 St Georges Terrace Perth WA 6000

The Directors' report includes a description of the nature of the Company's operations and its principal activities, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2022.

The Directors have the power to amend and reissue the financial statements.

Hazer Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue			
Interest received		5,870	6,829
R&D tax rebate	30	1,227,221	2,278,381
Grant income		50,000	311,749
Other income		14,714	67,500
		1,297,805	2,664,459
Expenses			
Finance costs	21	(629,864)	(203,522)
Administration		(1,488,300)	(1,160,543)
Consulting and research expenses		(2,494,151)	(1,319,954)
Employee benefits expenses		(3,274,499)	(2,887,351)
Share based payments	28	(143,427)	(3,200,397)
Depreciation and amortisation expense		(77,474)	(47,425)
Impairment expense on commercial demonstration plant	8	(9,604,916)	(5,501,361)
Loss before income tax expense		(16,414,826)	(11,656,094)
Income tax expense	20	-	-
Loss after income tax expense for the year	19	(16,414,826)	(11,656,094)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(16,414,826)	(11,656,094)
		Cents	**Cents**
Basic earnings per share	29	(10.38)	(8.22)
Diluted earnings per share	29	(10.38)	(8.22)

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

Hazer Group Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	18,027,924	24,640,090
Trade and other receivables	6	8,528,905	1,532,017
Other current assets	7	312,419	246,330
Total current assets		26,869,248	26,418,437
Non-current assets			
Commercial Demonstration Plant	8	-	-
Plant and equipment	9	7,843	13,447
Leases	10	160,819	29,119
Total non-current assets		168,662	42,566
Total assets		27,037,910	26,461,003
Liabilities			
Current liabilities			
Trade and other payables	11	3,152,900	1,810,909
Provisions	12	170,545	164,678
Leases	10	67,195	18,386
Contract liabilities	13	3,920,000	3,920,000
Borrowings	14	2,309,095	1,211,813
Convertible note liability and derivative	15	2,850,795	4,000,000
Total current liabilities		12,470,530	11,125,786
Non-current liabilities			
Leases	10	85,413	8,947
Contract liabilities	13	1,500,000	1,500,000
Provisions	12	530,000	510,000
Total non-current liabilities		2,115,413	2,018,947
Total liabilities		14,585,943	13,144,733
Net assets		12,451,967	13,316,270
Equity			
Issued capital	17	58,859,172	40,774,126
Reserves	18	2,585,976	6,643,064
Accumulated losses	19	(48,993,181)	(34,100,920)
Total equity		12,451,967	13,316,270

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

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	34,128,809	7,185,964	(23,301,222)	18,013,551
Loss after income tax expense for the year	-	-	(11,656,094)	(11,656,094)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(11,656,094)	(11,656,094)
Transactions with owners in their capacity as owners:				
Shares issued pursuant to the exercise of options	6,645,317	(2,886,901)	-	3,758,416
Share-based payments	-	3,200,397	-	3,200,397
Transfer expired options to accumulated losses	-	(856,396)	856,396	-
Balance at 30 June 2021	40,774,126	6,643,064	(34,100,920)	13,316,270

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	40,774,126	6,643,064	(34,100,920)	13,316,270
Loss after income tax expense for the year	-	-	(16,414,826)	(16,414,826)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(16,414,826)	(16,414,826)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	14,835,596	-	-	14,835,596
Shares issued pursuant to the exercise of options	3,249,450	(2,677,950)	-	571,500
Share-based payments	-	143,427	-	143,427
Transfer expired options to accumulated losses	-	(1,522,565)	1,522,565	-
Balance at 30 June 2022	58,859,172	2,585,976	(48,993,181)	12,451,967

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

Hazer Group Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(6,627,156)	(5,472,676)
Interest received		5,870	6,829
Interest and other finance costs paid		(7,720)	(168,022)
Research & development tax rebate received		1,326,917	951,463
ARENA grant income received (inclusive of GST)		-	9,410,000
Grant income received (inclusive of GST)		50,000	316,749
Other government rebates received		-	67,500
Other income received		14,714	-
Net cash (used in)/from operating activities		(5,237,375)	5,111,843
Cash flows from investing activities			
Payments for Commercial Demonstration Plant		(16,049,524)	(6,595,264)
Payments for property, plant and equipment		(11,525)	-
Net cash used in investing activities		(16,061,049)	(6,595,264)
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		13,502,263	-
Proceeds from exercise of share options, net of share issue costs		571,500	3,750,328
Proceeds from issue of convertible notes		-	4,000,000
Proceeds from borrowings		2,000,000	2,163,276
Repayment of borrowings		(1,326,917)	(951,463)
Transaction costs related to borrowings		-	(35,500)
Repayment of lease liability		(60,588)	(39,387)
Net cash from financing activities		14,686,258	8,887,254
Net (decrease)/increase in cash and cash equivalents		(6,612,166)	7,403,833
Cash and cash equivalents at the beginning of the financial year		24,640,090	17,236,257
Cash and cash equivalents at the end of the financial year	5	18,027,924	24,640,090

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price, which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Research and Development tax rebate

Research and Development Tax Rebate (R&D Rebate) judgements are made by Management, utilising the Company's specialist R&D Tax advisers. The process includes interviews, documentation and assessment of the various activities undertaken by the Company to determine if the activities meet the statutory eligibility requirements for an R&D Rebate claim.

The R&D tax rebate is recognised when a reliable estimate of the amount's receivable can be made and accrues the amount as either income in the statement of profit or loss and other comprehensive income or, where appropriate, as an offset against capitalised development costs.

Provision for restoration

Provisions for restoration are made to recognise obligations to restore a site to its original condition and is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future restoration costs for the site are recognised in the statement of financial position by adjusting the asset and the provision. Where there is a reduction in the provision that exceeds the carrying amount of the asset, this is recognised in profit or loss.

Convertible Notes

The Convertible Note valuations methodology is based on the fair value of the conversion option (convertible note derivative), determined using Black-Scholes valuation model, and the residual difference is the value of host liability (convertible note liability).

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 1. Significant accounting policies (continued)

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Provisions
Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Hazer Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Share-based payments

The Company provides benefits in the form of share-based payments, whereby persons render services in exchange for shares or rights over shares (‘equity settled transactions’). The Company does not provide cash settled share-based payments.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an option-pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the period in which the service conditions are fulfilled, ending on the date on which the relevant persons become fully entitled to the award (the ‘vesting period’). The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Research and development

Research costs are expensed in the period in which they are incurred.

Capitalised Development Cost for Commercial Demonstration Plant

Costs directly attributable to create, produce and prepare the Commercial Demonstration Plant to be capable of operating in the manner intended by management are recognised as an asset when the following criteria are met:

- It is technically feasible to complete the Commercial Demonstration Plant so that it will be available for use;
- Management intends to complete the Commercial Demonstration Plant and use it;
- There is an ability to use the Commercial Demonstration Plant;
- It can be demonstrated how the Commercial Demonstration Plant will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use the Commercial Demonstration Plant and;
- The expenditure attributable to the Commercial Demonstration Plant during its development can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset will begin when the development is complete, and the asset is available for use. It will be amortised over the period of expected future benefit. Amortisation will be recorded in profit and loss.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Rounding
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, is set out below.

The directors of the Company do not anticipate that the application of the new or amended Accounting Standards and Interpretations in the future will have an impact on the Company’s financial statements.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses the impairment of non-financial assets, other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset, that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Coronavirus (COVID-19) pandemic
The impact of the Coronavirus (COVID-19) pandemic is ongoing. While Hazer has been able to mitigate most major impacts of the COVID-19 pandemic, we have seen significant disruptions to the Commercial Demonstration Project through restrictions on travel, ability to access suppliers, disruption to supply chains and logistics and competition for resources. As we complete the construction of the Hazer CDP in the first half of FY2022 and move into commissioning, we will continue to be subject to the risk of further disruptions the extent and timing of which it is not possible to estimate at this time, and which will be dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

R&D tax rebate
Significant judgement is required in determining the R&D tax rebate receivable. There are many processes undertaken in determining the claim and satisfying the statutory eligibility requirements for which the ultimate outcome is uncertain. The Company recognises a R&D tax rebate when a reliable estimate of the receivable can be determined in consultation with its independent R&D tax advisors.

Where the outcome of the R&D tax rebate claim is different from the carrying amounts, such differences will impact the statement of profit or loss and other comprehensive income or, where appropriate, as an offset against capitalised development costs in the period in which such determination is made.

Provision for restoration
The provision for restoration is measured at the undiscounted cost expected to restore the Site back to its original condition given the current technologies available, at the earlier of the termination date (30 June 2024) or when the CDP is decommissioned. The calculation of this provision requires assumptions such as the application of closure dates and cost estimates. The provision recognised for the site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for the site, is recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Operating segments

The Company has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment being research and development of novel graphite-and-hydrogen-production technology. There is no difference between the audited financial report and the internal reports generated for review. The company is domiciled in Australia and is currently in the development phase and hence has not begun to generate revenue from operations. All the assets are located in Australia.

Note 4. Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short term deposits, secured borrowings with Mitchell Asset Management and convertible notes on issue to AP Ventures Fund II GP LLP.

The Company manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of its financial targets whilst protecting future financial security.

The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Interest rate risk
At the reporting date, the Company had $18,027,924 (2021: $24,640,090) in cash and cash equivalents exposed to interest rate risk.

At the reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would have been affected as follows:

Note 4. Financial risk management objectives and policies (continued)

	Net Loss Higher/(lower)		Net Equity Higher/(lower)	
	2022	2021	2022	2021
+0.5% (50 basis points)	90,140	123,200	90,140	123,200
-0.5% (50 basis points)	(90,140)	(123,200)	(90,140)	(123,200)

The movements are due to higher / lower interest revenue from cash balances.

Other financial instruments held by the Company aside from cash and short term deposits are predominantly fixed interest liabilities, and as such, are not exposed to interest rate risk.

Liquidity Risk
Liquidity risk is managed through the company's objective to maintain adequate funding to meet its needs, currently represented by cash and short term deposits sufficient to meet the current cash requirements.

The Company has assessed the liquidity risk that repayment obligations to secured lenders are not able to be met and concluded it to be low. Mandatory repayments to secured lenders are offset against the greater of the annual R&D tax rebate amounts as lodged to the Australian Taxation Office and amounts specified within a repayment schedule.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Note	Less than 3 months $	3 to 12 months $	1-5 years $	>5 years $	Total $
Year ended 30 June 2022						
Trade and other payables	11	3,152,900	-	-	-	3,152,900
Lease liabilities	10	16,178	51,017	85,413	-	152,608
Contract liabilities	13	-	3,920,000	1,500,000	-	5,420,000
Borrowings	14	-	2,309,095	-	-	2,309,095
Convertible note liability	15	-	1,357,002	-	-	1,357,002
Convertible note derivative	15	-	1,493,793	-	-	1,493,793
		3,169,078	9,130,907	1,585,413	-	13,885,398
Year ended 30 June 2021						
Trade and other payables	11	1,810,909	-	-	-	1,810,909
Lease liabilities	10	7,495	10,891	8,947	-	27,333
Contract liabilities	13	-	3,920,000	1,500,000	-	5,420,000
Borrowings	14	-	1,211,813	-	-	1,211,813
Convertible note liability	15	-	1,496,911	-	-	1,496,911
Convertible note derivative	15	-	2,503,089	-	-	2,503,089
		1,818,404	9,142,704	1,508,947	-	12,470,055

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Collateral
The Company has pledged part of its cash on deposit in order to fulfil the collateral requirements for its lease contracts and corporate credit card facilities. At 30 June 2022 the fair values of the short-term deposits pledged was $281,221.97 (2021: $64,652.97). The counterparties have the obligation to return the securities in the form of bank guarantees on termination of the lease agreement, subject to make good requirements on the leased properties being fulfilled, or on termination of the credit card facilities.

Mitchell Asset Management Pty Ltd in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund ("Fund"), has also been granted security over all present and after-acquired property of the Company in order to obtain secured borrowings from the Fund.

Note 4. Financial risk management objectives and policies (continued)

Capital management
The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company monitors capital with reference to the net debt position. The company's current policy is to keep the net debt position negative, such that cash and cash equivalents exceed debt.

Note 5. Cash and cash equivalents

	2022 $	2021 $
Cash at bank	12,326,702	19,135,183
Cash on deposit	281,222	84,907
Cash at bank – restricted	5,420,000	5,420,000
	18,027,924	24,640,090

Cash on deposit
The Company has amounts held in term deposits with varying maturities. Amounts held in term deposits are for the purpose of fulfilling collateral and security requirements associated with lease arrangements and corporate credit card facilities held.

Cash at bank - restricted
The Company has received grant funding from ARENA, an independent agency of the Australian federal government, to support the design, procurement, construction, and operation of the Commercial Demonstration Plant. To access the grant funding, the company must meet the operational and technical requirements of agreed funding milestones in a form acceptable to ARENA. This restricted cash represents the grant funding received where the milestone criteria are yet to be satisfied and the funds are not yet freely available for use by the Company.

Note 6. Trade and other receivables

	2022 $	2021 $
GST refundable	233,530	205,100
R&D tax rebate receivable	8,295,375	1,326,917
	8,528,905	1,532,017

GST refundable
GST refundable relates to amounts receivable from the Australian Taxation Office (ATO) in relation to the GST portion paid or payable to trade creditors, which are claimable as input tax credits. GST refunds are generally received from the ATO in the following month, and no allowance for expected credit losses have been recognised in the period ended 30 June 2022 (2021: Nil).

R&D tax rebate receivable
R&D tax rebate receivable represents refundable tax offsets from the Australian Taxation Office (ATO) in relation to expenditure incurred in the current year for eligible research and development activities. Research and development activities are refundable at a rate of 43.5% for each dollar spent, subject to meeting certain eligibility criteria. Funds are expected to be received subsequent to the lodgement of the income tax return and research and development tax incentive schedule for the current financial year.

Note 7. Other current assets

	2022 $	2021 $
Prepayments	298,219	238,327
Deposits	14,200	8,003
	312,419	246,330

Note 8. Commercial Demonstration Plant

	2022 $	2021 $
Commercial Demonstration Plant	25,654,430	8,981,361
Commercial Demonstration Plant – R&D offset	(7,068,153)	-
Commercial Demonstration Plant – restoration provision	510,000	510,000
Commercial Demonstration Plant – accumulated amortisation & impairment	(15,106,277)	(5,501,361)
Commercial Demonstration Plant – ARENA grant offset	(3,990,000)	(3,990,000)
	-	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Cost and grant offset $	Amortisation and impairment $	Total $
Balance at 1 July 2020	**1,051,871**	-	**1,051,871**
Additions	8,439,490	-	8,439,490
ARENA grant - release of contract liability	(3,990,000)	-	(3,990,000)
Impairment of assets	-	(5,501,361)	(5,501,361)
Balance at 30 June 2021	**5,501,361**	**(5,501,361)**	**-**
Additions	16,673,069	-	16,673,069
R&D Offset	(7,068,153)	-	(7,068,153)
Impairment of assets	-	(9,604,916)	(9,604,916)
Balance at 30 June 2022	**15,106,277**	**(15,106,277)**	**-**

The Commercial Demonstration Plant (CDP) is a key stage in the development and scale up of the Hazer process. Development costs directly attributable to create, produce and prepare the Commercial Demonstration Plant for the purpose intended by management is recognised as an intangible asset when the criteria under AASB 138 Intangible Assets are satisfied.

Impairment of the Commercial Demonstration Plant
At 30 June 2022, the Company performed its annual impairment test in relation to intangible assets not yet available for use and identified indicators of impairment in line with AASB 136 Impairment of Assets. At the test date, it was determined that due to the experimental nature of the CDP, future cashflows associated with operating the CDP asset over its expected useful life of 3 years are not expected to exceed potential revenue from the sale of hydrogen and graphite products. Key assumptions used in the value in use calculation are based on market rates for the cost of labour and feedstock required to operate the CDP, along with potential sale price for hydrogen & graphite products.

Accordingly, the Company has concluded that the recoverable amount of the asset derived through its value in use did not exceed the carrying amount, and an impairment charge was recognised for the difference.

Note 9. Plant and equipment

	2022 $	2021 $
Plant and equipment - at cost	54,244	42,719
Less: Accumulated depreciation	(46,401)	(29,272)
Net book value for the period ended	7,843	13,447

	Cost $	Depreciation $	Total $
Balance at 1 July 2020	**42,719**	**(14,954)**	**27,765**
Depreciation expense	-	(14,318)	(14,318)
Balance at 30 June 2021	**42,719**	**(29,272)**	**13,447**
Additions	11,525	(17,129)	(5,604)
Balance at 30 June 2022	**54,244**	**(46,401)**	**7,843**

Note 10. Leases

The Company has lease contracts for the occupation of various office and storage sites used in its operations. Leases of office space and storage sites generally have lease terms of 2 to 5 years, and also include some extension options of up to 2 years. The Company is restricted from assigning and sublease the leased assets. The Company's obligations under the leases are secured by the lessor's title to the leased assets and the amounts held as collateral with lessors in the form of security deposits or bank guarantees issued.

The Company also has certain leases for office space with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	2022 $	2021 $
Right-of-use assets		
At 1 July	29,119	41,136
Additions	192,045	21,090
Depreciation expense	(60,345)	(33,107)
At 30 June	160,819	29,119

	2022 $	2021 $
Lease liabilities		
At 1 July	27,333	45,630
Additions	172,045	21,091
Accretion of interest	13,818	4,471
Payments	(60,588)	(43,859)
At 30 June	152,608	27,333

Note 10. Leases (continued)

	2022 $	2021 $
Lease liabilities classification		
Current	67,195	18,386
Non-current	85,413	8,947
	152,608	27,333

The maturity analysis of lease liabilities is disclosed in note 4.

	2022 $	2021 $
The following are amounts recognised in the profit or loss:		
Depreciation expense of right-of-use assets	60,345	33,107
Interest expense on lease liabilities	13,818	4,471
Expenses relating to short-term leases (included in administration expenses)	13,102	13,102
	87,265	50,680

The Company had total cash outflows for leases of $60,588 in 2022 (2021: $39,387). The Company also had non-cash additions to right-of-use assets and lease liabilities of $192,045 in 2022 (2021: 21,090). The future cash outflows relating to leases that have not yet commenced are disclosed below.

The Company has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within 5 years	More than five years	Total
At 30 June 2021			
Extension options expected not to be exercised	24,000	-	24,000
At 30 June 2022			
Extension options expected not to be exercised	249,887	-	249,887

Note 11. Trade and other payables

	2022 $	2021 $
Accounts payable	2,511,287	1,678,785
Other payables	641,613	132,124
	3,152,900	1,810,909

Trade and other payables are non-interest bearing and generally have a term of 30-90 days.

Note 12. Provisions

	2022 $	2021 $
Current liabilities		
Employee benefits	170,545	164,678
Non-current liabilities		
Lease make good	20,000	-
Provision for restoration	510,000	510,000
	530,000	510,000
	700,545	674,678

Employee benefits
The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees. It is measured as the value of expected future payments for the services provided by the employees up to the reporting date.

Provision for restoration
The Company has entered into a Collaboration Deed with Water Corporation for the use of land and other resources at the Woodman Point Water Resource Recovery (Site) facility to construct and operate the Commercial Demonstration Plant. At the termination date of the Collaboration Deed, it imposes an obligation for the Company to decommission the CDP and restore the Site back to its original condition, unless otherwise agreed with Water Corporation at a later stage.

The provision for restoration is measured at the undiscounted cost expected to restore the Site back to its original condition given the current technologies available, at the earlier of the termination date (30 June 2024) or when the CDP is decommissioned.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Company at the end of the respective lease terms.

Note 13. Contract liabilities

	2022 $	2021 $
Current liabilities		
Current Contract liabilities	3,920,000	3,920,000
Non-current liabilities		
Non-current Contract liabilities	1,500,000	1,500,000
	5,420,000	5,420,000

The Company has received grant funding from ARENA, an independent agency of the Australian federal government, to support the design, procurement, construction, and operation of the Commercial Demonstration Plant. To access the grant funding, the company must meet the operational and technical requirements of agreed funding milestones in a form acceptable to ARENA. Contract liabilities represent the grant funding received where the milestone criteria are yet to be satisfied, and the funds are not yet available to the Company.

The amount of contract liabilities are allocated by grant milestones relating to the practical completion and commencement of commissioning for the Commercial Demonstration Plant, along with the completion of 12, 24 and 36 months of operations.

As the Company targets to achieve practical completion in FY2023, amounts attributable to Milestone 3 are classified as current liabilities and are expected to be released in the next 12 months from 30 June 2022. Amounts relating to operational Milestones are 4 – 6 classified as non-current as the Company is required to fulfil a minimum of 12, 24 and 36 months of operations prior to being eligible for the application of funds.

Note 14. Borrowings

	2022 $	2021 $
Current borrowings	2,309,095	1,211,813

The Company has a $6.5 million Senior Secured Loan Facility with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706). Interest is charged at a rate of 11% to 13% per annum, depending on the various conditions being met. The Facility is secured against all past and future properties, proceeds or benefits of properties owned by Hazer under a general security deed. It has available one further drawdown of $2 million in the loan agreement. The loan has a term of up to 5 years, terminating 30 June 2025, with mandatory repayments expected from future R&D tax rebates, or set repayment amounts in February of each year.

At 30 June 2022, Hazer had available $2,190,905.82 (2021: $4,336,724) of undrawn committed borrowing facilities with Mitchell Asset Management.

Note 15. Convertible note liability and derivative

	2022 $	2021 $
Convertible note liability	1,357,002	1,496,911
Convertible note derivative	1,493,793	2,503,089
	2,850,795	4,000,000

At 30 June 2022, the Company had 4,000,000 notes on issue to AP Ventures Fund II GP LLP as unlisted, unsecured Convertible Notes with a face value of $1 each. The Convertible Notes can be converted into Hazer ordinary shares between 30 November 2021 and 12 April 2026. If the Notes are converted, the conversion price will be, the higher of $0.20 cents per share and the 5-day volume weighted average price of Hazer Shares at the time of conversion.

If the Notes are not converted before their Maturity Date on 12 April 2026, the holder may elect for Hazer to repay the amount owing for the outstanding convertible notes at nil interest. The Notes are unsecured debt obligations of Hazer and rank equally with other unsecured creditors.

The conversion feature of the Notes have been recognised at fair value as a convertible note derivative. The reconciliation for the movements in the Convertible Note features is shown in Note 16 Fair Value Measurement.

Note 16. Fair value measurement

Fair value hierarchy
The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2022	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Convertible Note Liability	-	-	1,357,002	1,357,002
Convertible Note Derivative	-	-	1,493,793	1,493,793
Total liabilities	-	-	2,850,795	2,850,795

There were no transfers between levels during the financial year.

Note 16. Fair value measurement (continued)

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
The Convertible Note valuations methodology is based on the fair value of the conversion option (convertible note derivative), determined using Black-Scholes valuation model.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Convertible Note		
	Liability	**Derivative**	**Total**
	$	$	**$**
Balance at 1 July 2020	-	-	-
Additions	1,496,911	2,503,089	4,000,000
Balance at 30 June 2021	**1,496,911**	**2,503,089**	**4,000,000**
Gain recognised in profit or loss	-	(354,463)	(354,463)
Interest recognised in profit or loss	538,591	-	538,591
Conversions	(678,500)	(654,833)	(1,333,333)
Balance at 30 June 2022	**1,357,002**	**1,493,793**	**2,850,795**

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	**Unobservable inputs**	**Measure**	**Sensitivity**
Convertible Note	Volatility	75%	1% change would increase/decrease fair value by $15,000
	Interest rate	3.36%	0.25% change would increase/decrease fair value by $6,000

Note 17. Issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	166,327,649	145,334,802	58,859,172	40,774,126

Note 17. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Opening balance 1 July 2020	1 July 2020	**136,259,802**		**34,128,809**
Issue of shares on exercise of Series B Options	13 October - 30 December 2020	8,875,000	$0.40	3,550,000
Transfer of Series B options from options reserve	13 October - 30 December 2020	-	$0.00	2,834,273
Issue of shares on exercise of Series K Options	4 February 2021	200,000	$1.20	240,000
Transfer of Series K options from options reserve	4 February 2021	-	$0.00	52,627
Share issue transaction costs, net of tax	30 June 2021	-	$0.00	(31,583)
Closing balance 30 June 2021		**145,334,802**		**40,774,126**
Share placement	8 October 2021	7,608,696	$0.92	7,000,000
Share purchase plan	1 November 2021	7,608,696	$0.92	7,000,000
Issue of shares on exercise of Series K Options	1 November 2021	10,000	$1.20	12,000
Issue of shares on exercise of Series M Options	1 November 2021	85,000	$0.70	59,500
Issue of shares on exercise of Series O Options	14 December 2021	2,250,000	$0.00	1
Issue of shares on exercise of Series L Options	30 June 2022	1,000,000	$0.50	500,000
Transfer of Series K options from options reserve		-	$0.00	4,212
Transfer of Series M options from options reserve		-	$0.00	17,080
Transfer of Series L options from options reserve		-	$0.00	136,657
Transfer of Series O options from options reserve		-	$0.00	2,520,000
Unsecured Convertible Note conversion		2,430,455	$0.55	1,333,333
Share issue transaction costs, net of tax		-	$0.00	(497,737)
Closing balance 30 June 2022		**166,327,649**		**58,859,172**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the previous financial reporting year.

Note 18. Reserves

	2022 $	2021 $
Options reserve	2,585,976	6,643,064

Option reserve
The option reserve records items recognised as expenses on the valuation of share options.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	No of Options	Value $
Opening balance 1 July 2020	**25,625,000**	**7,185,964**
Options issued during a prior year vesting over multiple periods	-	250,186
Options issued during the current year vesting over multiple periods	2,000,000	430,210
Options issued during the year to AP Ventures	2,250,000	2,520,000
Options exercised during the period	(9,075,000)	(2,886,900)
Options expired during the period - series J	(3,750,000)	(856,396)
Opening balance 1 July 2021	**17,050,000**	**6,643,064**
Options exercised - Series K	(10,000)	(4,212)
Options exercised - Series M	(85,000)	(17,081)
Options exercised - Series O	(2,250,000)	(2,520,000)
Options exercised - Series L	(1,000,000)	(136,657)
Options lapsed during the period - Series K	(3,290,000)	(1,385,908)
Options lapsed during the period - Series L	(1,000,000)	(136,657)
Existing options issued in prior periods vesting over multiple periods	-	143,427
Closing balance 30 June 2022	**9,415,000**	**2,585,976**

Note 19. Equity - accumulated losses

	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(34,100,920)	(23,301,222)
Loss after income tax expense for the year	(16,414,826)	(11,656,094)
Transfer expired options to accumulated losses	1,522,565	856,396
Accumulated losses at the end of the financial year	(48,993,181)	(34,100,920)

Note 20. Income Tax

The major components of income tax expense for the years ended 30 June 2022 and 2021 are:

	2022 $	2021 $
Statement of profit or loss		
Current income tax:		
Current income tax charge/(benefit)	-	406,164
Benefit of previously unrecognised tax losses of a prior period used to reduce current tax expense	-	(406,164)
Deferred tax:		
Relating to the origination and reversal of temporary differences	(2,393,503)	(2,402,567)
Derecognition of current year temporary differences	2,393,503	2,402,567
Income tax expense/(benefit) reported in the statement of profit or loss	-	-

Reconciliation of tax expense and accounting profit multiplied by the Company's domestic tax rate for 2022 and 2021:

	2022 $	2021 $
Accounting loss before income tax	**(16,414,826)**	**(11,656,094)**
At the Company's statutory income tax rate of 25% (2021: 26%)	(4,103,706)	(3,030,584)
Non-deductible expenses for tax purposes:		
Expenses eligible for R&D rebate	705,300	809,039
Share based payments	35,857	832,103
Other non-deductible expenses	2,799	2,968
Non-assessable income:		
R&D rebate received on eligible expenses	(306,805)	(592,379)
COVID-19 rebate	-	(17,550)
Movement in temporary deductible and taxable differences in statement of taxable income	2,393,503	2,402,567
Recognition of previously unrecognised tax losses of a prior period	-	(406,164)
		-
At the effective income tax rate of 25% (2021: 26%)	**(1,273,052)**	**-**
Tax losses not brought/(brought) to account	1,273,052	-
Income tax expense/(benefit) reported in the statement of profit or loss	**-**	**-**

Note 21. Finance Costs

	2022	2021
Convertible note interest	538,591	-
Fair Value (Gain)/Loss on convertible note derivative	(354,463)	-
Interest and other finance costs	442,436	168,022
Transaction costs related to borrowings	3,300	35,500
	629,864	**203,522**

Note 22. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2022 $	2021 $
Short-term employee benefits	514,065	547,500
Post-employment benefits	40,687	52,013
Share-based payments	-	88,585
	554,752	688,098

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2022 $	2021 $
Audit services		
Audit or review of the financial statements	71,000	55,500

Note 24. Contingent assets and liabilities

The Company has given bank guarantees as at 30 June 2022 of $246,221.97 (2021: $nil) to various landlords and Western Power in association with the Commercial Demonstration Plant.

Note 25. Commitments

Committed at the reporting date but not recognised as liabilities:

	2022 $	2021 $
Research collaboration agreement:		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	61,896	175,300
Later than 1 year but not later than 5 years	-	-
	61,896	175,300
Construction of Commercial Demonstration Plant		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	2,861,723	8,590,317
Later than 1 year but not later than 5 years	-	-
	2,861,723	8,590,317

Note 26. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties
On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued with 4,000,000 unlisted, unsecured Convertible Notes with a face value of $1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares.

Receivable from and payable to related parties
There were no amounts receivable from related parties at the current or previous reporting period. At 30 June 2022, a bonus of $28,350 was payable to Geoff Ward (Managing Director and Chief Executive Officer).

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	2022 $	2021 $
Loss after income tax expense for the year	(16,414,826)	(11,656,094)
Adjustments for:		
Share-based payments	143,427	3,200,397
Depreciation	77,474	47,425
Transaction costs related to borrowings	-	35,500
Finance costs	622,145	-
Impairment expense	9,604,916	5,501,361
Change in operating assets and liabilities:		
other current assets	(66,089)	(194,468)
trade and other payables	715,270	15,239
employee benefits	5,867	33,413
trade and other receivables	74,441	(1,280,930)
receipt of ARENA grant funding (contract liabilities)	-	5,420,000
receipt of ARENA grant funding (Commercial Demonstration Plant - grant offset)	-	3,990,000
Net cash (used in)/from operating activities	(5,237,375)	5,111,843

Note 28. Share based payments

For the year ended 30 June 2022:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Company:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
06/04/2017	31/12/2020	$1.20	1,000,000	-	-	(1,000,000)	-
04/12/2017	31/12/2021	$1.20	2,300,000	-	(10,000)	(2,290,000)	-
29/08/2018	30/06/2023	$0.70	500,000	-	-	-	500,000
14/11/2018	30/06/2022	$0.50	2,000,000	-	(1,000,000)	(1,000,000)	-
14/11/2018	30/06/2023	$0.70	2,000,000	-	(85,000)	-	1,915,000
14/11/2018	30/06/2024	$0.90	2,000,000	-	-	-	2,000,000
18/10/2019	30/06/2023	$0.70	1,550,000	-	-	-	1,550,000
18/10/2019	30/06/2024	$0.90	1,450,000	-	-	-	1,450,000
01/12/2020	30/06/2024	$0.90	2,000,000	-	-	-	2,000,000
12/04/2021	12/04/2026	$1.00	2,250,000	-	(2,250,000)	-	-
			17,050,000	-	(3,345,000)	(4,290,000)	9,415,000

On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. The options will expire 5 years from the date of their issue and cannot be exercised in the first 12 months following issue of the options.

Note 28. Share based payments (continued)

For the year ended 30 June 2021:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Company:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
06/04/2017	31/12/2020	$0.90	750,000	-	-	(750,000)	-
06/04/2017	31/12/2021	$1.20	1,000,000	-	-	-	1,000,000
04/12/2017	31/12/2020	$0.95	3,000,000	-	-	(3,000,000)	-
04/12/2017	31/12/2021	$1.20	2,500,000	-	(200,000)	-	2,300,000
29/12/2017	31/12/2020	$0.40	8,875,000	-	(8,875,000)	-	-
29/08/2018	30/06/2023	$0.70	500,000	-	-	-	500,000
14/11/2018	30/06/2022	$0.50	2,000,000	-	-	-	2,000,000
14/11/2018	30/06/2023	$0.70	2,000,000	-	-	-	2,000,000
14/11/2018	30/06/2024	$0.90	2,000,000	-	-	-	2,000,000
18/10/2019	30/06/2023	$0.70	1,550,000	-	-	-	1,550,000
18/10/2019	30/06/2024	$0.90	1,450,000	-	-	-	1,450,000
01/12/2020	30/06/2024	$0.90	-	2,000,000	-	-	2,000,000
12/04/2021	12/04/2026	$1.00	-	2,250,000	-	-	2,250,000
			25,625,000	4,250,000	(9,075,000)	(3,750,000)	17,050,000

Set out below are the options exercisable at the end of the financial year:

Option series	Grant date	Expiry date		2022 Number	2021 Number
Series K	06/04/2017	31/12/2021		-	1,000,000
Series K	04/12/2017	31/12/2021		-	2,300,000
Series M	29/08/2018	30/06/2023		500,000	500,000
Series L	14/11/2018	30/06/2022		-	2,000,000
Series M	14/11/2018	30/06/2023		2,000,000	2,000,000
Series N	14/11/2018	30/06/2024		2,000,000	2,000,000
Series M	18/10/2019	30/06/2023	1	1,465,000	1,550,000
Series N	18/10/2019	30/06/2024	1	1,450,000	1,450,000
Series N	01/12/2020	30/06/2024	2	2,000,000	2,000,000
Series O	12/04/2021	12/04/2026	3	-	2,250,000
				9,415,000	17,050,000

[1] All options now vested. In 2021, 1,000,000 options of the total 3,000,000 options issued had not vested at the reporting date.
[2] All options now vested. In 2021, 1,000,000 options of the total 2,000,000 options issued had not vested at the reporting date.
[3] Options could not be exercised prior to 12 April 2022

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.58 years (2021: 2.28).

Note 28. Share based payments (continued)

Expenses arising from share based payment transactions
Total expenses arising from share based payment transactions recognised during the year were as follows:

	2022 $	2021 $
Options issued to KMP	-	88,585
Options issued to employees/consultants vesting over multiple periods	143,427	591,812
Options issued to convertible note holders	-	2,520,000
	143,427	3,200,397

Note 29. Earnings per share

	2022 $	2021 $
Loss after income tax	(16,414,826)	(11,656,094)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	158,099,058	141,730,624

	Cents	Cents
Basic earnings per share	(10.38)	(8.22)
Diluted earnings per share	(10.38)	(8.22)

The Company has 9,415,000 (2021: 17,050,000) options and 2,666,667 (2021: 4,000,000) convertible notes at 30 June 2022, which could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the period presented.

Note 30. R&D tax rebate

Management applied judgement to estimate the amount of Research & Development rebate (R&D rebate) available to the Company for the financial year ended 30 June 2022 to be $8,295,375: $7,068,153 in relation to the capitalised CDP expenditure and $1,227,221 in relation to other expensed R&D costs.

Note 31. Events after the reporting period

Geoff Ward resigned as Managing Director on 1 July 2022, from this date Mr Ward's role in the Company continues as Chief Executive Officer until the role is handed over to Mr Glenn Corrie on 10 October 2022.

In July 2022 the high-temperature heat-exchanger suffered a critical failure while undergoing heat-treatment in Australia. The fabricator's representatives have attended the site to assess the situation and collect data to evaluate the cause of the failure and are working to determine a rectification plan and options to complete the manufacture of the heat exchanger.

Following the reporting date, on 5th August 2022, AP Ventures converted a further 1,333,333 Convertible Notes into 2,008,402 shares.

On 17 August 2022, the Senior Secured Loan Facility with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) was amended as follows: A loan repayment is scheduled to be made for the lesser of the FY22 Research and Development rebate received or $2,309,095 plus the accumulated interest from 1 July 2022 until the repayment is made by no later than 28 February 2023; after the repayment of the $2,309,095 plus the accumulated interest from 1 July 2022, the Company's future available drawdown limit is re-set to $6,000,000; the interest charged on outstanding amounts from 18 August 2022 is the RBA Cash Target Rate plus a margin of 10.65% p.a; and the loan termination date is 28 February 2024.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Hazer Group Limited
Directors' declaration
For the year ended 30 June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Tim Goldsmith

Tim Goldsmith
Chairman

29 August 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAZER GROUP LIMITED

Opinion

We have audited the financial report of Hazer Group Limited (the Company) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
R&D tax rebate Refer to Note 30 in the financial statements	
The Company claims a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme. Management appointed an independent expert to perform a detailed review of the Company's total research and development expenditure to determine the potential claim under the R&D tax incentive legislation. The Company recognises the R&D tax rebate income on an accrual basis. The receivable at year-end for the incentive is $8,295,375 representing the estimated claim for the activity for the year ended 30 June 2022. This is a key audit matter due to the size of the accrual and a high degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.	Our audit procedures included: ▪ Obtaining the R&D rebate calculations prepared by management's expert and engaging a R&D Tax Expert to assess the methodology and determine the reasonableness of the estimate. ▪ Reviewing the expenses applied against the eligibility criteria of the R&D tax incentive scheme to assess whether the expenses included in the estimate were appropriate to meet the eligibility criteria. ▪ Assessing the eligible expenditure used to calculate the estimate to determine whether it is in accordance with accounting records. ▪ Agreeing a sample of individual expenditure items included in the estimate to underlying supporting documentation to determine that they have been appropriately recognised in the accounting records and that they are eligible expenditures. ▪ Reviewing the appropriateness of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Hazer Group Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM
RSM AUSTRALIA PARTNERS

AWhyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 29 August 2022

ASX Additional Information

The Company's ordinary shares are quoted as 'HZR' on ASX.

The shareholder information set out below was applicable as at 16 August 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of ordinary shares	Number of holders of ordinary shares
1 to 1,000	3,149,659	4,820
1,001 to 5,000	17,663,219	6,774
5,001 to 10,000	16,932,073	2,166
10,001 to 100,000	65,197,839	2,353
100,001 and over	65,393,261	183
	168,336,051	16,296
Holding less than a marketable parcel	1,108,920	2,525

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
BNP PARIBAS NOMS PTY LTD	8,000,552	4.75
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	6,974,934	4.14
CITICORP NOMINEES PTY LIMITED	2,731,078	1.62
MR JAMIE PHILLIP BOYTON	2,500,000	1.49
POINT AT INFINITY PTY LTD	1,512,937	0.90
OOFY PROSSER PTY LTD	1,477,365	0.88
MR ADRIAN JOHN MCTIERNAN	1,310,000	0.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,213,287	0.72
RANGEGROVE PTY LTD	1,205,970	0.72
UBS NOMINEES PTY LTD	1,175,064	0.70
MRS LORRAINE ALYSSA GOLDSMITH	1,078,237	0.64
THE UNIVERSITY OF WESTERN AUSTRALIA	996,147	0.59
BNP PARIBAS NOMINEES PTY LTD	967,507	0.57
SHARESIES NOMINEE LIMITED	930,444	0.55
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	712,000	0.42
JOE BOY & MIA MOO PTY LTD	651,110	0.39
TURQUOIS BLUE PTY LTD	632,674	0.38
MR GRAEME STANLEY AH KIT	613,447	0.36
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	566,491	0.34
MR PETER KARAS & MRS CHRISTINA KARAS	532,980	0.32
	35,782,224	21.26

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares - Series M	3,965,000	5
Options over ordinary shares - Series N	5,450,000	6
	9,415,000	11

The unquoted equity securities were issued to key management personnel, employees and contractors of the Company.

Substantial holders
There were no substantial holders in the Company with a percentage of total shares issued greater than 5% of total shares issued.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

On-market Buy-back
There is no current on-market buy-back of the Company's securities in place.