Genex Power

2015 ANNUAL REPORT

ABN 18 152 098 854

CONTENTS

1. CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Genex Power Limited (**Genex** or **Company**) it is my pleasure to present you with Genex's first annual report as a listed company.

2015 was an exciting year for Genex in which the Company witnessed a significant transformation culminating in its successful listing on the ASX. The Board and Management achieved a number of highly strategic milestones on behalf of its shareholders including:

- The completion of a Pre-Feasibility Study (PFS) on the Company's flagship Kidston Pumped Storage Hydroelectric Scheme (Kidston Project) which showed the Kidston Project to be both economically and technically viable at a conceptual level to generate up to 330MW of rapid response, flexible peaking power for delivery into Australia's National Electricity Market;

- Forming a strategic partnership with Zhefu Hydropower International Engineering Corporation Limited (Zhefu), one of the largest hydroelectric electrical and mechanical equipment manufacturers in China and a 20% shareholder in Genex;

- Securing $13.79 million in funding including $8.0 million via the Company's IPO with the funds being used primarily to fund the completion of a Bankable Feasibility Study (BFS), as well as costs associated with obtaining licenses and regulatory approvals required for construction and operation, site maintenance costs, listing costs, overheads and ongoing working capital; and

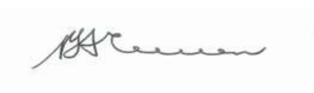
- Making significant progress on the BFS with the appointment of Arran McGhie as Chief Operations Officer and Entura, a specialist power and water consulting firm and a wholly owned subsidiary of Hydro Tasmania.

The Company's aim is to develop the Kidston Project into a large scale, low cost, flexible solution to Queensland's growing peaking power requirements and to position itself to take advantage of the combined effects of an oversupply of baseload generation capacity and escalating peak power prices being driven by increasing gas turbine fuel costs.

The Board and Management are working diligently and remain committed to delivering a BFS for the Kidston Project in Q3 2016.

On behalf of the Board, I would like to thank all shareholders for their support, whether it be prior to or during the Company's IPO, and to those new shareholders who have joined us since our listing. I look forward to an exciting and productive 2016 financial year.

Yours faithfully,



Dr Ralph Craven
Non-Executive Chairman

2. MANAGING DIRECTOR'S REVIEW OF OPERATIONS

2015 Highlights

- Completion of the Kidston Pumped Storage Hydro Project (Kidston Project) pre-feasibility study (PFS);
- Work undertaken in association with the Company's Initial Public Offering (IPO) and the listing of Genex on the Australian Securities Exchange (ASX); and
- $13.79 million of funding raised during the year (before costs) to develop the Kidston Project.

Company Overview

Genex Power is a power generation development company based in Australia. The Company is focussed on innovative clean energy generation and storage solutions which deliver attractive commercial returns for shareholders. Genex is currently pursuing a number of unique development opportunities in Queensland.

The Company's current focus is on the development of the 330MW Kidston hydro pumped storage power generation project located in Northern Queensland. Following acquisition of the Kidston Project site in June 2014 and completion of the associated pre-feasibility study (PFS), the Kidston Project has now transitioned to full feasibility stage.

The 2015 Financial Year

2015 marked a transformational year for Genex Power. During the year Genex achieved a number of important milestones, placing the Company in a strong position to continue the development of its flagship Kidston Project and to pursue other clean energy project opportunities.

The highlights for the year centred on the initiation and subsequent completion of the Kidston Project PFS and fund raising activities, culminating in the listing of the Company on the Australian Securities Exchange (ASX) in early July 2015. The successful listing of Genex on the ASX provided the Company with sufficient capital to commence a full feasibility study on the Kidston Project.

Review of Operations

For the year ended 30 June 2015, Genex Power incurred an after tax loss of $3.05 million. The majority of expenditure was used for site maintenance, capital raising activities and the completion of the Kidston Project PFS. The Company did not generate any material income during the year.

Acquisition of Kidston

Genex completed the acquisition of Kidston Gold Mines Limited from Barrick Gold on 4 June 2014 following an extensive due diligence process. As part of the acquisition process, Genex was required to assume responsibility for the environmental management of the Kidston Project site as well as replace the existing Environmental Assurance Bonds associated with the site.

Pre-Feasibility Study

Following acquisition of the site, Genex immediately embarked on a PFS for the proposed 330MW pumped storage hydroelectric project at Kidston. As part of the PFS, Genex engaged with a number of reputable consulting firms to assist with various components of the study. The PFS was completed in December 2014, indicating the Kidston Project to be both technically and economically viable at a conceptual level.

Capital Raisings

During the 2015 financial year, Genex raised a total of approximately $13.79 million in equity funding. The funding was raised over a number of separate tranches as detailed below:

- In July 2014, Genex raised $2.0 million through the issue of 20 million shares at an issue price of $0.10 per share with the assistance of Morgans Stockbroking. These funds allowed Genex to complete the acquisition of the Kidston site from Barrick Gold as well as complete the Kidston Project PFS.

- In April 2015, Genex executed a Convertible Note Agreement with Zhefu Hydropower International Engineering Corporation Limited ("Zhefu") to provide approximately $3.8 million of interim funding for the Company. Zhefu is the largest specialist hydroelectric turbine manufacturer in China. Zhefu's strategic investment proposes a continued strategic relationship between Zhefu and Genex going forward.

- In July 2015, Genex raised a total of $8.0 million (before expenses) through the issue of 40 million shares (and 20 million Loyalty Options) at an issue price of $0.20 per share in conjunction with the Company's listing on the ASX. The completion of the IPO marked a major milestone for the Company, providing the funding required to commence a full feasibility study for the Kidston Project.

Since the time of its admission to the ASX and up until the time of this Annual Report, Genex has utilised its cash raised under the IPO in a way that is consistent with its business objectives as outlined in the Company's Prospectus.

Company Outlook

Moving forward, Genex is committed to delivering shareholder value through the development of the Kidston Project. The Company is fully engaged with Entura as its feasibility study manager and is well progressed on the feasibility work program. Genex remains committed to delivering a completed feasibility study in Q3 2016.

Concurrently, progress is being made on the Kidston Project approvals front. Genex and its advisers are engaging directly with key stakeholders and are working closely with government departments to ensure the necessary approvals required are in place in time for the construction of the project. To date the project has received high level indicative support from the Queensland Government and the Etheridge Shire Council.

In addition to the Kidston Project, the Company continues to look at energy development and storage opportunities across the country. Genex remains committed to its strategy of developing a pipeline of innovative clean energy projects which can deliver tangible value to its shareholders.

Yours faithfully,

Michael Addison
Managing Director

3. DIRECTORS' REPORT & REMUNERATION REPORT

The directors present their report, together with the financial statements, of Genex Power Limited (referred to hereafter as the 'consolidated entity') consisting of Genex Power Limited (referred to hereafter as 'Genex', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the twelve month period ended 30 June 2015.

Directors

The following persons were directors of Genex Power Limited during the whole of the year and up to the date of this report, unless otherwise stated:

Michael Addison	(appointed 15 July 2011)
Simon Kidston	(appointed 1 August 2013)
Ben Guo	(appointed 25 October 2013)
Ralph Craven*	(appointed 1 July 2014)
Alan du Mée*	(appointed 1 July 2014)

** Dr Craven and Mr du Mée ceased being directors on 26 March 2015 and were reappointed on 29 May 2015.*

Principal activities

The consolidated entity's principal activity is mine remediation and the feasibility, development and proposed construction of pumped storage hydro power generators commencing with the company's flagship project in Kidston in far north Queensland.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Significant changes in the state of affairs

The principal activities of the consolidated entity during the course of the year consisted of undertaking a pre-feasibility study (PFS) in relation to the technical and economic viability of developing a pumped storage hydroelectric power project at Kidston in far north Queensland.

In July 2014, Genex raised an amount of $2.0 million through the issue of 20 million shares at an issue price of $0.10 per share with the assistance of Morgans Stockbroking. These funds allowed Genex to complete the acquisition of the Kidston site from Barrick Gold Australia (Barrick Gold) as well as commence the Kidston Project pre-feasibility study. To assist with the pre-feasibility study, which was completed in December 2014, Genex engaged a number of highly experienced and reputable consultants. The outcome of the pre-feasibility study demonstrated that, at a conceptual level, the Kidston Project is technically and economically viable.

On 7 May 2015, the Company's Board varied the terms of the Kidston Share Sale Agreement with Barrick Gold, to the extent that the Company's obligation to replace the first and second tranches of the environmental assurance bond associated with the Kidston site, totalling $3.0 million, was deferred until 15 August 2015. This full amount has now been replaced.

During the year the Company's Board approved the issue of a total of 5,500,000 unlisted options to acquire ordinary shares in the Company. Each option is exercisable at a price of $0.25 per share on or before 7 February 2019.

On 1 July 2014 the Board appointed Dr Ralph Craven as Non-Executive Chairman and Mr Alan du Mée as a non-executive director. Both Dr Craven and Mr du Mée resigned from the board briefly on 26 March 2015 and were re-appointed prior to the Company lodging its prospectus with ASIC on 29 May 2015.

On 21 April 2015, Genex executed a Convertible Note Agreement with Zhefu Hydropower International Engineering Corporation Limited ("Zhefu") to provide interim funding for the Company. The Convertible Note was for a principal sum of $3,788,600, with maturity on or before 30 November 2015. Under the terms of the Convertible Note Agreement, it was agreed that Zhefu will participate in the tender process for the supply of mechanical and electrical equipment to the Kidston Project.

Provided Zhefu does not dispose of any shares in the Company in the 24 month period following the IPO, Zhefu is entitled to nominate one person to be appointed as a director of the Company. As a condition of the Convertible Note, Zhefu was required to subscribe for 20% of the number of shares on offer in the IPO on terms consistent with all IPO subscribers. Pursuant to the agreement, the Convertible Note was converted into 23,678,750 new ordinary shares at a conversion price $0.16 per share.

In order to fund a full feasibility study of the Kidston Project, the Company pursued an IPO on the Australian Securities Exchanges ("ASX") to raise a total of $8.0 million before expenses. The IPO offer closed fully subscribed on 25 June 2015. On 30 June 2015, the Company issued 40 million shares (and 20 million Loyalty Options) at a price of $0.20 per share to new investors pursuant to the IPO. Further details on the Loyalty Options can be found in Note 16 to the financial statements. The IPO shares were restricted from trading until the listing of the Company on the ASX occurred on 8 July 2015, subsequent to the reporting period. The Loyalty Options allotted to IPO investors remain subject to the vesting conditions outlined in Note 16.

Matters subsequent to the end of the year

Subsequent to the end of the financial year the Company's shares were successfully quoted on the ASX on 8 July 2015.

On 5 August 2015, Genex lodged an ANZ Bank Guarantee in the amount of $3.0 million with the Department of Environment and Heritage Protection to partially replace the Kidston Environmental Assurance Bond under the Kidston

Share Sale Agreement, previously lodged by Barrick Gold. The total amount of the Environmental Bond is $3,804,311. As per its agreement with Barrick Gold, Genex will replace the remaining $804,311 of the Environmental Bond by 31 December 2015. The ANZ Bank Guarantee is secured against a $3.0 million term deposit which Genex holds with the ANZ Bank.

The Company announced to the ASX on 10 August 2015 that it had appointed Entura (a wholly-owned subsidiary of Hydro Tasmania) as its lead Feasibility Consultant for the Kidston Project. This followed the appointment of Mr Arran McGhie on 29 July 2015 as the Company's Chief Operations Officer. On 6 August 2015, 5,000,000 options were issued to Mr. Arran McGhie (Chief Operating Officer) subsequent to the end of the reporting period. The options have an exercise price of $0.25, expire on 6 August 2020 and are subject to various vesting conditions as announced to the ASX on 10 August 2015.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 30 June 2015 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity intends to continue the development of the Kidston Pumped Storage Project as well as pursue other clean energy generation and storage opportunities that may arise.

Environmental regulation

The Company's current operations are regulated under the terms of an existing Environmental Authority (EPML00817013) under the Environmental Protection Act (1994) in the state of Queensland, Australia. The Environmental authority consists of conditions relating to:

- General
- Air
- Water
- Noise and Vibration
- Regulated dams
- Land and Rehabilitation

There has been no material or non-remedied breaches of the Environmental Authority of which the Company is aware.

Information on directors

Name: Dr Ralph Craven
Title: Non-Executive Chairman
Qualifications: BE PhD, FIEAust, FIPENZ, FAICD
Special Responsibilities: Member, Audit & Risk Management Committee and Chair, Remuneration Committee

Experience and expertise:

Dr. Craven is an electricity sector specialist with respected credentials in energy, transmission infrastructure and power generation and electricity retailing. Dr. Craven has a number of public company roles including non- executive director of Senex Energy Limited (September 2011 to present) and AusNet Services Limited (January 2014 to present). Dr. Craven has also held senior executive positions with energy companies in Australia and New Zealand. He was formerly Chief Executive Officer of Transpower New Zealand Ltd, Executive Director with NRG Asia-Pacific and General Manager Power Marketing and Development with Shell Coal Pty Ltd.

His previous roles also include Chairman of Ergon Energy Corporation Limited and Chairman of Tully Sugar Limited. Dr. Craven was also Deputy Chairman of coal seam gas company Arrow Energy Limited (now jointly owned by Royal Dutch Shell and PetroChina). Dr. Craven was previously a non-executive director of Invion Limited (2011 to April 2015) and Mitchell Services Limited (2011 to November 2014).

Name: Michael Addison
Title: Managing Director
Qualifications: *BSc (Eng), MPhil (Oxon), MAICD, FAIM*
Special Responsibilities: Member, Audit & Risk Management Committee

Experience and expertise:

Michael is a former water engineer with experience in large dam, spillway and water reticulation systems design. He also has considerable international corporate finance experience, having spent a number of years as an investment banker with three globally recognised investment banks. Subsequent to transitioning into mainstream corporate management in the early nineties, Michael held a number of senior executive positions on the boards of publicly listed companies on each of the London, Johannesburg and Australian Securities Exchanges. In these roles he developed deep expertise in the management and running of listed companies and an intimate working knowledge of the regulatory, legal and governance environments in which listed companies operate.

Michael is a former Rhodes Scholar, has an Oxford University postgraduate degree in Management Studies, is a Fellow of the Australian Institute of Management and a Member of the Australian Institute of Company Directors. Michael is a founding director and shareholder of Genex. Previously, Michael has been a director of Carabella Resources and Stratum Metals.

Name: Alan du Mée
Title: Non-Executive Director
Qualifications: *MSc., MBA, FAICD, FAIM, MIIE*
Special Responsibilities: Chair, Audit & Risk Management Committee and Member, Remuneration Committee

Experience and expertise:

Mr. du Mée has deep operational experience in power generation operations and development. He was Chief Executive Officer of Tarong Energy, a major Queensland power company which is now part of Stanwell Corporation Limited. While at Tarong Energy, Mr. du Mée was responsible for the development of Tarong North power station in

Queensland, the Starfish Hill windfarm in South Australia and the sale of a 50% of the Tarong North power station to a Japanese consortium. He also had responsibility for the 600MW Wivenhoe Pumped Storage Plant, the second largest hydro pumped storage plant in Australia.

Alan is a past Chairman of the Australian National Generators Forum and a past director of BHP Engineering between April 1991 and November 1996. Mr. du Mée is also a director of A Solid Foundation Pty Limited, and has been engaged by Glencore Xstrata to assist it with its clean coal development strategy.

Name: Simon Kidston
Title: Executive Director
Qualifications: *BCom, GradDipAppFin, MAIDC*
Special Responsibilities: Member, Remuneration Committee

Experience and expertise:

Simon is a founding director and shareholder of Genex. Prior to Genex, Simon successfully established 3 ASX listed companies, Endocoal Limited, Carabella Resources Limited and Estrella Resources Limited.

In addition, Simon has over 20 years investment banking experience in Australia and overseas with groups such as Macquarie Bank Limited, HSBC and Helmsec Global Capital Limited. During this period, he assisted companies grow by accessing capital, negotiating strategic relationships and acquisitions. He has a Bachelor of Commerce degree and is a Member of the Australian Institute of Company Directors.

Name: Ben Guo
Title: Finance Director
Qualifications: *BCom, Finance (Hons 1st) and Accounting*
Special Responsibilities: Nil

Experience and expertise:

Ben has over 10 years management experience in Australia. Prior to joining Genex, he held senior financial roles at Helmsec Global Capital Limited and Estrella Resources Limited. Ben has also worked at PwC Corporate Finance and Ernst and Young.

Name: Justin Clyne
Title: Company secretary - appointed 1 March 2014
Qualifications: LLM (UNSW) ACIS, AGIA

Experience and expertise:

Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of corporate advisory and company secretarial services.

Justin is a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge in international law, the Corporations Act, the ASX Listing Rules and corporate regulatory requirements generally. Justin holds a Master of Laws in International Law from the University of New South Wales and is a qualified Chartered Company Secretary.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director was:

	Full Board	
	Attended	Held
Michael Addison	16	16
Simon Kidston	16	16
Ben Guo	16	16
Ralph Craven	13	13
Alan du Mée	13	13

Held represents the number of meetings held during the time the director held office or was a member of the relevant committee. There were no committee meetings held during the year as the membership of the two Board committees was established after the end of the reporting period.

Remuneration Report Audited

The Board is responsible for determining and reviewing compensation arrangements for the directors and executive management. The Board assesses the appropriateness of the nature and amount of remuneration of key personnel on an annual basis. In determining the amount and nature of officers' packages, the Board takes into consideration the Company's financial and operational performance along with industry and market conditions.

Remuneration packages of the Company's senior executives and the Chief Executive Officer include a mix of fixed remuneration and performance-based remuneration. The fixed component consists of base remuneration, allowances and superannuation. The Board has also recently formed a Remunerations Committee which will assist the Board in making appropriate decisions regarding remuneration.

The Constitution provides that the non-executive Directors may be paid for their services as Directors, however the sum payable must not exceed such fixed sum per annum as determined by the Company at the annual general meeting, to be divided among the Directors and in default of agreement then in equal shares. The sum fixed by the Company as the aggregate limit for the payment of non-executive Directors is $400,000 per annum.

A Director may be paid additional fees or other amounts as the Remuneration Committee determine where a Director renders or is called upon to perform extra services or to make any special exertions in connection with the affairs of the Company. A Director may also be reimbursed for any disbursements or any other out of pocket expenses properly incurred as a result of their directorship or any special duties.

The Company's remuneration policy aims to align the corporate goals and objectives of the Company with the remuneration paid to the Managing Director and Senior Executives and considers both short term and long term compensation. The Company also looks at comparative data from other companies and the amount of time required given the Company only has a small management team.

During the year while the Company's focus was on undertaking a successful IPO and PFS, remuneration was weighted towards long term rewards with the granting of options to the Directors appointed during the period and to the Company Secretary to be in line with those granted to Directors in the previous reporting period and to the COO after this reporting period.

This Remuneration Report outlines the arrangements which were in place during the year ended 30 June, 2015 for the Directors and key management personnel.

2015	Short-term benefits Cash Salary and Fees $	Post employee benefits Superannuation benefits $	Share-based payments $	Total $
Executive Directors				
M Addison	295,242	33,258		328,500
S Kidston	270,000	25,650		295,650
B Guo	245,175	28,575		273,750
Non-Executive Directors				
R Craven	67,650	6,427	30	74,107
A du Mee	45,100	4,285	20	49,405
Sub-Total	**923,167**	**98,195**	**50**	**1,021,412**
Company Secretary				
J Clyne	60,000	-	5	60,005
Sub-Total	**60,000**	**-**	**5**	**60,005**
Total	**983,167**	**98,195**	**55**	**1,081,417**

2014	Short-term benefits Cash Salary and Fees $	Post employee benefits Superannuation benefits $	Share-based payments $	Total $
Directors				
M Addison	28,362*	11,742	10	40,114
S Kidston	33,334*	3,125	10	36,469
B Guo	30,000*	2,813	10	32,823
Sub-Total	**91,696**	**17,680**	**30**	**109,406**
Company Secretary				
J Clyne	10,000	-	-	10,000
Sub-Total	**10,000**	**-**	**-**	**10,000**
Total	**101,696**	**17,680**	**30**	**119,406**

**Portion of 2014 payments were conditionally deferred in 2014 and paid during the 2015 financial year*

Period of Service

Michael Addison	15 July 2011 to current
Simon Kidston	1 August 2013 to current
Ben Guo	25 October 2013 to current
Ralph Craven	1 July 2014 to 26 March 2015 and 29 May 2015 to current
Alan du Mée	1 July 2014 to 26 March 2015 and 29 May 2015 to current

Performance based remuneration is not applicable

Director's Interests in the Company

The shares and options held by the individual directors as at 30 June 2015 and at the date of this report are as follows:

Shares

Personnel	Balance as at 1 July 2014	Granted as remuneration	Received on exercise	Purchases	Balance as at 30 June 2015
Michael Addison	27,000,000	-	-	-	27,000,000
Simon Kidston	20,700,000	-	-	-	20,700,000
Ben Guo	2,000,000	-	-	-	2,000,000
Ralph Craven	-	-	-	200,000*	200,000
Alan du Mee	-	-	-	200,000*	200,000

**The non-executive directors purchased shares as part of the seed capital round on 19 July 2014 on equal terms with other investors*

Personnel	Balance as at 1 July 2013	Granted as remuneration	Received on exercise	Purchases	Balance as at 30 June 2014
Michael Addison	17,000,000	-	-	10,000,000	27,000,000
Simon Kidston	-	-	-	20,700,000	20,700,000
Ben Guo	-	-	-	2,000,000	2,000,000
Ralph Craven	-	-	-	-	-
Alan du Mee	-	-	-	-	-

The executive officers named are those who are directly accountable and responsible for the strategic direction and operational management of Genex Power Limited or its subsidiaries. In 2015 the executive and non-executive officers holding shares in the Company are disclosed above. The Directors are of the opinion that only the executive officers detailed above meet the definition of key management personnel as set out in AASB 124 Related Party Disclosures.

Options

Personnel	Balance as at 1 July 2014	Granted as remuneration	Date of Grant during period	Date of Vesting	Fair value per option at grant date	Balance as at 30 June 2015
Michael Addison	1,000,000	-	-	-	0.00001	1,000,000
Simon Kidston	1,000,000	-	-	-	0.00001	1,000,000
Ben Guo	1,000,000	-	-	-	0.00001	1,000,000
Ralph Craven	-	3,000,000	13/10/14	13/10/14	0.00001	3,000,000
Alan du Mee	-	2,000,000	13/10/14	13/10/14	0.00001	2,000,000

Personnel	Balance as at 1 July 2013	Granted as remuneration	Date of Grant during period	Date of Vesting	Fair value per option at grant date	Balance as at 30 June 2014
Michael Addison	-	1,000,000	7/02/2014	7/02/2014	0.00001	1,000,000
Simon Kidston	-	1,000,000	7/02/2014	7/02/2014	0.00001	1,000,000
Ben Guo	-	1,000,000	7/02/2014	7/02/2014	0.00001	1,000,000
Ralph Craven	-	-	-	-	-	-
Alan du Mee	-	-	-	-	-	-

Options issued to Directors during the 2014 and 2015 financial years are not linked to ongoing remuneration packages.

All 8,000,000 options held by directors at 30 June 2015 are exercisable at $0.25 each and expiring 7 February 2019. There are no milestones for achievement or vesting associated with the options and the terms of the options are outlined in section 15.2 of the Company's Replacement Prospectus lodged with ASIC on 10 June 2015.

Options granted to Directors and key management personnel take into account that the Company's funds are best utilised in advancing the Company's Bankable Feasibility Study and that long term rewards will be derived by preserving cash and incentivising Directors and Management with Options with a strike price well in excess of the share price at the time of grant.

Executive Services Agreement (Michael Addison)

On 1 May 2014, the Company entered into an Executive Services Agreement with Michael Addison with respect to his engagement as Managing Director of the Company.

- (**Term**) The appointment commenced on 1 May 2014 and is ongoing subject to the termination provisions.
- (**Services**) Michael Addison will provide the following services for the Company:
  - (a) overall responsibility for the day to day management of the business of the Company;
  - (b) assisting in the implementation of the corporate business plan for the Company as determined by the Board;
  - (c) responsibility for the preparation of the Company's budgets and other performance indicators (if required);
  - (d) in conjunction with the Chief Financial Officer, responsibility for the preparation of the Company's financial statements and any other accounts for which the Company is responsible; and
  - (e) responsibility for overall reporting requirements and regularly reporting to the Board concerning the business and financial position of the Company.
- (**Remuneration**) Michael Addison will receive a gross salary of $220,000 (excluding superannuation) per annum. In addition, Michael Addison may be granted, subject to any necessary shareholder approval, incentives to provide ongoing service and commitment to the Company.
- (**Entitlements**) Michael Addison is entitled to 6 weeks of annual leave per annum in addition to other employee entitlements that are customary to an agreement of this nature.

(Termination) Both Michael Addison and the Company may terminate the agreement at any time and for any reason by giving 4 months' written notice to the other party. Michael Addison's employment may otherwise be terminated at any time for cause by notice to Michael Addison from the Company.

Executive Services Agreement (Ben Guo and Simon Kidston)

On 1 May 2014, the Company entered into Executive Services Agreement with each of Ben Guo and Simon Kidston in their capacities as executive directors of the Company. Pursuant to their respective agreements, Simon Kidston receives a gross salary of $200,000 (excluding superannuation) per annum and Ben Guo receives a gross salary of $180,000 (excluding superannuation) per annum. Aside from the differences in remuneration, the Executive Services Agreements with Ben Guo and Simon Kidston were agreed on the same terms and conditions as the Executive Services Agreement with Michael Addison, the material provisions of which are summarised above.

Shares under option

Unissued ordinary shares of Genex Power Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of options
7 February 2014	7 February 2019	$0.25	3,000.000
13 October 2014	7 February 2019	$0.25	3,000,000
13 October 2014	7 February 2019	$0.25	2,000,000
13 October 2014	7 February 2019	$0.25	500,000
6 August 2015	6 August 2020	$0.25	5,000,000

The 5,000,000 options issued subsequent to the end of the reporting period and expiring 6 August 2020 are subject to various vesting conditions as announced to the ASX on 10 August 2015.

End of Remuneration Report

Loyalty Options issued pursuant to the IPO at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of options
30 June 2015	25 February 2018	$0.20	20,000,000

Loyalty Options will vest to the option holders on 25 February 2016 if and only if they hold the same or a greater number of shares in Genex Power at the vesting date as the number acquired under the IPO.

No person entitled to exercise the options had or has any right by virtue of their option holding to participate in any share issue of the Company or of any other body corporate. As at the date of this report, no options have been exercised.

Loss per Share

The loss per share for Genex Power Limited for the period was $3.26 cents per share.

Results of Operations and Dividends

The Group's net loss after taxation attributable to the members of Genex Power Limited for the year ended 30 June 2015 was $3,053,264. The Directors of Genex have resolved not to recommend a dividend for the financial year ended 30 June 2015.

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

Indemnity and insurance of auditor

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

During the 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

Details of the amounts paid or payable to the auditor William Buck for non-audit services provided during the financial year by the auditor are outlined in Note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

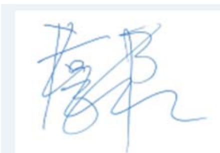
The directors are of the opinion that the services as disclosed in Note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

On behalf of the directors



____

Ben Guo
Director

28 September 2015
Sydney

4. AUDITOR’S INDEPENDENCE DECLARATION

AUDITOR’S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GENEX POWER LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

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

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Leo Tutt

L.E. Tutt
Partner
28 September 2015

CHARTERED ACCOUNTANTS & ADVISORS
Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

5. FINANCIAL STATEMENTS

Contents

General information

The financial statements cover Genex Power Limited as a consolidated entity consisting of Genex Power Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Genex Power Limited's functional and presentation currency.

Genex Power 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

Level 11
2 Bligh Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2015. The directors have the power to amend and reissue the financial statements.

Genex Power Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

		Consolidated	
	Notes	**30 June 2015 $**	**30 June 2014 $**
Revenue		**83,309**	**3,384**
Expenses			
Project site costs		(678,224)	(54,225)
Salary expenses		(1,046,611)	(109,375)
Administrative expenses		(308,509)	(36,137)
Compliance cost and regulatory fees		(111,733)	(2,481)
Project consulting costs		(301,421)	(106,507)
Legal fees		(38,945)	(216,915)
Travel and marketing		(104,494)	(17,230)
IPO costs		(538,698)	-
Finance expenses		(4,500)	-
Other expenses		(3,449)	-
Total Expenses		**(3,136,583)**	**(542,870)**
Loss before income tax expense		**(3,053,274)**	**(539,486)**
Income tax expense	5	-	(1,210)
Loss after income tax expense attributable to the owners of Genex Power Limited		**(3,053,274)**	**(540,696)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Genex Power Limited		**(3,053,274)**	**(540,696)**

	Cents	**Cents**
Basic earnings per share	(3.26)	(1.01)
Diluted earnings per share	(3.26)	(1.01)

Genex Power Limited
Statement of financial position
As at 30 June 2015

	Notes	Consolidated 30 June 2015 $	Consolidated 30 June 2014 $
Assets			
Current Assets			
Cash and cash equivalents	6	10,669,145	238,907
Trade and other receivables	7	80,075	31,118
Prepayments	8	58,123	57,953
		10,807,342	**327,978**
Non-Current Assets			
Environmental bond receivable	9	3,804,311	3,804,311
Goodwill	10	3,804,312	3,804,312
Other Assets	9	18,270	-
		7,626,893	**7,608,623**
Total Assets		**18,434,235**	**7,936,601**
Liabilities			
Current Liabilities			
Trade and other payables	11	491,160	107,459
Loans	12	46,285	44,006
Provisions	13	25,195	-
Environmental bond payable	11	3,804,311	3,000,000
Rehabilitation and restoration provision	13	234,000	234,000
		4,600,951	**3,385,465**
Non-Current Liabilities			
Rehabilitation and restoration provision	14	3,570,311	3,570,311
Environmental bond payable	11	-	804,311
		3,570,311	**4,374,622**
Total Liabilities		**8,171,262**	**7,760,087**
Net Assets		**10,262,974**	**176,514**
Equity			
Share capital	15	12,477,028	717,350
Option reserves	16	1,380,085	30
Accumulated losses		(3,594,140)	(540,866)
Total Equity		**10,262,974**	**176,514**

Genex Power Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Notes	Issued Capital	Option Reserves	Accumulated Losses	Total Equity
		$	$	$	$
Balance at 1 July 2013		170	-	(170)	-
Loss after income tax		-	-	(540,696)	(540,696)
Shares issued during the year net issue costs	15	717,180	-	-	717,180
Share options issued during the year	16	-	30	-	30
Balance at 30 June 2014		**717,350**	**30**	**(540,866)**	**176,514**
Balance at 1 July 2014		717,350	30	(540,866)	176,514
Loss after income tax		-	-	(3,053,274)	(3,053,274)
Shares issued during the year net issue costs	15	11,759,678	-	-	11,759,678
Share options issued during the year	16	-	1,380,055	-	1,380,055
Balance at 30 June 2015		**12,477,028**	**1,380,085**	**(3,594,140)**	**10,262,974**

Genex Power Limited
Statement of cash flows
For the year ended 30 June 2015

	Notes	Consolidated 30 June 2015 $	30 June 2014 $
Cashflow from Operating Activities			
Receipts from non-ordinary activities		11,880	-
Payments to suppliers and employees (inclusive of GST)		(2,202,874)	(524,483)
Interest income		22,472	3,384
Interest expense		(4,500)	-
Income tax paid		-	(1,210)
Net cash utilised by operating activities	25	(2,173,022)	(522,309)
Cashflow from Investing Activities			
Payment for purchase of business, net of cash acquired		-	-
Net cash used in investing activities		-	-
Cashflow from Financing Activities			
Gross proceeds from issue of shares		13,788,600	736,350
Capital raising and IPO related costs		(1,187,619)	(19,170)
Net proceeds from issue of shares		12,600,981	717,180
Net proceeds from issue of options		-	30
Net loan movement		2,279	44,006
Net cash from financing activities		12,603,260	761,216
Net increase in cash and cash equivalents		**10,430,238**	**238,907**
Cash and Cash equivalent at the beginning of the financial year		238,907	-
Cash and Cash equivalents at the end of the financial year	**6**	**10,669,145**	**238,907**

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, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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'), 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.

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 consolidated entity'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.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Parent entity information

These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Genex Power Limited ('Genex', 'Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Genex Power Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest income is recognised at a time proportion basis that takes into account the effective yield on the financial assets.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply 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 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 entity's which intend to settle simultaneously.

Genex Power Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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.

Trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Leases

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the 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.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Provisions

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be wholly settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured as the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the group to an employee superannuation fund are recognised as an expense as they become payable.

Share based payment transactions

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for rendering of services. The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Black Scholes 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 the non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over 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 the profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

Earnings per share

The consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees. Diluted EPS are not calculated until such a time the consolidated entity achieve a profit for the reporting period.

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.

Business combinations

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a year not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred.

When the amount of purchase consideration is contingent on future events, the initial cost of the acquisition recorded includes an estimate of the fair value of the contingent amounts expected to be payable in the future. When the fair value of contingent consideration as at the date of acquisition is finalised before the purchase price allocation is finalised, the adjustment is allocated to the identifiable assets and liabilities acquired. Subsequent changes to the estimated fair value of contingent consideration are recorded in the consolidated statement of income.

When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the consolidated statement of income.

Acquisition related costs are expensed in the period in which they are incurred and the services are received

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.

New Accounting Standards for application in future years

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting years and which the consolidated entity has decided not to early adopt. A discussion of those future requirements and their impact on the consolidated entity is as follows:

- *AASB 9 Financial Instruments (December 2014) and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (applicable for annual reporting years commencing on or after 1 January 2018)*

  AASB 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements.

  The changes made to accounting requirements by these standards include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value and an allowance for debt instruments to be carried at fair value through other comprehensive income in certain circumstances,
- simplifying the requirements for embedded derivatives,
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument,
- financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows,
- amending the rules for financial liabilities that the entity elects to measure at fair value, requiring changes in fair value attributed to the entity's own credit risk to be presented in other comprehensive income,
- introducing new general hedge accounting requirements intended to more closely align hedge accounting with risk management activities as well as the addition of new disclosure requirements,
- requirements for impairment of financial assets.

The Consolidated entity has not yet assessed the impact of this standard.

- *AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (applicable for annual reporting years commencing on or after 1 January 2015)*

This standard limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015.

- *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable for annual reporting years commencing on or after 1 January 2016)*

This standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require the acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the principles in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 in accounting for the acquisition. AASB 2014-3 also requires disclosure of the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This standard is not expected to impact the Consolidated entity

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140] (applicable for annual reporting years commencing on or after 1 January 2016)

This Standard makes various amendments to Accounting Standards as part of the International Accounting Standards Board (IASB) International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2012–2014 Cycle including:

- IFRS 5 – reclassification from held for sale to held for distribution to owners or from held for distribution to owners to held for sale is considered to the continuation of the original plan of disposal;
- IFRS 7 – adds the basis of conclusion to clarify disclosure requirements for transferred financial assets and offsetting arrangements;
- IAS 19 – confirms that high quality corporate bonds or national government bonds used to determine discount rates must be in the same currency as the benefits paid to the employee; and
- IAS 34 – clarifies information about cross references in the interim financial report.

This standard is not expected to impact the Consolidated entity.

- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (applicable for annual reporting years commencing on or after 1 January 2016)*

  The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

  This standard is not expected to impact the Consolidated entity.

- *AASB 2015-3Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (applicable for annual reporting years commencing on or after 1 July 2015)*

  This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

  This standard is not expected to impact the Consolidated entity.

- *AASB 2015-5Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12 & AASB 128] (applicable for annual reporting years commencing on or after 1 January 2016)*

  This Standard amends AASB 10, AASB 12 and AASB 128 to confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of AASB 10 is available to a parent entity that is a subsidiary of an investment entity, to clarify the applicability of AASB 12 to the financial statements of an investment entity and to introduce relief in AASB 128 to permit a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

  This standard is not expected to impact the Consolidated entity.

  The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

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 year are discussed below.

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Share-based payment transactions

The consolidated entity 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 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 year but may impact profit or loss and equity.

Rehabilitation and restoration provision

Management assesses its provision for environmental rehabilitation and restoration on an annual basis or when new information becomes available.

Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgements and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed on existing environmental and regulatory requirements.

Closure and rehabilitation provisions are also adjusted for changes in estimates. Factors influencing those changes include;

- Developments in technology;
- Regulatory requirements and environmental management strategies;
- Changes in the estimated extent and costs of anticipated activities; and
- Movements in factors affecting the discount rate applied.

Business combinations

As stated in note 1, the fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the year the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating Segment

Management has determined that the consolidated entity has one reportable segment; the development of clean energy projects in Australia. All directors, executive and operating management are based in Australia.

Note 4. Expenses

	Consolidated	
	30 June 2015	**30 June 2014**
	$	**$**
Profit before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable	4,500	-
Superannuation expense		
Defined contribution superannuation expense	88,611	9,375
Share-based payments expense		
Share-based payments expense	55	-

Note 5. Income tax expense

	Consolidated	
	30 June 2015	**30 June 2014**
	$	**$**
Income tax expense		
Current tax	-	1,210
Adjustment recognised for prior years	-	-
Aggregate income tax expense	-	1,210
Income tax expense is attributable to profit:		1,210
Aggregate income tax expense	-	1,210
Numerical reconciliation of income tax expense and tax at the statutory rate loss before income tax expense	3,053,274	539,486
Tax at the statutory tax rate of 30%	915,982	161,846
Tax loss not recognised	(915,982)	(161,846)
Other	-	1,210
Income tax expense	-	1,210

Note 6. Cash and cash equivalents

	30 June 2015 $	30 June 2014 $
Cash at bank	10,669,145	238,907
Cash and cash equivalents	10,669,145	238,907

The cash balance at 30 June 2015 includes the receipt of $8.0 million from the Company's IPO via the issue of 40,000,000 shares. Whilst the settlement of the IPO occurred on the 30 June 2015, the Company was restricted from utilising this amount until such a time it successfully listed on the Australian Securities Exchange (ASX). The Company's shares were quoted on the ASX on 8 July 2015 thereby freeing any restriction on the cash on that date.

Note 7. Trade and other receivables

	30 June 2015 $	30 June 2014 $
GST receivable	80,075	31,118
Trade and other receivables	80,075	31,118

Note 8. Prepayments

	30 June 2015 $	30 June 2014 $
Insurance	33,761	57,963
Environmental Authority and Land Rent	24,362	-
Prepayments	58,123	57,953

Note 9. Other assets - Non-Current

	30 June 2015 $	30 June 2014 $
Electricity Bond	18,270	-
Environmental bond (note 17)	3,804,311	3,804,311

The environmental bond is held by the State of Queensland (the State) for security for compliance with the requirements of Mineral Resources Act 1989 and the Environmental Protection Act 1994. The environmental bond is held in the name of Kidston Gold Mines Limited, a wholly=owned subsidiary of Genex and the 100% leaseholder of the Kidston site. The environmental bond will be released upon satisfactory restoration and rehabilitation of the mine site.

Note 10. Goodwill

	30 June 2015 $	30 June 2014 $
Cost	3,804,312	3,804,312
Net carrying amount	3,804,312	3,804,312

Refer to note 17 for details on the business combination that gave rise to the goodwill.

Kidston Gold Mines Limited ("KGM") was acquired for the strategic placement of the non-operational mine site which will allow for the development of a pump-storage hydroelectric power station. The goodwill of $3,804,312 arose from the acquisition of KGM and the associated environmental liabilities of the site. The goodwill represents management's business plan and a pre-feasibility study, which describes and supports the Board of Director's view that the project is technically and economically viable.

The Kidston project is currently the only project within the consolidated entity. As such, the recoverable amount of the consolidated entity (being identified as the cash generating unit ('CGU') to which goodwill is allocated) is driven by the development potential of the project. To date, the Company has raised over $14 million in funding in order to advance the project, and the recent IPO process resulted in a post IPO business valuation assessed as in excess of $30 million.

It is management's view that the recoverable amount of the CGU implied from the future development of the Kidston Project significantly exceeds the carrying value of the CGU to which goodwill is allocated.

The recoverable amount of the CGU is determined via a value in use approach using a discounted cash flow analysis based on cash flow budgets prepared by the Board of Directors over a 40 year period. The cash flow projections were determined based on parameters derived from the pre-feasibility study and information obtained from external consultants. The key inputs into the discounted cash flow analysis include:

- Generation capacity of 330MW
- Total capex of $282m
- Continuous generation capacity of 1,650MWh
- Operating and maintenance cost of $5/MWh
- Electricity price forecasts from Energetics
- Discount rate of 8-12%
- Growth rate of 2.5% based on inflation

In determining the key inputs into the discounted cash flow analysis the Board of Directors considered past experience and reasonable future expectations based on external sources of information, where available. The key inputs reflect the typical "risks" for a power generation developer. The pre-feasibility work done to date suggests that the Kidston project is technically viable and therefore based on the discounted cash flow analysis the Board of Director's expect that the value implied in the Kidston Project will reasonably be realised once the project has been successfully developed.

The recoverable amount of the cash generating unit may be sensitive to future electricity prices, electricity demand and overall project capex, however a reasonably possible change in the values of key assumptions would not result in an impairment loss.

Note 11. Trade and other payables

	30 June 2015 $	30 June 2014 $
Current		
Trade creditors and accruals	316,334	94,273
PAYG withholdings	174,827	13,186
Bond release payable (i)	3,804,311	3,000,000
	4,266,476	3,107,459
Non-current		
Bond release payable (i)	-	804,311

(i) Under the terms of the Kidston Share Sale Agreement, the consolidated entity is required to pay an amount of $3,804,311 to procure from the vendor those financial guarantees made to the State of Queensland on behalf of Kidston Gold Mines Limited (refer to note 17 for further details).

The Share Sale Agreement and subsequent deferrals allowed by the vendor provides for instalment payments due in August 2015 and December 2015. As at 10 August 2015, $3.0 million of the financial guarantee has been replaced by Genex. Refer to note 26 for part-year settlement detail and note 18 for further information on financial instruments relating to the bond.

Note 12. Loan payable

	30 June 2015 $	30 June 2014 $
Loan payable	46,284	44,006

Refer to note 18 for further information on financial instruments.

Note 13. Current liabilities - provisions

	30 June 2015 $	30 June 2014 $
Provision for annual leave	25,194	-
Rehabilitation and restoration provision	234,000	234,000

The current rehabilitation and restoration provision represents the annual costs required to maintain the existing environmental conditions at the Kidston site and to ensure that KGM complies with the conditions set out in the Environmental Authority. See Note 14 for further details on site rehabilitation. The costs consist of environmental reporting to the Department of Environment and Heritage Protection (DEHP), site manager costs, sampling and laboratory and monitoring services.

Note 14. Non-current liabilities - provisions

	30 June 2015 $	30 June 2014 $
Rehabilitation and restoration provision	3,570,311	3,570,311

The non-current rehabilitation and restoration provision represents the total cost required to complete the long term restoration and rehabilitation of the Kidston site following the mining activities which have taken place. As the site will now be developed into a pumped storage hydroelectric power station, full rehabilitation activities will be deferred until such a time that the generation development and operating activities have been completed. Management's key focus currently is to ensure the environmental monitoring progress continues on-site and remediation activities are carried out to maintain the existing environmental conditions.

Note 15. Equity - issued capital

	30 June 2015 Shares	30 June 2014 Shares	30 June 2015 $	30 June 2014 $
Ordinary shares - fully paid	158,393,750	74,715,000	12,477,028	717,350

Movements in ordinary share capital

Details	**Date**	**No of shares**	**Issue price**	**$**
Balance	**1 July 2013**	**17,000,000**		**170**
Issue of shares	2 September 2013	23,000,000	$0.00001	230
Issue of shares	29 October 2013	20,000,000	$0.00001	200
Issue of shares	14 March 2014	14,700,000	$0.05	735,000
Issue of shares	5 May 2014	15,000	$0.05	750
Share issue costs, net of tax		-	-	(19,000)
Balance	**30 June 2014**	**74,715,000**		**717,350**
Issue of shares	18 July 2014	19,309,000	$0.10	1,930,900
Issue of shares	27 July 2014	691,000	$0.10	69,100
Issue of shares pursuant to Zhefu Convertible Note	30 June 2015	23,678,750	$0.16	3,788,600
Issue of shares - IPO	30 June 2015	40,000,000	$0.20	8,000,000
Issue of Loyalty Options	30 June 2015	-	-	(1,380,000)
Share issue costs, net of tax		-	-	(648,867)
Movement for the year		83,678,750		11,759,678
Balance	**30 June 2015**	**158,393,750**		**12,477,028**

Zhefu Convertible Note

On 21 April 2015, Genex executed a zero coupon Convertible Note Agreement with Zhefu Hydropower International Engineering Corporation Limited ("Zhefu"). The Convertible Note was for a principal sum of A$3,788,600 with a maturity date of 30 November 2015. Under the agreement, the Convertible Note was converted into 23,678,750 ordinary shares at a price of $0.16 per share on 30 June 2015.

Issue of shares - IPO

The allotment 40,000,000 shares pursuant to the IPO occurred on the 30 June 2015. These shares were restricted from trading until such a time that the Company has been officially listed on the Australian Securities Exchange. The Company was listed on the ASX on the 8 July 2015, all restriction on the 40,000,000 IPO shares were removed on this date.

Issue of Loyalty Options

Details of vesting conditions are further described in Note 16.

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. 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. The shares have no par value.

Capital risk management

The consolidated entity'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.

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

Note 16. Equity - option reserves

	30 June 2015 $	30 June 2014 $
Option reserves	1,380,085	30

Option reserve

The reserve is used to record the value of share and loyalty options issued by the Company on terms as outlined below.

During the year, in addition to 3,000,000 share options previously issued and held as at 30 June 2014, the board of directors authorised the issue of:

- 5,500,000 million share options in the consolidated entity to key management personnel; and
- 20,000,000 Loyalty Options in the consolidated entity pursuant to the IPO.

Options at the start of the period	3,000,000
Granted during the year	25,500,000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at the end of the year	28,500,000
Vested and exercisable at the end of the year	8,500,000

These share options and Loyalty Options are the only outstanding share options of the consolidated entity. The terms attached to the options are outlined below:

Share options

Number	3,000,000
Subscription price per option	$0.00001
Each option is convertible into	1 ordinary share in the parent entity
Exercise price per option	$0.25
Vesting condition	Vesting on issue date
Issue date	7 February 2014
Expiry date	7 February 2019
Option exercise period	At any time from date of issue to date of expiry
Other conditions	None

Number	5,500,000
Subscription price per option	$Nil
Each option is convertible into	1 ordinary share in the parent entity
Exercise price per option	$0.25
Vesting condition	Vesting on issue date
Issue date	13 October 2014
Expiry date	7 February 2019
Option exercise period	At any time from date of issue to date of expiry
Other conditions	None

Loyalty Options

Number	20,000,000
Value per option	$0.069
Each option is convertible into	1 ordinary share in the parent entity
Exercise price per option	$0.20
Vesting condition	Vesting on 25 February 2016
Issue date	30 June 2015
Expiry date	25 February 2018
Option exercise period	At any time from date of vesting to date of expiry

The value of the options granted during the year ended 30 June 2015 was calculated to be $0.069 using Black Scholes Model (2014 - $0.00001). The volatility of options used in the Black Scholes valuation are based on share price volatility of other project development companies listed on the ASX with similar valuations and risk profile. Features incorporated into the measurement of fair value of the options include:

Underlying share price	$0.20
Exercise price	$0.20
Expected volatility	60%
Option life	2 years
Expected dividends	Nil
Risk free interest rate	2.5%

Loyalty Options were issued to applicants for the IPO shares on the basis of 1 loyalty option for every 2 shares issued under the IPO. In addition to the above, the vesting conditions for the Loyalty Options are as follows:

- In the event of a change of control or a successful completion of a takeover offer for all securities in the Company then all unvested Unlisted Options shall vest immediately to the Loyalty Optionholder absolutely.
- Subject to the above, Loyalty Options vest if and only if on the Vesting Date:
  - i. the Loyalty Options are held by a Loyalty Optionholder who was an Applicant to the IPO and who was issued Shares under the IPO Offer; and
  - ii. the Loyalty Optionholder holds as at the Vesting Date the same or a greater number of Shares as the Number of Shares that were issued to the Loyalty Optionholder under the Prospectus. Applicants who were issued Shares under the Prospectus are still entitled to trade those Shares between the date those Shares were issued and the Vesting Date and the Loyalty Options held will still vest to them at the Vesting Date provided the Shareholder holds the same or a greater number of Shares as that issued to them under the Prospectus.
  - iii. For the sake of clarity, Applicants can increase or decrease the number of Shares issued to them under the Prospectus within the period from the date of issue of the Loyalty Options to the Vesting Date without affecting the Vesting of the Loyalty Options as long as the number of Shares held at the Vesting Date is the same or a greater number of Shares that were issued to the Applicant under the Prospectus. There is no pro rata entitlement to the Vesting of the Loyalty Options. If a Shareholder holds less Shares at the Vesting Date than was issued to them under this Prospectus then all Loyalty Options issued to them will Lapse at the Vesting Date. If a Shareholder holds more Shares at the Vesting Date than was issued to them under this Prospectus they will not receive any additional Loyalty Options to those previously issued.
- A Loyalty Option that has not vested as at 7.00pm (Sydney time) on the Vesting Date lapses with immediate effect and is not capable of exercise, and the Company will have no liability whatever in respect of the Loyalty Options.

Note 17. Business combinations

On 4 June 2014 Genex (Kidston) Pty Limited (“Kidston”), a subsidiary of the consolidated entity, acquired 100% of the ordinary shares of Kidston Gold Mines Limited (“KGM”) for the total consideration of $3,804,312. KGM leases a non-operational mine site in Northern Queensland previously known as the Kidston Gold mine. This mine closed in 2001, and has been in remediation mode since this time. As part of the transaction, Genex assumed a liability to replace the Environmental Assurance Bond held by Barrick Gold Australia to the amount of $3,804,311.

KGM was acquired for the strategic placement and configuration of the non-operational mine site which will allow for the development of a pumped storage hydroelectric power generation station. Details of the purchase consideration, the net assets (liabilities) acquired and goodwill are as follows:

	AUD $
Purchase consideration	
Cash paid	1
Bond release payable (Note 11)	3,804,311
Total purchase consideration	3,804,312

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value recognised on acquisition $
Assets	
Environmental bond (Note 9)	3,804,311
Liabilities	
Rehabilitation provision (Note 13 and 14)	(3,804,311)
Total identifiable net assets at fair value	-
Add: Goodwill (Note 10)	3,804,312
Acquisition-date fair value of the total consideration transferred	3,804,312

Note 18. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks that arise as a result of its operating and financing activities such as credit risk and liquidity risk. This note presents information about the consolidated entity's exposure to each of the above risks, the consolidated entity's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the consolidated entity's risk management framework. Management has implemented and monitors compliance with risk management policies. The consolidated entity's risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the consolidated entity's activities.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a counterparty to a financial instrument fails to meets it contractual obligations. The consolidated entity's trade and other receivables consist of an amount receivable from the Australian tax authority. The consolidated entity's cash and cash equivalents consist of cash in bank accounts lodged with reputable banks in Australia. Accordingly, the consolidated entity views credit risk as minimal.

The maximum exposure to credit risk is as follows:

	30 June 2015 $	**30 June 2014 $**
Cash and cash equivalents	10,669,145	238,907
Trade and other receivables	80,075	31,118
	10,749,220	270,025

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity aims to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the consolidated entity's holdings of cash and cash equivalents. The consolidated entity's cash and cash equivalents are invested in business accounts, which are available upon demand for the consolidated entity's requirements.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves or by facilitating additional capital raising and continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 30 June 2015	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Total $**
Non-derivatives					
Non-interest bearing					
Trade and other payables		4,320,666	-	-	4,320,666
Interest-bearing – fixed rate					
Loan payable	8.15%	46,284	-	-	46,284
Total non-derivatives		4,366,950	-	-	4,366,950

Consolidated – 30 June 2014	**Weighted average interest rate %**	**1 year or less $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Total $**
Non-derivatives					
Non-interest bearing					
Trade and other payables		3,107,459	804,311	-	3,911,770
Interest-bearing – fixed rate					
Loan payable	8.15%	44,006	-	-	44,006
Total non-derivatives		3,151,465	804,311	-	3,955,776

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.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2015 $	30 June 2014 $
Short-term employee benefits	1,021,417	109,375
Share-based payments	55	30
	1,021,472	109,405

Note 20. Remuneration of auditors

During the year the following fees were paid or payable for services provided by William Buck, the auditor of Genex Power Limited:

	30 June 2015 $	30 June 2014 $
Audit of the financial statements	25,000	20,000
Other services - Investigating Accountant's Report	21,000	
	46,000	20,000

Note 21. Commitments and contingent liabilities

Subsequent to the end of the year, Genex has committed to a head office lease until the 30 June 2016. The lease cost per month is $8,000.

The feasibility study contract was executed with Entura in August 2015 subsequent to the balance date. Under the terms of the contract, Entura will progressively invoice Genex for work done within a year. All work to be undertaken requires prior approval from Genex. As such, there are no contingent liabilities associated with the execution of the Entura contract.

Note 22. Related party transactions

Controlled entities

A list of controlled entities is provided in Note 24 to these financial statements.

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the parent entity and its controlled entities, directly or indirectly, including and director (whether executive or otherwise) of the entity, is considered key management personnel. Disclosures relating to key management personnel remuneration are set out in Note 19 to these financial statements.

Transactions with other related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless the terms and conditions disclosed below state otherwise. There are no related party transactions other than the issue of share options to the directors and key management personnel as outlined in Note 16 above.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2015 $	**30 June 2014 $**
Loss after income tax	2,377,088	540,696
Total comprehensive income	2,377,088	540,696

Statement of financial position

	30 June 2015 $	**30 June 2014 $**
Total current assets	10,669,045	327,877
Total assets	15,226,027	327,978
Total current liabilities	482,564	151,464
Total liabilities	4,286,876	151,464
Equity		
Issued capital	12,477,028	717,350
Option reserves	1,380,085	30
Accumulated losses	(2,917,962)	(540,866)
Total equity	10,939,151	176,514

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
As disclosed in Note 17, Genex (Kidston) Pty Limited acquired 100% of the ordinary shares of Kidston Gold Mines Limited. Under the terms of the Kidston Share Sale Agreement, the parent entity has guaranteed to replace the environmental assurance bond obligations of Kidston Gold Mines Limited, which were held by Barrick Gold Australia at the time of Kidston acquisition.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	30 June 2015 %	30 June 2014 %
Genex (Kidston) Pty Limited	Australia	100.00%	100.00%
*Kidston Gold Mines Limited	Australia	100.00%	100.00%

*Kidston Gold Mines Limited is 100% owned by Genex (Kidston) Pty Limited

Note 25. Reconciliation of profit after income tax to net cash from operating activities

	30 June 2015 $	30 June 2014 $
Loss after income tax expense for the year	(3,053,274)	(540,696)
Adjustments		
Share issue costs expensed	538,698	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(48,957)	(31,118)
Decrease in prepayments	(170)	(57,953)
Decrease in trade and other payables	390,681	107,458
Net cash from operating activities	(2,173,022)	(522,309)

Note 26. Events after the reporting year

Subsequent to the end of the year 30 June 2015 the following events took place:

The IPO was closed on 25 June 2015 and raised $8.0 million (before expenses) by way of Genex Power issuing 40 million shares and 20 million loyalty options to new investors. Whilst the settlement of the IPO occurred on 30 June 2015, the Company was restricted from utilising the IPO cash and investors were restricted from trading their IPO shares until such a time the Company has successfully listed on the Australian Securities Exchange (ASX).

The shares of Genex Power Limited were quoted on the ASX on 8 July 2015 thereby freeing any restriction on the cash and shares on that date.

On 5 August 2015, Genex lodged an ANZ Bank Guarantee of $3.0 million with the Department of Environment and Heritage Protection to partially replace the Kidston Environmental Assurance Bond previous held by Barrick. The total amount of the Environmental Assurance Bond is $3,804,311. As per the Kidston Share Sale Agreement, Genex will replace the remaining $804,311 of the Environmental Assurance Bond by 31 December 2015. The ANZ Bank Guarantee is secured against a $3.96 million term deposit Genex holds with the bank.

On 6 August 2015, 5,000,000 options were issued Mr. Arran McGhie (Chief Operating Officer) subsequent to the end of the reporting period. The options have an exercise price of $0.25, expire on the 6 August 2020 and are subject to various vesting conditions as announced to the ASX on 10 August 2015.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 30 June 2015 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Earnings Per Share

	30 June 2015 $	30 June 2014 $
Total comprehensive loss for the year	3,053,274	540,696
Weighted average number of ordinary shares used in calculating basic earnings per share	93,711,660	53,688,877
Adjustments for calculation of diluted earnings per share: Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	93,711,660	53,688,877

	Cents	Cents
Basic earnings per share	(3.26)	(1.01)
Diluted earnings per share	(3.26)	(1.01)

The calculation of the EPS includes 40,000,000 shares issued in conjunction with the IPO on the 30 June 2015. These shares were restricted from trading until such time that the Company had been officially listed on the Australian Securities Exchange. The Company was listed on the ASX on 8 July 2015 and all restrictions on the 40,000,000 IPO shares were removed on this date.

Note 28. Share-based payments

On 13 October 2014, 5,500,000 options were granted as remuneration to Non-Executive Directors and the Company Secretary. The total value of these options at the grant date was $55.00 (Note 16)

6. DIRECTOR'S DECLARATION

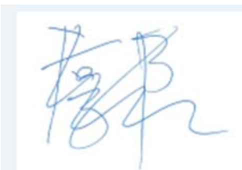
In the directors' opinion:

- 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 consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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



____
Ben Guo
Director

28 September 2015
Sydney

7. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENEX POWER LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Genex Power Limited (the Company) on pages 18 to 45, which comprises the statement of financial position as at 30 June 2015, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a) the financial report of Genex Power Limited on pages 18 to 45 is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company and consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

William Buck

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 11 to 14 of the directors' report for the year ended 30 June 2015. 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.

Auditor's Opinion
In our opinion, the Remuneration Report of Genex Power Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report
This auditor's report relates to the financial report of Genex Power Limited for the year ended 30 June 2015 included on Genex Power Limited's web site. The company's directors are responsible for the integrity of the Genex Power Limited's web site. We have not been engaged to report on the integrity of the Genex Power Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Leo Tutt

L.E. Tutt
Partner
28 September 2015

8. CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (CGS) is provided by the Directors of Genex Power Limited A.C.N. 152 098 854 (GNX or the Company) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's *'Corporate Governance Principles and Recommendations'* 3rd Edition (the Recommendations) including the 8 principles and 29 specific recommendations included therein. This is the first time the Company has reported against the 3rd Edition of the Recommendations. This CGS was approved by a resolution of the Board of the Company dated 28 September 2015 and is effective as at the same date and is in addition to and supplements the Company's Appendix 4G which is lodged with the ASX together with this Annual Report to Shareholders.

	Principle 1 Recommendations:	**Lay Solid Foundations for Management and Oversight**
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	(a) The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Board Charter also specifically outlines the role of the Board, the Company's Chairman, Individual Directors and the Managing Director. Each function and its responsibility are outlined in the Board Charter and in various sections of this this Corporate Governance Statement, both of which are available on the Company's website. The role and responsibility the Board, the Company's Chairman, Individual Directors and the Managing Director is outlined in the following paragraphs of the Company's Board Charter: • The Board – Paragraph 3.1; • The Chairman – Paragraph 8.1; • The Individual Directors – Paragraph 8.2; and • The Managing Director – Paragraph 8.3. (b) The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include those matters particularised in paragraph 3.1 of the Company's Board Charter. The Managing Director is separately responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board as outlined in paragraph 8.3.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	(a) Prior to the nomination of prospective non-executive directors for election or re-election, the Board must obtain from the prospective candidate: • details of other commitments of the prospective candidate and an indication of the time involved; and • an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company. All of the Company's current directors have undergone

		bankruptcy and police checks prior to the Company's recent IPO and appropriate checks will also be undertaken prior to the appointment of any new directors to the Board. (b) When a candidate is placed before shareholders for election or re-election as a director, the names of candidates submitted is accompanied by the following information to enable shareholders to make an informed decision in relation to that vote: • biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate; • details of relationships between the candidate and the Company, and the candidate and directors of the company; • directorships held; • particulars of other positions which involve significant time commitments; • the term of office currently served by any directors subject to re-election; and • any other particulars required by law.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has an Executive Services Agreement in place with each of its executive directors and its Chief Operations Officer and a Letter of Appointment with each of its non-executive directors.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Secretary is accountable to the Board through the Chairman on all governance matters and on all matters to do with the proper functioning of the Board. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes, procedures and policies run efficiently and effectively and the Secretary's role of responsibilities is outlined in paragraph 8.4 of the Board Charter.
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined	(a) The Company has established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board's commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company. The Company has a commitment to gender diversity and female participation will be sought in all areas at the appropriate time. Decisions relating to promotion, leadership development and flexible work arrangements will be based on merit and reinforce the importance of equality in the workplace. Ongoing monitoring of company policies and culture will be undertaken to make sure they do not hold any group back in their professional development. (b) A copy of the Company's Diversity Policy is available on the Company's website and a summary is included

	"senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	in this Corporate Governance Statement. (c) The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so. The Board will, at least once per year, review the policy to determine its adequacy for current circumstances and make recommendations to the Board for amendment where required. The Company's Corporate Governance Statement each year will contain an update on the Company's compliance with the ASX's recommendations and the Company's Diversity Policy. (i) The Company currently only has 4 employees who are all male and these comprise the 3 executive directors and the Chief Operations Officer The Company does not have any women on the Board or in Senior Executive positions at present but this will be reviewed in accordance with the next review of the Board's skills and requirements in accordance with the Company's Diversity Policy. (ii) The entity is not a "relevant employer".
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	(a) The Chairman is responsible for the: • evaluation and review of the performance of the Board and its committees (other than the Chairman); and • evaluation and review of the performance of individual directors (other than the Chairman); The Chairman should disclose the process for evaluating the performance of the Board, its Committees and individual directors. The Board (other than the Chairman) is responsible for the: • evaluation and review of the performance of the Chairman; and • review of the effectiveness and programme of Board meetings. The process for the performance evaluation of the Board, its Committees and Directors generally involves an internal review. From time to time as the Company's needs and circumstances require, the Board may commission an external review of the Board, and its composition. (b) No formal evaluation of the Board has yet taken place noting the early stage of the Company's operations however a full evaluation will be carried out in future years.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in	(a) The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against

<table>
<tr><td></td><td>accordance with that process.</td><td>predetermined objectives.

(b) No formal evaluation of senior executives has yet taken place noting the early stage of the Company’s operations and that the Company only has one senior executive outside of the Board. A full evaluation will be carried out in future years.</td></tr>
<tr><td></td><td><u>Principle 2 Recommendations:</u></td><td>Structure the Board to Add Value</td></tr>
<tr><td>2.1</td><td>The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u>
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td><td>(a) The Board, as a whole, currently serves as the Company’s Nomination Committee. Terms and conditions of employees are negotiated by the Managing Director for recommendation to the Board. As the Company grows in size it is planned that the Company will implement a separate Nomination Committee with its own separate Nomination Committee charter.

(b) While the Board does not currently comply with this recommendation, given the early stage of the Company’s operations, the Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.
It is intended that, as considered appropriate, further non-executive Director appointments to the Board will be made in the future as required. The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:
• accounting;
• finance;
• business;
• the Company’s industry;
• Managing Director-level experience; and
• relevant technical expertise.
The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.</td></tr>
<tr><td>2.2</td><td>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td><td>The Board will determine the procedure for the selection and appointment of new Directors and the re-election of incumbents in accordance with the Company’s Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:
• accounting;
• finance;
• business;</td></tr>
</table>

		• the Company's industry; • Managing Director-level experience; and • relevant technical expertise. The mix of skills of the current Board is set out on the Company's website and was also contained within the Company's Replacement Prospectus lodged with ASIC on 10 June 2015.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	(a) Currently only 2 of the 5 directors are considered to be independent given that Michael Addison is the Managing Director, Simon Kidston is an Executive Director and Ben Guo is the Finance Director. The independent directors are Dr Ralph Craven, the Company's Non-Executive Chairman and Mr Alan du Mee, a Non-Executive Director. (b) Not applicable. (c) The Directors were appointed to the Board as follows: Dr Ralph Craven – 29 May 2015 Mr Michael Addison – 15 July 2011 Mr Simon Kidston - 1 August 2013 Mr Ben Guo – 25 October 2013 Mr Alan du Mee – 29 May 2015
2.4	A majority of the board of a listed entity should be independent directors.	The Company does not currently have a majority of independent directors however the Board is of the view that notwithstanding that it does not currently comply with this recommendation it nonetheless has the appropriate mix of skills and experience for the Company's present stage of operations.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Company's current Chairman is Dr Ralph Craven who is an independent director and is not engaged in any executive role within the Company either as CEO, Managing Director or equivalent.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Pursuant to the Company's Board Charter the Board must implement an appropriate induction and education process for new Board appointees and Senior Executives to enable them to gain a better understanding of: • the Company's financial, strategic, operational and risk management position; • the rights, duties and responsibilities of the directors; • the roles and responsibilities of Senior Executives; and • the role of Board committees.
	Principle 3 Recommendations:	**Act Ethically and Responsibly**
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	(a) The Company's Corporate Governance Plan includes the following policies and charters which provide a framework for decisions and actions in relation to ethical conduct in employment. • Board Charter; • Audit & Risk Management Committee Charter; • Code of Conduct - Obligations to Stakeholders; • Code of Conduct - Directors and Key Officers;

		• Continuous Disclosure; • Remuneration Committee Charter; • Securities Trading; and • Diversity. (b) A copy of each policy including the codes of conduct relating to Directors, Senior Executives and employees is available on the Company's website.
	Principle 4 Recommendations:	**Safeguard Integrity in Corporate Reporting**
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	(a) The Company has established an Audit and Risk Management Committee which: (1) has 3 members being Mr Alan du Mee, Dr Ralph Craven and Mr Michael Addison. Only 2 of the committee members are non-executive directors being Mr Alan du Mee and Dr Ralph Craven. A majority of the committee also being Mr Alan du Mee and Dr Ralph Craven are independent. (2) is chaired by an independent director being Mr Alan du Mee who is not the chairman of the board. (3) A copy of the policy titled *"Charter of the Audit and Risk Management Committee of Genex Power Limited"* is available on the Company's website. (4) The relevant qualifications and experience of the Committee members is available on the Company's website. (5) The Committee was only constituted in accordance with the Company's recent IPO and, as such, did not hold any formal meetings during the reporting period. (b) Not applicable.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Board ensures that it receives the appropriate declarations and assurances including a declaration from the Chief Financial Officer that the Company's accounts have been kept in accordance with section 295A of the *Corporations Act 2001.*
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company ensures that the Auditor attends the AGM each year and is available to answer any question from shareholders either at the AGM or submitted in writing prior to the AGM.
	Principle 5 Recommendations:	**Make Timely and Balanced Disclosure**
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	(a) The Company has a continuous disclosure program/policy in place designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.

		(b) The continuous disclosure policy of the Company is available on the Company's website.
	Principle 6 Recommendations:	**Respect the Rights of Security Holders**
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company's Corporate Governance Plan includes a shareholder communications strategy which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. This is contained within the Company's policies titled *"Code of Conduct – Obligations to Stakeholders"* and *"Corporate Governance Policy – Continuous Disclosure".* The policies are available on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1. The Company also encourages shareholders to attend the Company's AGM and to ask questions of the Board and the Auditor and/or to submit questions in writing in advance.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may electronically lodge proxy instructions for items to be considered at the Company's AGM and any relevant EGM.
	Principle 7 Recommendations:	**Recognise and Manage Risk**
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	(a) The Board in conjunction with the Audit and Risk Management Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. (1) has 3 members being Mr Alan du Mee, Dr Ralph Craven and Mr Michael Addison. Only 2 of the committee members are non-executive directors being Mr Alan du Mee and Dr Ralph Craven. A majority of the committee also being Mr Alan du Mee and Dr Ralph Craven are independent. (2) is chaired by an independent director being Mr Alan du Mee who is not the Chairman of the Board (3) A copy of the policy titled *"Charter of the Audit and Risk Management Committee of Genex Power Limited"* is available on the Company's website. (4) The members of the committee are Mr Alan du Mee (Chair), Dr Ralph Craven (Member) and Mr Michael Addison (member). (5) The Committee was only constituted in accordance with the Company's recent IPO and, as such, did not hold any formal meetings during the reporting period. (b) Not applicable.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period,	(a) The Company has established policies for the oversight and management of material business risks. The Audit and Risk Management Charter of the Company is available on the Company's website. The responsibility for undertaking and assessing risk

	whether such a review has taken place.	management and internal control effectiveness is delegated to the Board in conjunction with the Audit and Risk Committee. The Board and Audit and Risk Management Committee are required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risks is integrated within business planning and management activities. Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee at the first Board meeting subsequent to each Committee meeting. (b) A formal review has not yet taken place as the Audit & Risk Management Committee was only recently constituted in accordance with the Company's IPO.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; **OR** (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	(a) The Company's internal audit function is exercised by the Chief Financial Officer in conjunction with a bookkeeper who is outsourced by the Company to ensure a level of segregation particularly in relation to processes and procedures around such things as payment authorisations and limits of authority. (b) Not applicable.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company is not aware of any potential material exposure to economic and environmental risks but emphasises the summary of non-exclusive risks outlined in the Company's Replacement Prospectus lodged with ASIC on 10 June 2015. In relation to any potential, but as yet unknown, environmental risk, the Company has an environmental assurance bond with the Queensland Government for $3,804,311.
	Principle 8 Recommendations:	**Remunerate Fairly and Responsibly**
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	(a) The Board has established a separate Remuneration Committee which: (1) has 3 members being Dr Ralph Craven, Mr Alan du Mee and Mr Simon Kidston. A majority of the committee also being Dr Ralph Craven and Alan du Mée are independent. (2) the Committee is chaired by an independent director being Dr Ralph Craven. (3) A copy of the Remuneration Committee Charter is available on the Company's website. (4) The members of the committee are Dr Ralph Craven, Mr Alan du Mee and Mr Simon Kidston. (5) The Committee was only constituted in accordance with the Company's recent IPO and, as such, did not hold any formal meetings during the reporting period. (b) Not applicable.
8.2	A listed entity should separately disclose its policies	The Committee distinguishes the structure of non-

	and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	executive directors' remuneration from that of executive directors and senior executives. The Company's Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	(a) A summary of the Company's policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration scheme is contained within the Remuneration Committee Charter. (b) Paragraph 6.2 (3) of the Company's Remuneration Committee Charter states: *"…The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with the Company's constitution and any thresholds approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration. The terms of such schemes should clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes. The exercise of any entitlements under these schemes should be timed to coincide with any trading windows under the Company's securities trading policy…"*

9. ADDITIONAL SECURITIES EXCHANGE INFORMATION

The following information is provided pursuant to Listing Rule 4.10 and is current as at 8 September 2015:

Voting Rights

Shareholder voting rights are specified in clause 10.14 of the Company's Constitution lodged with the ASX on 6 July 2015. Option holders do not have the right to vote at a general meeting of shareholders until such time as the options have been converted into ordinary shares in the Company.

Total number of Shareholders	**461**
Total number of Optionholders	**297**

Substantial Shareholders	**Total Units**	**%**
Zhefu Hydropower International Engineering Corporation Ltd	31,678,750	20.000
Rivonia Pty Limited <Rivonia Super Fund A/C>	27,000,000	17.046
KFT Capital Pty Limited <Gundimaine A/C>	17,700,000	11.175
Downing Domain Investments Pty Ltd <Downing Family A/C>	11,690,000	7.380
	88,068,750	**55.601**
Total Shares on Issue	**158,393,750**	**100.00**

There are 8 shareholders with an unmarketable parcel of shares being a holding of less than 3,125 shares each for a combined total of 17,973 shares. This is based on a closing price of $0.16 per share as at 7 September 2015 and represents 0.011% of the shares on issue.

Distribution of Shareholders

Holdings Ranges	**Holders**	**Total Units**	**Percentage %**
1-1,000	1	100	0.00
1,001-5,000	19	68,824	0.04
5,001-10,000	74	708,320	0.45
10,001-100,000	230	11,658,313	7.36
100,001 and over	137	145,958,193	92.15
Total	**461**	**158,393,750**	**100.00**

Top 20 Shareholders	**Total Units**	**Percentage %**
ZHEFU HYDROPOWER INTERNATIONAL ENGINEERING CORPORATION LTD	31,678,750	20.000
RIVONIA PTY LIMITED <RIVONIA SUPER FUND A/C>	27,000,000	17.046

KFT CAPITAL PTY LIMITED <GUNDIMAINE A/C>	17,700,000	11.175
DOWNING DOMAIN INVESTMENTS PTY LTD <DOWNING FAMILY A/C>	11,690,000	7.38
AUSTRALIAN GO FUTURES PTY LTD	7,000,000	4.42
PANCHO (NSW) PTY LIMITED <THE GAVSOL SUPER FUND A/C>	3,300,000	2.08
KFS PTY LIMITED <SEK SUPER FUND A/C>	3,000,000	1.89
MR DAVID NOLAN	2,000,000	1.26
MOORE PARK CAPITAL PTY LIMITED <SODAMNSOLID FUND A/C>	2,000,000	1.26
CITICORP NOMINEES PTY LIMITED	1,750,000	1.11
UPPER BEACH PTY LIMITED <ADSALEUM FAMILY A/C>	1,000,000	0.63
PISTACHIO PTY LTD <THE SURE THING A/C>	1,000,000	0.63
STONECOT PTY LIMITED <HOSB SUPER FUND A/C>	1,000,000	0.63
STEVEN SEQUEIRA PTY LTD	950,000	0.60
MR JOHN NOLAN	935,000	0.59
MAJI MAZURI PTY LTD & MAWINGO PTY LTD	880,000	0.56
J P MORGAN NOMINEES AUSTRALIA LIMITED	800,000	0.51
GRIFFINC PTY LIMITED <THE GRIFFIN FAMILY A/C>	800,000	0.51
MR CHRISTOPHER MACDONALD	800,000	0.51
MR GEOFFREY LEVY	785,000	0.50
Top 20 Shareholders	**116,068,750**	**73.28**
Total Issued Capital	**158,393,750**	**100.00**

Distribution of Optionholders – Exercisable at $0.25 expiring 7 February 2019

Holdings Ranges	Holders	Total Units	Percentage %
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	0	0	0.00
100,001 and over	6	8,500,000	100.00
Total	**6**	**8,500,000**	**100.00**

Optionholders with more than 20% of the Class of Option:

ESCR INVESTMENTS PTY LTD <THE CRAVEN FAMILY A/C>	3,000,000	35.294
ALAN MYLES ROGER DE CHASTEIGNER DU MEE	2,000,000	23.529

Distribution of Loyalty Optionholders – Exercisable at $0.20 expiring 25 February 2018

Holdings Ranges	Holders	Total Units	Percentage %
1-1,000	0	0	0.00
1,001-5,000	67	335,000	1.68
5,001-10,000	38	310,000	1.55
10,001-100,000	162	5,930,500	29.65
100,001 and over	23	13,424,500	67.12
Total	**290**	**20,000,000**	**100.00**

Loyalty Optionholders with more than 20% of the Class of Option:

DOWNING DOMAIN INVESTMENTS PTY LTD <DOWNING FAMILY A/C>	4,845,000	24.225
ZHEFU HYDROPOWER INTERNATIONAL ENGINEERING CORPORATION LTD	4,000,000	20.000

Distribution of Optionholders – Exercisable at $0.25 expiring 6 August 2020

Holdings Ranges	Holders	Total Units	Percentage %
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	0	0	0.00
100,001 and over	1	5,000,000	100.00
Total	**1**	**5,000,000**	**100.00**

Optionholders with more than 20% of the Class of Option:

A & M McGHIE INVESTMENTS PTY LTD <A & M McGHIE FAMILY A/C>	5,000,000	100.00

There are 58,193,750 Fully Paid Ordinary Shares and 500,000 unlisted options exercisable at $0.25 each expiring 7 February 2019 subject to voluntary escrow until 8 January 2016.
There is no current on-market buy-back.

10. CORPORATE DIRECTORY

DIRECTORS

Dr Ralph Craven	Non-Executive Chairman
Mr Alan du Mée	Non-Executive Director
Mr Michael Addison	Managing Director
Mr Simon Kidston	Executive Director
Mr Ben Guo	Finance Director

COMPANY SECRETARY
Mr Justin Clyne

REGISTERED OFFICE & PRINCIPAL PLACE IF BUSINESS
Level 11
2 Bligh Street
Sydney NSW 2000
Telephone: +61 2 9993 4441
Facsimile: +61 2 9993 4433
Email: info@genexpower.com.au

WEBSITE
www.genexpower.com.au

ASX CODE
GNX

AUDITORS
William Buck
Level 29
66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000
Facsimile: +61 2 8263 4111
Website: www.williambuck.com

SHARE REGISTRY
Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

PRINCIPAL BANKERS
ANZ Banking Group Limited