

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Annual Report

For the Year Ended 30 June 2016

Greenpower Energy Limited

ABN 22 000 002 111

For the Year Ended 30 June 2016

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Greenpower Energy Limited

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Directors' Report

30 June 2016

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2016.

Directors

The following persons were Directors of Greenpower Energy Limited for part of the financial year and up to the date of this report:

Names

Mr. Gerard King
Mr. Edwin Bulseco – Appointed 29 February 2016
Mr. Timothy Wall – Appointed 23 May 2016
Mr. Alan Flavelle – Resigned 30 June 2016
Mr. Ronald McCullough – Resigned 29 February 2016
Mr. Takanao Mitsui – Resigned 29 February 2016

Information on directors

Gerard King

Qualifications

LLB

Experience

After graduating in law (LLB) from the University of Western Australia in 1963, Gerard commenced articles with (Sir) John Lavan (Lavan & Walsh) in Perth, being admitted as a solicitor in 1965, into the law firm partnership in 1966, and became its senior partner in 1978. Under Gerard, Lavan & Walsh eventually became Phillips Fox, Perth in 1985.

Throughout his career, Gerard has practised in the legal areas of commercial property, banking/finance, revenue/tax, corporate compliance, and mining law. He taught mortgage and other debt security drafting at UWA law school for 5 years, joined the Taxation Institute of Australia, and the Australian Mining and Petroleum Lawyers Association and gave papers on revenue, strata title, prospectuses, document drafting and other topics. Gerard served on the Law Society of WA Council, and its committees. He was involved in the management of his law firm from 1968 to 1991, and attended two law firm management courses at the University of New England.

Gerard has been a company director of Australasian Shopping Centres Property Trust, 1977 to 1980, Australian Mining Investments Ltd., 1983 to 2002, as well as other public companies, and is currently Chairman of Astron Limited, since 1985. He was Chairman of WA St. John Ambulance Service Board 1987 to 1996, and is currently WA State St. John Council Chairman.

Interest in shares and options

168,977,516 Ordinary Shares and 10,000,000 Options

Special responsibilities

Chairman and Executive Director

Other current directorships in listed entities

Gerard King is a Director of Astron Limited since 5 November 1985

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Information on directors continued

Edwin Bulseco

Qualifications Bachelor of Commerce

Experience Edwin Bulseco has a wealth of experience in capital markets and corporate strategic planning. From 2010 to 2014 Edwin served as senior equity research analyst at two of Australia's oldest stockbrokers. Edwin is currently a Director of Corporate Finance at a boutique Corporate Advisory firm gaining exposure to a broad range of sectors including Technology, Energy and Resources. Prior to working in capital markets Edwin held various internal consulting, corporate/strategic planning and commercial roles with Royal Dutch Shell.

Interest in shares and options 7,010,030 Ordinary Shares and 10,000,000 Options

Special responsibilities Non-Executive Director.

Other current directorships in listed entities Edwin Bulseco has been a Non-Executive Director of Transcendence Technologies Ltd since 8 June 2016

Timothy Wall

Qualifications Chartered Accountant, Graduate of AICD's Company Directors and AIRA's Diploma of Investor Relations

Experience Mr Wall is an experienced professional with a strong background as a "hands on" COO & CFO with a specific focus on Investor Relations & Capital Markets.

Mr Wall brings experience as a Finance Director, NED, COO, & CFO serving on a number of boards including ASX & AIM (London) listed companies and across a range of industries but generally focused on emerging technologies/innovation.

Interest in shares and options Nil

Special responsibilities Non-Executive Director.

Other current directorships in listed entities Nil

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Directors' Report

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Information on directors continued

Alan Flavelle

Qualifications

BSc, FAIMM, MSPE

Experience

1958-1968: Alan was employed by the Bureau of Mineral Resources [a federal government agency] as a geophysicist and worked in all states of Australia, New Guinea, Canada and the USA.

1969-70: He was employed by West Australian Petroleum, a Perth based affiliate of Chevron as an exploration expert in oil exploration activities in Western Australia.

1971-1980: He became the senior partner in the Layton Group, at that time the largest earth science consulting group based in Australia, and worked on projects in Australia, New Guinea, Philippines, Malaysia, Thailand, Taiwan, Japan, India, USA and Argentina.

1981-present: Alan has worked as an independent consultant, resource developer and adviser to companies at the technical director level including jobs like:

Coalbed Methane: Alan became involved in coal seam natural gas (CSG) development in 1984 when he visited USA on a fact finding mission. From 1985-1990 he worked on CSG developments in Queensland and was instrumental in introducing Mitsubishi Gas and Chemical to CSG technology. The company then took over the Queensland assets. From 1991-2000 he investigated a number of CSG development opportunities in Vietnam, South Korea, South Africa, and Japan as well as Australia. From 2001 to the present he has directed a major investigation for CSG opportunities in Europe and Central Asia. Several projects which have been acquired in France and Italy. A second major project aimed at identifying CSG opportunities in Western Australia was started in 2003 and is ongoing.

Interest in shares and options

3,130,160 Ordinary Shares

Special responsibilities

Chairman - Executive Director

Other directorships in listed entities held in the previous three years

Nil

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Directors' Report

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Information on directors continued

Ronald McCullough

Qualifications

M.B.A., B.E. (Hons), FAustIMM

Experience

Ronald Hugh McCullough is an Honours graduate in Engineering from the University of Western Australia. He also completed a Master of Business Administration at UWA.

Subsequently, Ron has been involved in civil engineering design, and the construction of various major engineering works in Western Australia, including water supply dams, major water reticulation and suburban infrastructure projects.

Ron has extensive mining experience, including bauxite and coal mining. Ron has investigated the development of a private power station and the exploitation of coal bed methane deposits in the Gunnedah basin on NSW. While involved with the Maitland Main Collieries, which held an authorisation to develop a large coal deposit at Glennies Creek, near Singleton in the Hunter Valley, NSW Ron managed all necessary environmental impact studies, authority compliance requirements, mine construction and operation feasibility studies and then obtained a mining lease for the deposit.

Ron became involved in the sand mining industry in Western Australia with the development, in 1994, and management until 2005 of a silica sand mining and exporting operation at Albany in Western Australia, on behalf of Japanese corporations.

Interest in shares and options

2,487,741 Ordinary Shares

Special responsibilities

Non-Executive Director.

Other current directorships in listed entities

Nil

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Directors' Report

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Information on directors continued

Takanao 'Tony' Mitsui

Qualifications

B.Ec
MBA

Experience

In April 1965, Tony joined Tomen Corporation, (then called Toyo Menka Kaisha, one of the large, multi-faceted Japanese Trading Houses) in the Steel Department in the Osaka Head Office. From 1968 to 1971 he worked in the Metals and Minerals Department of Toyo Menka. In 1971 he was posted to Toyo Menka's Sydney office, returning to Tokyo in 1973, to join the Coal Department. In 1977 he was posted to the Vancouver, Canada office of Toyo Menka.

In 1981, Tony returned to Tokyo to head the Thermal Coal Section. In 1985 he was appointed General Manager, Metals and Minerals for Tomen Australia. In 1990, he moved to General Manager Coal and Iron Ore Department, Tokyo Head Office of Tomen Corporation. In 1995 he returned to Australia as Managing Director of Tomen Australia. In 2001 he returned to Tokyo as a Corporate Auditor in the Tomen Head Office.

In April 2006, Tomen Corporation merged with Toyota Tsusho, the trading arm of Toyota. Tony remains an adviser to Toyota Tsusho in Tokyo.

Interest in shares and options

120,000 Ordinary Shares

Special responsibilities

Non-Executive Director.

Other current directorships in listed entities

Nil

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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Directors' Report

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Principal Activities

The principal activities of the Group during the financial year related principally to the development of its Coal to Liquid project while maintaining core exploration licences with the potential to supply feedstock and integrate with the Coal to Liquid project.

The principal activities of the company during the financial year relating to these were:

Coal to Liquid Project 'CTL':

- In November 2013 Greenpower signed an agreement with US-Thermaquatica Inc., to jointly test and develop the Oxidative Hydrothermal Dissolution (OHD) process for the conversion of coals to liquids. OHD is a patented process for the conversion of coals to liquids, the rights to which are owned by US firm Thermaquatica Inc. The arrangement allows Greenpower to receive an exclusive license to develop and apply the OHD process on a commercial scale within Australia and New Zealand in exchange for contributing USD \$2m towards research on extraction of the products from the OHD liquid.
- OHD is a novel and environmentally friendly technology for the conversion of coal and other solid organic material into low molecular weight, water soluble products. Many of the initial products are potentially useful for producing polymers as well as other hydrocarbon based products. The process works by taking the initial macromolecular solid material such as coal and causing a reaction with small amounts of oxygen in high temperature and high pressure water.
- Testing of samples of Victorian Brown Coal shipped to Thermaquatica's laboratory has continued during the year. Monash University and other consultants have been engaged as part of an ongoing test program researching the benefits of some of the output for agricultural and other purposes which is an exciting development and jointly funded by Commonwealth Research Grants.
- Greenpower has been developing potential markets for the output which has incorporated the Monash findings and could have significant potential.
- Pilot plant engineering work has commenced in Australia. The Group needs to demonstrate the process works at a commercial scale which necessitates the building of a pilot plant. It can then carry on a profitable commercial business selling the liquid so produced.
- In order to develop the project Greenpower will need to raise finance and or issue equity to provide sufficient funding to build the pilot plant. Greenpower is also actively reviewing and applying for available Government initiatives including Grants and engaging Research and Development consultants to assist in compliance and application for research and development refunds.

Victoria:

- As at 30 June 2016 the group held three Mineral exploration licenses in the Gippsland Basin (Latrobe Valley), namely EL 4500 "Korumburra" and EL 5227 "Athlone" both held in the name of subsidiary Greenpower Natural Gas Pty Ltd and EL 4877 "Mirboo" held in the name of subsidiary Sawells Pty Ltd.
- In previous years the Group has renewed the licences and announced inferred resources from drilling down-hole geophysical logging and core analysis. Subsequent to year end the Group decided to relinquish all three licenses due to the length of time held and haphazard area shaping that reductions have caused over the years and apply for a fresh license covering the most accessible and geologically well-defined area of the lignite deposit.

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- The Group then intends to hold the fresh licence(s) until the Company's coal to liquid technology has been advanced to the degree necessary to resort to this deposit, if necessary by converting to Retention licenses.
- Exploration of the license(s) can also be broadened in the meantime to include other minerals of interest that may be able to be exploited to add value for shareholders.

Corporate:

- During the year Greenpower Energy Limited engaged Patersons Corporate Finance ("PCF") to recapitalise the Group. PCF assisted in issuing equity enabling the Group to finalise the Thermaquatica "OHC" Coal to Liquid Technology commitment, pay outstanding creditors and extinguish the Group debt. The advisory services are ongoing and subsequent to year end additional funds have been raised.
- Greenpower is focused on reviewing a number of other funding opportunities and ensuring corporate costs are not excessive.
- Greenpower applied for an advanced finding to include the research undertaken by Thermaquatica at the University of Southern Illinois USA in the Group Research and Development application, this was rejected by Innovation Australian in April 2016. The Group has now appealed this finding; the appeal is ongoing. There is no negative financial impact to the appeal however a successful appeal should be beneficial to the Group.

No significant change in the nature of these activities occurred during the year.

Governance Arrangements

Greenpower Energy seeks to ensure the reporting of Mineral Resources and Ore Reserves is in accordance with Industry best practice and Listing Rules. All current Mineral Resources and Ore Reserves have been compiled by independent consultants recognised for their expertise in the estimation of coal resources and reserves. The Estimates have been reviewed by an independent consultant considered to be a Competent Person under the JORC Code 2012 to ensure that the resource reports comply with the listing rules.

Matter Subsequent to the end of the Financial Year

Subsequent to the year end of the Group:

- On 29 July 2016 the Group announced a capital raising to raise \$675,000 before costs over two tranches. \$347,652 net of costs has been raised in the first tranche with a balance of \$265,500 (the second tranche) expected to be finalised in October 2016.
- On 20 September 2016 the Group announced that it had signed a binding heads of agreement with Guyana Strategic Metals Inc. to acquire (at the company's discretion) percentage interests from 10% up to 74%, depending on exploration results interest in the Guyanese Morabisi Project prospective for Lithium and Tantalum. Refer to the separate ASX announcement 22 September 2016.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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Directors' Report

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Likely Developments and Expected Results from Operations

The Company expects to maintain the present status and level of operations.

Non-Audit Services

There were no non-audit services during the year (2015: Nil).

Auditors Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2016 has been received and can be found on page 17 of the financial report. The auditor William Buck Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

Environmental Regulations

The Group's operations to date are not regulated by any significant environmental regulation under the law of the Commonwealth or of a state or territory. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report on annual greenhouse gas emissions and energy use. For the measurement period 1 July 2015 to 30 June 2016 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Dividends Paid or Declared

No dividends were paid or declared since the start of the financial year.

Company Secretary

Mr Matthew Suttling, B.Ec CA was appointed Company Secretary of Greenpower Energy Limited on 1 May 2007. He is a Chartered Accountant. His experience is broad based including clients ranging from multinationals to listed public companies, audit, other business financial and taxation services. He is currently in Public Practice.

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Directors' Report

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Business Review

Operating Results

The loss after providing for income tax amounted to \$2,873,530 (2015: \$701,717). The 2016 loss included an impairment against the carrying value of the Tenements held of \$1,324,439 (2015: \$1,038) and completion of the commitments on the OHD Coal to Liquid ('CTL') project where the Group's policy is to expense exploration and initial expenditures. Administration costs were consistent with the prior year and would not be anticipated to increase in 2017. The significant expenditure during the year was the license payments on the OHD CTL project of \$776,607 (2015: \$349,432) which reflects the Group's strategy to developing a clean and efficient CTL technology that will integrate with the inferred resources held within the Group's Victorian tenements. Development of the CTL projects is ongoing specifically to identify potential markets and working towards completion of feasibility studies to enable the Group to consider building a pilot plant in Victoria. The Group has engaged specialists to provide independent guidance as to the strengths of the CTL processes and technology. The Directors are committed to carefully utilising current resources, reviewing potentially markets for output, partners and other funding initiatives.

Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Mr Gerard King	9	9
Mr Edwin Belseco	4	2
Mr Timothy Wall	1	1
Mr Alan Flavelle	9	9
Mr Ronald McCullough	5	5
Mr Takanao Mitsui	5	5

Remuneration Report (AUDITED)

The key management personnel of the Group consisted of the following directors and other persons:

- Gerard King - Executive Chairman
- Edwin Bulseco – Non-Executive Director
- Timothy Wall – Non-Executive Director
- Alan Flavelle – Executive
- Ronald McCullough – Non-Executive Director
- Takanao Mitsui – Non-Executive Director
- Matthew Suttling – CFO/Company Secretary

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporation Act 2001.

This report details the nature and amount of remuneration for each director of Greenpower Energy Limited, and for the executives of the Group.

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Directors' Report

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Service Agreements

Currently Greenpower Energy Limited does not have any service agreements in place with key management personnel.

Use of Remuneration Consultants

During the year the Directors did not utilise the services of remuneration consultants in determining the amount of remuneration for each Director and Executive.

Voting and Comments Made at the Company's 2015 Annual General Meeting

The Company passed the motion approving the 2015 remuneration report with 66.15% of the votes received and cast at the meeting (after eliminating excluded votes). The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Share-Based Compensation

No Options over shares in Greenpower Energy Limited were granted during the year in accordance with the Company Employee Share Option Plan ("ESOP"). The ESOP is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

No ordinary shares in the company were provided as a result of the exercise of remuneration options to any director of Greenpower Energy Limited or other key management personnel of the group.

Further to the Group capital raising approved by the shareholders at an extraordinary general meeting held on 27 April 2016, 25,010,000 options were issued to Key Management Personnel on 2 May 2016.

Additional information

No performance based bonuses have been paid to key management personnel during the financial year. It is the intent of the board to include performance bonuses as part of remuneration packages when mine production commences.

For non-executive Directors the aggregate pool limit approved by shareholders as Directors Fees is \$100,000 as approved at the 2009 Annual General Meeting.

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Directors' Report

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Details of Remuneration

Details of remuneration of the directors and key management personnel of the group are set out below:

2016	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary \$	Cash profit share \$	Cash Bonus \$	Non-cash Benefits \$	Superannuation \$	Equity \$	Options \$	
Gerard King	60,000	-	-	-	-	-	43,626	103,626
Edwin Bulseco 1.	12,000	-	-	-	-	-	43,626	55,626
Timothy Wall 2.	6,000	-	-	-	-	-	-	6,000
Alan Flavelle 3.	131,808	-	-	-	12,192	-	-	144,000
Ronald McCullough 4.	-	-	-	-	-	-	-	-
Takanao Mitsui 4.	-	-	-	-	-	-	-	-
Matthew Suttling	50,000	-	-	-	-	-	21,856	71,856
	259,808	-	-	-	12,192	-	109,108	381,108

2015	Short-term benefits				Post employment benefits	Share-based payments		Total
	Cash salary \$	Cash profit share \$	Cash Bonus \$	Non-cash Benefits \$	Superannuation \$	Equity \$	Options \$	
Alan Flavelle	131,808	-	-	-	12,192	-	-	144,000
Gerard King	60,000	-	-	-	-	-	-	60,000
Ronald McCullough	-	-	-	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-	-	-	-
Matthew Suttling	50,000	-	-	-	-	-	-	50,000
	241,808	-	-	-	12,192	-	-	254,000

1. Edwin Bulseco was appointed as a Director on 29 February 2016
2. Timothy Wall was appointed as a Director on 23 May 2016
3. Ronald McCullough and Tony Mitsui resigned 29 February 2016

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was fixed and at risk.

	Fixed Remuneration %	At Risk Long Term Remuneration %
Directors		
Gerard King	100	-
Edwin Bulseco	100	-
Timothy Wall	100	-
Alan Flavelle	100	-
Ronald McCullough	100	-
Takanao Mitsui	100	-
KMP		
Matthew Suttling	100	-

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Directors' Report

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Remuneration Policy

As the Group develops it will be implementing the following remuneration guidelines. The remuneration policy of Greenpower Energy Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Greenpower Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for the board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation where applicable. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- Executives will also be entitled to participate in future employee share and option arrangements.
- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using appropriate methodologies.
- The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No such advice was obtained during the year. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Other transactions with Key Management Personnel

During the year ended 30 June 2015 a Director, Gerard King, had loaned the Group \$420,000 on commercial terms to meet its short term Coal to Liquid project commitments and working capital. This loan was repaid by the issue of 140,000,000 ordinary shares on 27 April 2016. Interest was payable by the Group at 5.75% being the underlying bank loan rate and totalled \$19,222. The loan was repayable on demand.

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Directors' Report

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Key Management Personnel Share and Option Holdings

The number of ordinary shares in Greenpower Energy Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	On exercise of options	Net Change Other #	Balance at resignation date	Balance at end of year
30 June 2016					
Directors					
Gerard King #1.	28,977,516	-	140,000,000	-	168,977,516
Edwin Bulseco #2.	-	-	7,010,030	-	7,010,030
Timothy Wall	-	-	-	-	-
Alan Flavelle	3,130,160	-	-	3,130,160	-
Ronald McCullough	2,487,741	-	-	2,487,741	-
Takanao Mitsui	120,000	-	-	120,000	-
Other KMP					
Matthew Suttling #2.	83,910	-	167,820	-	251,730
	34,799,327	-	147,177,850	5,737,901	176,239,276

Net change other are ordinary shares issued on 2 May 2016 at \$0.003 per share as follows:

#1. 140,000,000 ordinary shares issued to a related party of Gerard King, Pandora Nominees Pty Ltd in lieu of a loan repayment of \$420,000 as approved by shareholders at the General Meeting held on 27 April 2016.

#2. Ordinary shares purchased through the Rights issue.

Details of Options Issued During the year:

	Grant Date	Number Granted	Value per Option \$	Value of options at grant date	Number lapsed during the year
30 June 2016					
Directors					
Gerard King	2 May 2016	10,000,000	0.004	43,636	-
Edwin Bulseco	2 May 2016	10,000,000	0.004	43,636	-
Timothy Wall	-	-	-	-	-
Alan Flavelle	-	-	-	-	-
Ronald McCullough	-	-	-	-	-
Takanao Mitsui	-	-	-	-	-
Other KMP					
Matthew Suttling	2 May 2016	5,010,000	0.004	21,861	-

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Directors' Report

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	Exercise Price Cents	Vesting and first exercise date	Last exercise date
30 June 2016			
Directors			
Gerard King	0.5	2 May 2016	2 May 2020
Edwin Bulseco	0.5	2 May 2016	2 May 2020
Timothy Wall		-	-
Alan Flavelle		-	-
Ronald McCullough		-	-
Takanao Mitsui		-	-
Other KMP			
Matthew Suttling	0.5	2 May 2016	2 May 2020

Further to the Group capital raising approved by the shareholders at an extraordinary general meeting held on 27 April 2016, 25,010,000 options were issued to Key Management Personnel on 2 May 2016.

The options granted in the year ended 30 June 2016 were issued and paid at \$0.000001 and are exercisable at \$0.005 per option with an expiry date of on or before 2 May 2020. They vested immediately.

The options have been valued using Black Scholes methodology at \$0.0044 per option issued. The Black Scholes assumptions are outlined below:

	<u>Unlisted options</u>
Number of options in series	45,000,000
Underlying share price	\$0.006
Exercise price	\$0.005
Expected volatility	100%
Option life	4 years
Dividend yield	0.00%
Interest rate	1.50%

Options Held by KMP

	Opening Balance	Granted as remuneration	On exercise of options	Expired	Vested and Exercisable	Vested and Un-exercisable
Gerard King	-	10,000,000	-	-	10,000,000	-
Edwin Bulseco	-	10,000,000	-	-	10,000,000	-
Matthew Suttling	300,000	5,010,000	-	150,000	5,160,000	-
	300,000	25,010,000	-	150,000	25,160,000	-

On 2 May 2016 45,000,000 Options were issued as approved by the Extraordinary General Meeting held on 27 April 2016. No further Options were issued during the year. No options have been granted to the directors or KMP since the end of the financial year. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is \$0.005. No options were exercised during the year.

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Directors' Report

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Performance-based Remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages due to the stage of the Group's development, no link between remuneration and financial performance currently exists.

The table below sets out summary information about the Group's earnings and movement in share price for the five years to 30 June 2016:

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Income	12,418	31,042	21,982	396,073	181,053
Net loss before tax	(2,873,530)	(806,434)	(1,726,517)	(1,121,806)	(1,296,759)
Net loss after tax benefit	(2,873,530)	(701,717)	(1,726,517)	(1,212,490)	(1,516,481)
Share Price at end of year (cents)	0.5	0.9	0.2	0.1	0.4
Basic and diluted loss per share	(0.87)	(0.76)	(1.87)	(1.46)	(2.09)

Long Term Benefits and Termination Benefits

The Group's Employee Share and Option Plan aligns remuneration with at risk long term benefits. The Group has no long term benefits payable or termination benefits due.

End of Audited Remuneration Report

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Auditors' Independence Declaration

The lead auditors' independence declaration for the year ended 30 June 2016 has been received and can be found on page 17 of the financial report.

Proceedings on Behalf of Company

No person has applied for leave of Court under s237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the period.

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Options

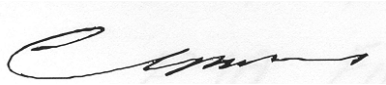
Unissued shares under option

At the date of this report, the unissued ordinary shares of Greenpower Energy Limited under option are as follows:

Date Options Granted	Expiry Date	Exercise Price Cents	Number under Option
30/09/2011	30/09/2016	5.0	450,000
03/05/2016	03/05/2020	0.5	45,000,000
			<hr/>
			45,450,000

Sign off details

Signed in accordance with a resolution of the Board of Directors:



Director:

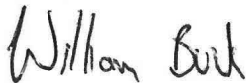
Gerard King

Dated this 30th day of September 2016

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREENPOWER ENERGY
LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2016 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 Audit (WA) Pty Ltd
ABN 67 125 012 124



Conley Manifis
Director

Dated this 30th day of September, 2016

**CHARTERED ACCOUNTANTS
& ADVISORS**

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South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Income Statement

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Other income	4	12,418	22,124
Interest income		-	8,918
Occupancy costs		(11,385)	(12,210)
Administrative costs		(430,068)	(405,173)
Exploration and Tenement costs		(899,630)	(406,727)
Impairment of Tenements	13	(1,324,439)	(1,038)
Share based payments		(196,315)	-
Finance costs		(23,651)	(11,190)
Depreciation and amortisation		(460)	(1,138)
Profit (loss) before income tax		(2,873,530)	(806,434)
Income tax (expense)/benefit	5	-	104,717
Loss after income tax		(2,873,530)	(701,717)
Loss attributable to owners of Greenpower Energy Limited		(2,873,530)	(701,717)
Loss per share:			
Basic loss per share (cents)	6	(0.87)	(0.76)
Diluted loss per share (cents)	6	(0.87)	(0.76)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Net loss for the year	(2,873,530)	(701,717)
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Net gain/(loss) on revaluation of financial assets	42,029	(296,075)
Other comprehensive income for the year, net of tax	42,029	(296,075)
Total comprehensive loss for the year	(2,831,501)	(977,792)
Total comprehensive loss attributable to:		
Owners of Greenpower Energy Limited	(2,831,501)	(977,792)
	(2,831,501)	(977,792)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Greenpower Energy Limited

ABN 22 000 002 111

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	668,042	864,780
Trade and other receivables	8	35,017	118,314
TOTAL CURRENT ASSETS		703,059	983,094
NON-CURRENT ASSETS			
Available for sale assets	9	268,902	321,322
Plant and equipment	10	1,407	1,731
Intangible assets	11	-	136
Exploration and evaluation assets	13	-	1,324,439
TOTAL NON-CURRENT ASSETS		270,309	1,647,628
TOTAL ASSETS		973,368	2,630,722
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	219,766	545,355
TOTAL CURRENT LIABILITIES		219,766	545,355
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		219,766	545,355
NET ASSETS		753,602	2,085,367
EQUITY			
Contributed equity	15	64,701,662	63,398,286
Reserves	16	11,205,611	10,967,222
Accumulated losses	17	(75,153,671)	(72,280,141)
TOTAL EQUITY		753,602	2,085,367

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

Greenpower Energy Limited

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

2016						
	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2015	63,398,286	(72,280,141)	10,314,793	277,600	374,829	2,085,367
Loss for the year	-	(2,873,530)	-	-	-	(2,873,530)
Revaluation	-	-	-	-	42,029	42,029
Total comprehensive income for the year	-	(2,873,530)	-	-	42,029	(2,831,501)
Transactions with owners in their capacity as owners:						
Contributions of equity net of transaction costs	1,303,376	-	-	196,360	-	1,499,736
Balance at 30 June 2016	64,701,662	(75,153,671)	10,314,793	473,960	416,858	753,602
2015						
	Contributed Equity \$	Accumulated Losses \$	Capital Profits Reserve \$	Option Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2014	63,398,286	(71,578,424)	10,314,793	277,600	670,904	3,083,159
Loss for the year	-	(701,717)	-	-	-	(701,717)
Revaluation	-	-	-	-	(296,075)	(296,075)
Total comprehensive income for the year	-	(701,717)	-	-	(296,075)	(997,792)
Balance at 30 June 2015	63,398,286	(72,280,141)	10,314,793	277,600	374,829	2,085,367

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

Greenpower Energy Limited

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(1,282,921)	(796,078)
Interest received		8,908	8,730
Finance costs		(4,009)	(1,935)
Income tax benefit received		104,905	-
Net cash provided by (used in) operating activities	18(a)	(1,173,117)	(789,283)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of investments		97,958	850,000
Net cash used by investing activities		97,958	850,000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares and options net of transaction costs		428,421	-
Proceeds from issue of Converting loans		450,000	-
Loan proceeds from related parties	20(d)	-	420,000
Net cash used by financing activities		878,421	420,000
Net increase (decrease) in cash and cash equivalents held		(196,738)	480,717
Cash and cash equivalents at beginning of year		864,780	384,063
Cash and cash equivalents at end of financial year	7	668,042	864,780

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

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

1 Corporate Information

The financial report of Greenpower Energy Limited for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 30 September 2016 and covers Greenpower Energy Limited as an individual entity as well as the consolidated entity consisting of Greenpower Energy Limited and its subsidiaries as required by the Corporations Act 2001.

The financial report is presented in the Australian currency.

Greenpower Energy Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Going Concern

For the year ended 30 June 2016 the group recorded a consolidated loss of \$2,873,530 (2015: \$701,717) and at that date the net operating cash out flows were \$1,173,117 (2015: \$789,283). The company had net current assets of \$483,293 (2015: \$437,739).

These conditions could indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, however notwithstanding this the accounts have been prepared on a going concern basis.

The directors have assessed the Group's operating and research costs along with future commitments for tenement exploration costs in order to establish the future funding requirements for the Group. As at 30 June 2016 the group has cash of \$668,042 as well as shares held in an ASX listed entity with a value of \$268,902. Subsequent to year end the Group announced a share issue to raise before costs \$675,000 which the group anticipates will sufficient to satisfy its current obligations. To date \$347,652 has been received with a balance of \$265,500 expected to be finalised in October 2016.

The Group sees significant potential in the ongoing development of its Coal to Liquid project. In the event that this strategy cannot be implemented successfully then the going concern basis of accounting may not be appropriate with the result that the group may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from that stated in the financial report.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(c) Principles of Consolidation

Subsidiaries

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Subsidiaries are accounted for in the Parent entity financial statements at cost. A list of subsidiary entities is contained in Note 12 to the financial statements. All subsidiary entities have a 30 June financial year end.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors. The Directors are responsible for allocating resources and assessing the performance of the operating segments.

(e) Revenue and Other Income

Revenue is recognised at the fair value of the consideration received or receivable.

Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Dividends received are accounted for when received.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(f) Income Tax

The income tax expense for the period is the tax payable on the current period'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 between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

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

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Greenpower Energy Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

(g) Impairment of Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

(h) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with 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 and bank overdrafts.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(i) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Depreciation on other assets is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of Asset	
Office Equipment	3-4 Years

(j) Exploration and Evaluation Assets

Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each year to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at year end and the Directors are satisfied that the value is recoverable.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceed the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(k) Intangibles

Intangible assets being website development is recorded at cost, it has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures. Fair values for financial instruments traded in active markets are based on quoted market prices at reporting date. The quoted market price for financial assets is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

(m) Investments and Available for Sale Assets

All investments and available for sale assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and available for sale assets subsequent to initial recognition are set out below.

Available-for-sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Impairment testing is performed annually.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-90 day payment terms.

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares associated with the acquisition of a business are included as part of the purchase consideration.

(q) Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of Greenpower Energy Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted Earnings per Share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(s) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(t) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and from within the Group.

Key estimates - income taxes

The Group has not recognised deferred tax assets relating to carried forward tax losses as utilisation of the tax losses also depends on the ability of the group to satisfy certain tests at the time the losses are recouped. Due to the recent capital raising of the parent entity, there are some concerns that the entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. The probably of future profit and utilisation of income tax losses will be reliant on the successful development of the group's intellectual property.

Key judgments - exploration and evaluation assets

The Group has not capitalised expenditure relating to exploration and evaluation during the year and has impaired the carrying value being the initial cost of Exploration Licenses acquired.

Key judgments - available-for-sale investments

The Group maintains a portfolio of securities with a carrying value of \$268,902 at the end of the reporting period. Certain individual investments have declined in value and impairment adjustments have been brought to account against the financial assets reserve.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

(u) New and Amended Accounting Policies Adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

(v) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by Company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, impairment of financial assets and hedge accounting.	Given the nature of the Company's financial assets and financial liabilities, the Company does not expect the impact to be significant.	Must be applied for reporting periods commencing on or after 1 January 2018. Therefore the application date for the company will be for the reporting period commencing on 1 July 2018.
AASB 15 Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.	Based on the Company's assessment, the impact is not expected to be significant.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore the application date for the Company will be for the reporting period commencing on 1 July 2018.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

3 Auditors' Remuneration

	2016 \$	2015 \$
Remuneration of the auditor of the parent entity for:		
- Audit or review - William Buck Audit (WA) Pty Ltd	24,105	24,050
- Total remuneration for audit services	<u>24,105</u>	<u>24,050</u>

4 Other Income

	2016 \$	2015 \$
- Gain on disposal of available for sale investments	3,510	30,526
	<u>3,510</u>	<u>30,526</u>

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2016 \$	2015 \$
Deferred tax expense		
Other deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) The prima facie tax benefit/(expense) from the loss before income tax is reconciled to the income tax as follows:

	2016 \$	2015 \$
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2015: 30%)		
- the Group	(862,059)	(210,515)
	<u>(862,059)</u>	<u>(210,515)</u>
Add/Less tax effect of:		
- losses not brought to account	862,059	210,515
- Research & development refund received	-	104,717
Income tax attributable to parent entity	<u>-</u>	<u>104,717</u>

(c) Unrecognised temporary differences

	2016 \$	2015 \$
Deferred Tax Assets (at 30%)	82,372	15,859
Losses not brought to account	<u>1,527,872</u>	<u>1,329,756</u>

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Availability of losses is subject to passing the required tests under the ITAA 1997/1936.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

6 Loss per Share

(a) Reconciliation of Loss used to calculate Loss per share

	2016	2015
	\$	\$
Loss	2,873,530	701,717
Loss used to calculate basic and diluted EPS	2,873,530	701,717

(b) Weighted average number of ordinary shares (diluted):

	2016	2015
Weighted average number of ordinary shares outstanding during the year number used in calculating basic EPS and dilutive EPS	332,132,739	92,465,787
	332,132,739	92,465,787

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Parent Company as the numerator (ie no adjustments to loss were necessary in 2016 or 2015).

The weighted average number of ordinary shares has been utilised in the calculation of basic and diluted loss per share.

7 Cash and Cash Equivalents

	Note	2016	2015
		\$	\$
Cash at bank		515,594	715,660
Short-term bank deposits	7(a)	152,448	149,120
		668,042	864,780

Reconciliation of Cash

	2016	2015
	\$	\$
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	668,042	864,780
	668,042	864,780

The effective interest rate on short-term bank deposits was 2.3% (2015: 2.4%).

(a) Short term deposit

Short term deposits are held as a security for various bank guarantees.

Greenpower Energy Limited

ABN 22 000 002 111

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

8 Trade and Other Receivables

	Note	2016 \$	2015 \$
CURRENT			
Other receivables	8(a)	35,017	118,315
		35,017	118,315

(a) Other Receivables

Other receivables represent receivables due from the Australian Taxation Office and other amounts which are not impaired and will be receivable.

9 Available-for-Sale Financial Assets

Available-for-Sale Financial Assets Comprise:

	2016 \$	2015 \$
Listed investments shares in listed corporations	268,902	321,322
Total available for sale assets at fair value	268,902	321,322

Available for sale assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

Fair Value

Listed investments have been valued at the quoted market bid price at the end of the reporting period.

At 30 June 2016 and 30 June 2015, the aggregate fair values and carrying amounts of financial assets and financial liabilities approximate their carrying amounts.

Available-for-sale financial instruments are recognised in the statement of financial position of the Group according to the hierarchy stipulated in AASB 13.

	2016 \$	2015 \$
Available-for-sale financial assets ASX Listed equity shares – Level 1	268,902	321,322
	268,902	321,322

(a) Reconciliation of Available-for-Sale Financial Assets

	2016 \$	2015 \$
Opening Balance	321,322	617,397
Net gain/(loss) on revaluation of financial assets	42,029	(296,075)
Proceeds on disposal	(94,449)	-
	268,902	321,322

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

10 Plant and Equipment

	2016 \$	2015 \$
PLANT AND EQUIPMENT		
Office equipment		
At cost	5,796	5,796
Accumulated depreciation	(4,389)	(4,065)
Total office equipment	1,407	1,731
Total plant and equipment	1,407	1,731
Total plant and equipment	1,407	1,731

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office Equipment \$
Balance at 30 June 2016	
Balance at the beginning of year	1,731
Additions	-
Depreciation expense	(324)
Balance at 30 June 2016	1,407
Balance at 30 June 2015	
Balance at the beginning of year	2,056
Additions	-
Depreciation expense	(325)
Balance at 30 June 2015	1,731

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

11 Intangible Assets

	Note	2016 \$	2015 \$
Other intangible assets			
Cost	12(b)	13,249	13,249
Accumulated amortisation and impairment		(13,249)	(12,114)
Net carrying value		-	136
Total Intangibles		-	136

(a) Movements in Carrying Amounts

	Other intangible assets - Website \$
Year ended 30 June 2016	
Opening balance	136
Additions	-
Amortisation	(136)
Closing value at 30 June 2016	-
Year ended 30 June 2015	
Opening balance	949
Additions	-
Amortisation	(813)
Closing value at 30 June 2015	136

(b) Intangible Assets

Intangible assets are represented by capitalised costs of the Group's website development.

12 Controlled Entities

	Principal Activity	Country of incorporation	Percentage Owned 2016	Percentage Owned 2015
Subsidiaries of parent entity:				
Greenpower Group Ltd @	Investment	Australia	100	-
GCC Asset Holdings Pty Ltd	Investment	Australia	100	100
Greenpower Natural Gas Pty Ltd	Coal Exploration VIC	Australia	100	100
Sawells Pty Ltd	Coal Exploration VIC	Australia	100	100
Greengrowth Bio-Stimulants Pty Ltd #	Non trading	Australia	100	100
Greenpower Latrobe CTL Pty Ltd ^	Non trading	Australia	100	100

@ Greenpower Group Limited registered on 26 January 2016

Greengrowth Bio-Stimulants Pty Ltd (formerly Chimney Springs Pty Ltd)

^Greenpower Latrobe CTL Pty Ltd (formerly Greenpower Latrobe CTL Pty Ltd)

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

13 Exploration and Evaluation Assets

	Note	2016 \$	2015 \$
NON-CURRENT			
Exploration permits		-	1,324,439

Movements in Other Assets

	Exploration permits \$	Total \$
Year ended 30 June 2016		
Opening balance	1,324,439	1,324,439
Impairment of Tenements	(1,324,439)	(1,324,439)
Balance at 30 June 2016	-	-
Year ended 30 June 2015		
Opening balance	1,325,477	1,325,477
Impairment of Tenements	(1,038)	(1,038)
Balance at 30 June 2015	1,324,439	1,324,439

Exploration permits

Current permits as at 30 June 2016:

- Victoria - EL4500, EL 4877 and EL 5227

Subsequent to year end the Group decided to relinquish all three licenses due to the length of time held and haphazard area shaping that reductions have caused over the years and apply for a fresh license covering the most accessible and geologically well-defined area of the lignite deposit.

Ultimate realisation of the value of the Group's tenements is dependent upon successful exploitation or sale.

14 Trade and Other Payables

		2016 \$	2015 \$
CURRENT			
Trade payables		123,624	35,284
Other payables		96,142	90,071
Related party loans	21(d)	-	420,000
		219,766	545,355

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

15 Issued Capital

	2016 \$	2015 \$
608,899,976 (2015: 92,465,787) Ordinary Shares	64,701,662	63,398,286
	64,701,662	63,398,286

The Company has no authorised share capital or par value in respect of its issued shares.

Movements in ordinary share capital

	No. of shares	\$
Year ended 30 June 2016		
At the beginning of year	92,465,787	63,398,286
Shares issued during the year	516,434,189	1,549,303
Cost of listing shares	-	(245,927)
Balance at 30 June 2016	608,899,976	64,701,662
Year ended 30 June 2015		
At the beginning of year	92,465,787	63,398,286
Shares issued during the year	-	-
Cost of listing shares	-	-
Balance at 30 June 2015	92,465,787	63,398,286

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may pay dividends to shareholders, return capital to shareholders, issue new shares or sell assets.

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain minimum borrowings outside of trade and other payables. During the previous year a loan on commercial terms from a Director was received.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Cash and cash equivalents	668,042	864,780
Less: payables	(219,766)	(545,355)
Net cash	448,276	319,425
Total equity	753,602	2,085,367
Total capital	305,326	1,765,942

16 Reserves

	2016	2015
	\$	\$
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	473,960	277,600
Available For Sale Asset Reserve	416,858	374,829
	11,205,611	10,967,222

	2016	2015
	\$	\$
Capital Realisation Reserve		
Opening balance	10,314,793	10,314,793
	10,314,793	10,314,793
Share Based Payments Reserve		
Opening balance	277,600	277,600
Share based payments	196,360	-
	473,960	277,600
Available For Sale Asset Reserve		
Opening balance	374,829	670,904
Fair value adjustment	42,029	(296,075)
Income statement	-	-
Deferred tax in income statement	-	-
Deferred tax in statement of financial position	-	-
	416,858	374,829
Total reserves	11,205,611	11,263,292

Capital Realisation Reserve

The capital realisation reserve records revaluation of capital.

Available For Sale Asset Reserve

The financial assets reserve recognises movements in fair value of available for sale financial assets.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

16 Reserves continued

Share Based Payments Reserve

The share based payments reserve records items recognised as expenses on valuation of employee share options.

Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion and set out in the Offer provided that the exercise price is not less than the average Market Price on ASX on the five trading days prior to the day the Directors resolve to grant the Options. Any options that are not exercised by fifth anniversary of their grant date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging and Option Exercise Notice accompanied by the payment of the exercise Price.

Summary of options granted under the Long Term Incentive Plan

The following table illustrates the number and the weighted average exercise price (WAEP) of and movements in shares options under the long term incentive plan:

	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at the beginning of the year	700,000	0.05	700,000	.05
Granted during the year	45,000,000	0.005	-	-
Vested during the year	-	-	-	-
Lapsed/cancelled during the year	(250,000)	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the year end	45,450,000		700,000	
Exercisable at the year end	45,450,000		700,000	

Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 is 5 years (2015: 0.68 years).

Range of exercise price of share options

The exercise price for options outstanding at the end of the year is .005 to .05 (2015: .05 to .051) cents.

Weighted average fair value of share options

The weighted average fair value of options granted during the year is 0.000001 (2015: Nil).

Share option valuation

The fair value of the equity-settled share options granted under the LTIP is estimated at the date of grant using a Black Scholes model, which takes into account factors including the options exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying shares at grant date, historical and expected dividends and the expected life of the option.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

16 Reserves continued

The options were valued using Black Scholes with the below assumptions:

	<u>Unlisted options</u>
Number of options in series	45,000,000
Underlying share price	\$0.006
Exercise price	\$0.005
Expected volatility #	100%
Option life	4 years
Dividend yield	0.00%
Interest rate	1.50%

Expected volatility has been based on an evaluation of the historical volatility of the share price of similar companies operating in the junior explorer mining industry, particularly over the historical period commensurate with the expected term.

17 Accumulated Losses

	<u>2016</u>	<u>2015</u>
	\$	\$
Accumulated losses		
Opening balance	(72,280,141)	(71,578,424)
Net loss for the period	(2,873,530)	(701,717)
Total	(75,153,671)	(72,280,141)

18 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	<u>2016</u>	<u>2015</u>
	\$	\$
Net loss for the year	(2,873,530)	(701,717)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
Amortisation	136	813
Depreciation	324	325
Loss on impairment of tenement	1,324,439	1,038
Share based payments	196,315	-
Net (gain)/loss on disposal of investments	(3,510)	-
Income tax benefit	-	(104,727)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	83,298	(21,990)
Increase in trade payables and accruals	99,411	36,975
Net cash (outflow) from operating activities	(1,173,117)	(789,283)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

19 Capital Commitments

Capital Expenditure Commitments

	2016	2015
	\$	\$
Capital expenditure commitments contracted for:		
Exploration Permits	-	163,950
Coal to Liquids	-	769,333
	-	933,283
Payable:		
- not later than 12 months	-	820,933
- between 12 months and 5 years	-	112,350
	-	933,283

20 Related Party Transactions

(a) **Parent entity**

The ultimate parent entity within the Group is Greenpower Energy Limited.

(b) **Subsidiaries**

Interests in subsidiaries are set out in note 12.

(c) **Compensation**

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

	2016	2015
	\$	\$
Short-term employee benefits	259,808	241,808
Post-employment benefits	12,192	12,192
Long-term benefits	-	-
Share-based payments	109,108	-
	381,108	254,000

(d) **Transactions and balances with related parties**

All transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year ended 30 June 2015 a Director, Gerard King, had loaned the Group \$420,000 on commercial terms to meet its short term Coal to Liquid project commitments and working capital. This loan was repaid by the issue of 140,000,000 ordinary shares on 27 April 2016. Interest was payable by the Group at 5.75% being the underlying bank loan rate and totalled \$19,222. The loan was repayable on demand.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

21 Contingent liabilities and contingent assets

The Group had contingent liabilities at 30 June 2016 in respect of:

(i) Guarantees

The Group has provided bank guarantees in favour of the Minister of Energy and Resources with respect to a security deposit and in favour of Minister of Energy and Resources Victoria with respect to a contract performance at 30 June 2016. The total of these guarantees at 30 June 2016 was \$20,000 with a financial institution (30 June 2015: \$20,000).

22 Financial Risk Management

(a) Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk and liquidity risk.

The Group manages liquidity risk by prudent monitoring of expenditure in line with available funds.

(b) Net Fair Values

Fair Value Measurement

The Group's fair values of financial instruments are categorised by the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(c) Foreign Currency Risk

During the year ended 30 June 2016, as a result of a relationship with Thermaquatica Inc., a company incorporated in the USA, the financial performance of the Group was affected by movements in the AUD\$/USD\$ exchange rates. The Group did not seek to hedge this exposure. There is no formal foreign currency management policy, however the Group monitors its foreign currency expenditure on an ongoing basis. There are no foreign currency commitments as at 30 June 2016.

(d) Credit Risk

The Group has no significant concentrations of credit risk other than cash at bank which is held with the Commonwealth Bank of Australia and Westpac Bank both AA- rated Australian banks. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

22 Financial Risk Management continued

(e) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments (e.g. borrowing repayments). The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturity analysis

	Carrying Amount \$	Contractual Cash flows \$	< 6 months \$	6- 12 months \$	1- 5 years \$	> 5 years \$	Total \$
Year ended 30 June 2016							
Trade and other payables	219,766	219,766	219,766	-	-	-	219,766
	219,766	219,766	219,766	-	-	-	219,766
Year ended 30 June 2015							
Trade and other payables	545,355	545,355	125,355	420,000	-	-	545,355
	545,355	545,355	125,355	420,000	-	-	545,355

(f) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as available-for-sale.

To manage its price risk arising from investments in equity securities, the Group regularly reviews the holdings and maintains a portfolio which the Directors believe has strong core values. The Group's equity investments are publicly traded and are listed on the ASX.

The maximum exposure to price risk from an income statement perspective at reporting date is the carrying amount of the investments.

	+ 20% 2016 \$	2015 \$	- 20% 2016 \$	2015 \$
Financial Assets	53,780	64,264	(53,780)	(64,264)
	53,780	64,264	(53,780)	(64,264)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

22 Financial Risk Management continued

(g) Interest Rate Risk

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA- rated bank accounts.

The Groups' exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total
	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	
Financial Assets:									
Cash and cash equivalents	1.5	1.5	515,594	715,660	152,448	149,120	-	-	668,042
Receivables	-	-	-	-	-	-	35,017	118,315	35,017
Total Financial Assets			515,594	715,660	152,448	149,120	35,017	118,315	703,059
Financial Liabilities:									
Trade and sundry payables	-	5.75	-	420,000	-	-	219,766	125,355	219,766
Total Financial Liabilities			-	420,000	-	-	219,766	125,355	545,355

Sensitivity analysis

The following tables show the movements in profit due to higher/lower interest costs from variable interest rate cash balances.

	+ .5% (50 basis points)		- .5% (50 basis points)	
	2016 \$	2015 \$	2016 \$	2015 \$
Cash at bank	3,340	3,578	(3,340)	(3,578)
	3,340	3,578	(3,340)	(3,578)

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

23 Segment Reporting

The Group operates predominantly in one business and geographical segment being Exploration activities throughout Australia.

24 Parent entity

The following information has been extracted from the books and records of the parent, Greenpower Energy Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Greenpower Energy Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries

Investments in subsidiaries, are accounted for at cost in the financial statements of the parent entity.

	2016	2015
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	607,064	887,299
Non-current assets	366,210	1,743,423
Total Assets	973,274	2,630,722
Liabilities		
Current liabilities	219,766	545,355
Total Liabilities	219,766	545,355
Equity		
Issued capital	64,701,662	63,398,286
Accumulated losses	(74,736,907)	(71,905,312)
Capital Realisation Reserve	10,314,793	10,314,793
Share Based Payments Reserve	473,960	277,600
Total Equity	753,508	2,085,367
Consolidated Income Statement		
Total loss for the year	(2,831,596)	(1,360,256)
Total comprehensive loss	(2,831,596)	(1,360,256)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Pursuant to Class Order 98/1418 Greenpower Energy Limited and its wholly owned subsidiaries (refer note 12) entered into a deed of cross guarantee. The effect to the deed is that Greenpower has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of any debt subject to the guarantee. The controlled entities have given a similar guarantee in the event that Greenpower is wound up or if it does not meet its obligations under the terms of any debt subject to the guarantee.

Greenpower Energy Limited

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

24 Parent entity continued

Contingent liabilities of the parent entity.

The Directors are not aware of any contingent liabilities at reporting date.

Contractual commitments by the parent entity.

	2016	2015
	\$	\$
Capital expenditure commitments contracted for:		
Coal to Liquids payable not later than 12 months	-	769,333
	-	769,333

25 Events After the Reporting Date

Subsequent to the year end of the Group:

- On 29 July 2016 the Group announced a capital raising to raise \$675,000 before costs over two tranches. \$347,652 net of costs has been raised in the first tranche with a balance of \$265,500 (the second tranche) expected to be finalised in October 2016.

- On 20 September 2016 the Group announced that it had signed a binding heads of agreement with Guyana Strategic Metals Inc. to acquire (at the company's discretion) percentage interests from 10% up to 74%, depending on exploration results interest in the Guyanese Morabisi Project prospective for Lithium and Tantalum. Refer to the separate ASX announcement 22 September 2016.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial year.

26 Company Details

Registered office

The registered office of the company is:

Greenpower Energy Limited
1st Floor, 46 Ord Street
West Perth WA 6005

Principal place of business

The principal place of business is:

Greenpower Energy Limited
1st Floor, 46 Ord Street
West Perth WA 6005

Greenpower Energy Limited

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Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 18 to 46, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Corporations Regulations 2001 and other mandatory professional reporting requirements, Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated group.
2. the Chief Executive Officer and Chief Finance Officer have each declared that as required by Section 295A:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Dated 30 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENPOWER ENERGY LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Greenpower Energy Limited (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity) on pages 18 to 47. The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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.

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 2(a), 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 entity'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.

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENPOWER ENERGY LIMITED AND CONTROLLED ENTITIES (CONT)*Auditor's Opinion*

In our opinion:

- a) the financial report of the consolidated entity on pages 18 to 47 is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 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 2(a).

Emphasis of matter


Without modifying our opinion, we draw attention to Note 2(b) in the financial report which indicates that the consolidated entity incurred a net loss of \$2,873,530 during the year ended 30 June 2016. This result, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 15 of the directors' report for the year ended 30 June 2016. 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 Greenpower Energy Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Conley Manifis
Director

Dated this 30th day of September, 2016

Greenpower Energy Limited

ASX Additional Information

For the Year Ended 30 June 2016

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 20 September 2016.

Voting Rights

Ordinary Shares

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

Options

No voting rights.

Distribution of Equity Security Holders

Holding	Holders	Number of Shares
1 - 1,000	870	174,739
1,001 - 5,000	290	860,837
5,001 - 10,000	188	1,591,070
10,001 - 100,000	261	9,044,972
100,000 and over	235	688,228,358
	1,844	699,899,976

There were 1,621 holders of less than a marketable parcel of ordinary shares.

20 Largest Optionholders

	Options	
	Number held	% of issued options
Pandora Nominees Pty Ltd	10,000,000	22.00
Allison Bulseco	10,000,000	22.00
Pheakes Pty Ltd	10,000,000	22.00
Stacey Tomsic	9,990,000	21.98
Suttling Family Trust	5,010,000	11.03
Mr Stephen Menzies	200,000	0.44
Mr Matthew Suttling	150,000	0.33
Mr John Watts	100,000	0.22
	45,450,000	100.00

Unissued Equity Securities

Options issued 45,450,000.

Greenpower Energy Limited

ASX Additional Information

For the Year Ended 30 June 2016

20 Largest Shareholders

	Ordinary shares	
	Number held	% of issued shares
Pandora Nominees Pty Ltd	140,000,000	20.00
Clairault Investments Pty Limited	33,350,000	4.76
Golden Dawn Limited	33,333,333	4.76
Tregeare Pty Ltd	28,977,516	4.14
Alitime Nominees Pty Ltd <Honeyham Family A/C>	20,000,000	2.86
Elstree Capital Pty Ltd	17,741,948	2.53
AH Super Pty Ltd <The Ah Super Fund A/C>	16,666,666	2.38
Quintero Group Limited	16,666,666	2.38
Sacco Developments Australia Pty Limited <The Sacco Family A/C>	14,666,499	2.10
Malcora Pty Ltd <C & C Ceniviva A/C>	11,975,992	1.71
T T Nicholls Pty Ltd <Super Fund A/C>	10,375,000	1.48
C N Mcdonald Pty Ltd <C N Mcdonald Family A/C>	10,000,000	1.43
Astron Limited	9,513,018	1.36
Richsham Nominees Pty Ltd	9,333,333	1.33
GAB Superannuation Fund Pty Ltd <GAB Superannuation Fund A/C>	8,819,170	1.26
S3 Consortium Pty Ltd	8,666,666	1.24
Mr Steven Stacey Bryson-Haynes <Bh Family A/C>	8,333,333	1.19
Mr Mark Jonathan Sandford + Mr Christopher John Sandford <Sandford Super Fund A/C>	7,666,666	1.10
Rimoyne Pty Ltd	7,500,000	1.07
Allison Maree Bulseco	7,010,030	1.00
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	420,595,836	60.08

Securities exchange

The Company is listed on the Australian Securities Exchange.

