New Energy Technology

ABN 60 645 447 374

Financial Report

For the period 27 October 2020 to 30 June 2021

Contents

Directors' report

Your directors present their report on New Energy Technology Ltd (**New Energy Technology** or **the Company**) for the period to 30 June 2021. The Company was incorporated on 27 October 2020 and this financial report is the Company's first financial report.

1. Directors

The following person held office as a director of the Company during the period 27 October 2020 to 30 June 2021 and as at the date of this report:

- Glynn Ellis *(Appointed 27 October 2020)*
- Rowan Logie *(Appointed 27 October 2020)*
- Gregory Stace *(Appointed 27 October 2020)*

2. Company Secretary

At incorporation of the Company, Rowan Logie was appointed Company Secretary of the Company. No other person has held this position.

3. Dividends paid or recommended

The Company did not pay dividends since the date of incorporation to 30 June 2021.

4. Principal activities

The Company is in the business of green hydrogen technology investment and commercialisation.

The Company's business strategy is to acquire minority equity ownership in and commercialisation rights to a diversified portfolio of the most promising green hydrogen technology businesses and use its deep expertise to commercialise them globally. It seeks to then exit those technology businesses and cycle gains into its ongoing commercialization portfolio or introduce the technologies to infrastructure projects and participate.

As the Company is still in preliminary stages of establishment, it has not commenced any trading activities to derive income.

5. Financial review

a. Operating results

For the period between 27 October 2020 to 30 June 2021 the Company delivered a loss after tax of $289,446.

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

b. Financial position

The net assets of the Company as at 30 June 2021 was $1,652,546.

As at 30 June 2021, the Company's cash and cash equivalent was $116,824 and had available working capital of $458,120.

6. Significant changes in the state of affairs

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

7. Matters subsequent to reporting date

In August 2021, the Company engaged Pendragon Capital Ltd to undertake a capital raising of up to $5,000,000 to support the growth of the business. At the time of this report, the capital raise is currently underway with share proceeds of approximately $900,000 banked to-date since 1 July 2021.

In October 2021 the Company made payments of US$320,000 out of US$600,000 to invest in the Tranche 2 capital raising of Starfire Energy. The further investment has allowed the Company to maintain its 9% ownership in Starfire Energy.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at Note 16.

8. Future developments, prospects and business strategies

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Directors' report

9. Environmental regulation

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

10. Options

There are currently 10,091,250 options over issued shares in the Company outstanding at the date of this report, which were granted during the financial period.

11. Indemnity and insurance of officers

The Company has not entered into agreements to indemnify the Directors of the Company against liabilities that may arise from their position as Directors of the Company.

12. Information on directors

Name:	Mr Glynn Ellis
Title:	Director
Experience and expertise:	Glynn has two decades in new energy technologies and projects working from global major and with leadership in the transition to low carbon energy investments. He is founder and chief executive officer of 'H2X Energy (Malaysia)' and founder and managing director of 'Thales New Energy'.
Name:	Mr Rowan Logie
Title:	Director and Company Secretary
Experience and expertise:	Rowan is a Director of Investment and Commercialisation. He is the founder of 'The Growth Group' and 'PowerMinder', and has previously founded 12 ventures and provided growth and scaling advisory to more than 70 ventures. He has also led complex energy technology product development.
Name:	Mr Gregory Stace
Title:	Director
Experience and expertise:	Gregory is a Director of Technology, Commercials and People. He is the founder chief executive officer of 'Earthed' and founder of 'Avensol'. Gregory also founded and built Switzerland's second largest solar installer. He has advised energy giants on decarbonization strategy, and launched and grew a leading global microgrid business.

13. Company Secretary

Mr Rowan Logie holds a Bachelor of Arts, Master of Arts, and is a Ph.D. Candidate. Mr Logie was appointed as Company Secretary at incorporation of the Company on 27 October 2020. No other person has held this position.

14. Meetings of directors and committees

	Director Meetings	
	Number eligible to attend	**Number attended**
Mr Glynn Ellis	0	0
Mr Rowan Logie	0	0
Mr Gregory Stace	0	0

15. Proceedings on behalf of the Company

No person has applied for leave of court 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 year.

Directors' report

16. Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 307(C) of the Corporations Act 2001.

Gregory Stace
Director
Dated this Friday, 26 November 2021

MOORE

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF NEW ENERGY TECHNOLOGY LTD

I declare that, to the best of my knowledge and belief, during the financial period ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MOORE AUSTRALIA

Suan-Lee Tan
Partner

Moore Australia Audit (WA)
Chartered Accountants

Dated in Perth Western Australia, this 26th day of November 2021.

Statement of profit or loss and other comprehensive income

for the period between 27 October 2020 to 30 June 2021

	Note	27 October 2020 to 30 June 2021 $
Revenue		-
Expenses		
Administrative Expenses		(13,460)
Consulting expenses	2	(275,986)
Loss before income tax expense		(289,446)
Income tax (expense)/benefit	3	-
Loss after income tax expense for the year		(289,446)
Other comprehensive loss for the period, net of tax		(289,446)
Total comprehensive loss		(289,446)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position
as at 30 June 2021

	Note	30 June 2021 $
Current assets		
Cash and cash equivalents	4	116,824
Trade and other receivables	5	351,296
Total current assets		468,120
Non-current assets		
Financial Assets	6	1,194,426
Total non-current assets		1,194,426
Total assets		1,662,546
Current liabilities		
Trade and other payables	7	10,000
Total current liabilities		10,000
Total liabilities		10,000
Net assets		1,652,546
Equity		
Issued capital	8	1,941,992
Retained Profits		(289,446)
Total equity		1,652,546

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

For the period 27 October 2020 to 30 June 2021

	Issued Capital $	Accumulated Losses $	Total $
Issued at incorporation 27 October 2020	2	-	2
Profit/(loss) after income tax expense/benefit for the year end	-	-	-
Other comprehensive income for the year, net of tax	-	(289,446)	(289,446)
Total comprehensive income for the period	-	(289,446)	(289,446)
Transaction with owners, directly in equity			
Issued Capital	2,058,250	-	2,058,250
Capital Raising Costs	(116,260)	-	(116,260)
Balance at 30 June 2021	1,941,992	(289,446)	1,652,546

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

For the period 27 October 2020 to 30 June 2021

	Note	27 October 2020 to 30 June 2021 $
Cash flows from operating activities		
Payments to suppliers and employees		(630,742)
Net cash used in operating activities	4	(630,742)
Cash flows from investing activities		
Purchase of investments in equity instruments		(1,194,426)
Net cash (used in) by investing activities		(1,194,426)
Cash flows from financing activities		
Net proceeds from issued capital	8	1,941,992
Net cash provided by financing activities		1,941,992
Net increase/(decrease) in cash held		116,824
Cash at beginning of the period		-
Cash at the end of the period	4	116,824

The statement of cash flows is to be read in conjunction with the accompanying notes.

New Energy Technology

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

These are the financial statements and notes of New Energy Technology. New Energy Technology is a company limited by shares, domiciled and incorporated in Australia. The Company was incorporated on 27 October 2020 and this financial report is the Company's first financial report.

The financial statements were authorised for issue on 26 November 2021 by the directors of the Company.

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

a. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in order to meet the Directors' reporting requirements. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

i. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

ii. Financial position

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. The amounts presented in the financial statements have been rounded to the nearest dollar.

iii. Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1k Critical Accounting Estimates and Judgments.

b. Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2020 but determined that their application to the financial statements is either not relevant or not material.

c. Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Foreign currency transactions and balances

i. Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars ($), which is New Energy Technology's functional and presentation currency.

ii. Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

e. Current and non-current classification

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

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

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

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

f. Financial Instruments – assets

i. Classification

From incorporation, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

iv. Debt Instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

v. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

vi. Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

g. Financial instruments - liabilities

i. Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

ii. Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Company commits to purchase the financial liability. Financial liabilities are derecognised when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

iii. Measurement

At initial recognition, the Company measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

h. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

i. Finance income and expenses

The Company's finance income and finance costs include interest income and interest expense.

Interest income or expense is recognised using the effective interest method.

All revenue is stated net of the amount of value added taxes (note 1j Goods and Services Tax).

j. Goods and Services Tax

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

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

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

k. Critical Accounting Estimates and Judgments

The Board discusses the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates and do not believe there are any estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

i. **Key estimate – Taxation**

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

l. New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations (AASB) issued by the Australian Accounting Standards Board (AASB Board) that are mandatory for the current reporting period. These new standards did not have any significant impact on the Company's financial statements for the financial period ended 30 June 2021.

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

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 1 Statement of significant accounting policies

m. New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. These standards are not expected to significantly impact on the Company's future financial statements.

n. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company incurred a loss for the period of $289,446 and a net cash out-flow from operating activities of $630,742.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has cash and cash equivalents of $116,824 and minimal liabilities as at 30 June 2021.
- The Company is currently undertaking a capital raise of $3,000,000, and as at 18th November 2021 this is nearly 50% subscribed. Share proceeds of approximately $900,000 has been banked to-date since 1 July 2021.
- The Company plans to undertake future capital raisings to continue the growth of the business and to provide sufficient working capital.
- The Company intends to and is committed to explore strategic opportunities to further drive revenue growth and profitability.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds from future capital raisings, generating sufficient revenues through its investments and managing its contractual and discretionary cash outflows in line with available funds to enable the Company to meet both its current obligations and its committed future expenditure.

Given the strong support received from the current capital raise, the Directors are confident of the company's ability to remain a going concern.

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 2 Personnel and consulting expenses

	Note	27 October 2020 to 30 June 2021 $
Audit fees		10,000
Consulting and accounting		48,033
Legal		12,871
Contractors		205,082
		275,986

Note 3 Income tax expense/ (benefit)

	Note	27 October 2020 to 30 June 2021 $
a. Income tax expense/ (benefit)		
Current tax		-
Deferred Tax		-
		-
b. Reconciliation of income tax expense to prima facie tax payable		
Prima facie tax on operating loss at 26%		(75,256)
Deferred tax assets not brought to account		75,256
Income tax expense / (benefit)		-
c. Deferred tax assets		
Tax losses		72,656
Provisions and accruals		2,600
Deferred tax assets		75,256
Less: Deferred tax assets not recognised		(75,256)
Net deferred tax assets		-

d. Movements in deferred tax assets

	Tax Losses $	Provisions and Accruals $	Prepayments $	Other $	Total $
Balance at 27 October 2020	-	-	-	-	-
Charged/(credited) to statement of comprehensive income	-	-	-	-	-
Carrying amount at 30 June 2021	-	-	-	-	-

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 4 Cash and cash equivalents

	Note	30 June 2021 $
a. Current		
Cash at bank		116,824
		116,824
b. Net cash used in operating activities		
Reconciliation of Cash Flow from Operations to Loss After Income Tax		
Profit/ (loss) after income tax expense/ (benefit) for the period		(289,446)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables		(351,296)
Increase/(decrease) in trade and other payables		10,000
Cash flow from operating activities		(630,742)

c. Changes in assets and liabilities arising from financing income	27 October 2020 $	Cash Inflows $	Non-Cash $	30 June 2021 $
Issued Capital	-	1,941,992	-	1,941,992
	-	1,941,992	-	1,941,992

Note 5 Trade and other receivables

	Note	30 June 2021 $
Current		
GST		28,296
Other Receivable		323,000
		351,296

Note 6 Financial Assets

	Note	30 June 2021 $
Unlisted investment at fair value		
Starfire Energy Inc		1,194,426
		1,194,426

Note 7 Trade and other payables

	Note	30 June 2021 $
Accruals		10,000
		10,000

Notes to the financial statements

For the period 27 October 2020 to 30 June 2021

Note 8 Issued Capital

	30 June 2021 No.	30 June 2021 $
Fully paid ordinary shares	60,182,500	2,058,252

a. Movements in ordinary shares:

Details	Number of shares	$
Issued at incorporation 27 October 2020	2	2
Issue of ordinary shares during the year	60,182,498	2,058,250
Less: Transaction costs arising on share issue	-	(116,260)
Balance at 30 June 2021	60,182,500	1,941,992

b. Movements in options:

	Number of options	$
Balance at incorporation 27 October 2020	-	-
Options exercisable at $0.25 each, expiring 25 May 2025	10,091,250	-
Less: Transactions costs arising on option issue	-	-
Balance at 30 June 2021	10,091,250	-

Notes to the financial statements

for the period ended 30 June 2021

Note 9 Financial Instruments

a. Financial Risk Management Policies

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments consist mainly of deposits with banks and accounts payable and receivable.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's Financial Assets and Liabilities is shown below:

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	30 June 2021 Total $
Financial Assets				
▪ Cash and cash equivalents	116,824	-	-	116,824
▪ Trade and other receivables	-	-	351,296	351,296
▪ Financial assets	-	-	1,194,426	1,194,426
Total Financial Assets	116,824	-	1,545,722	1,662,546
Financial Liabilities				
Financial liabilities at amortised cost				
▪ Trade and other payables	-	-	10,000	10,000
Total Financial Liabilities	-	-	10,000	10,000
Net Financial Assets/(Liabilities)	116,824	-	1,535,722	1,652,546

b. Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign exchange interest rate.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

(i) **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

1. **Price risk**

   Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Note 9 Financial Instruments (continued)

Sensitivity

The following table illustrates sensitivities to the Company's exposures to changes in equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables

	Profit $	Equity $
Year ended 30 June 2021		
+/– 10% in investments	119,443	119,443

2. **Foreign exchange risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

The Company has no material exposure to foreign exchange risk.

3. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Company. Movement in interest rates on the Company's financial liabilities and assets is not material.

Sensitivity

The Company is exposed to market interest rates on moneys it has deposited with banking institutions in form of short-term deposits.

At the end of the financial period, the Company had the following financial assets exposed to variable interest rate risk.

	30 June 2021 $
Cash and cash equivalents	116,824
	116,824

At the end of the financial period, the Company had no financial liabilities exposed to variable interest rate risks.

The Company's cash management policy is to invest surplus funds at the best available rate.

The following table illustrates sensitivity to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The sensitivity assumes that the movement in a particular variable is independent of other variables.

Interest rates	Profit $	Equity $
Year ended 30 June 2021		
±100 basis points change in interest rates	Nil	Nil

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Company. Movement in interest rates on the Company's financial liabilities and assets is not material.

Note 9 Financial Instruments (continued)

(ii) **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

The objective of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

- Impairment losses

The ageing of the Company's trade and other receivables at reporting date was as follows:

	Gross 2021 $	Impaired 2021 $	Net 2021 $	Past due but not impaired 2021 $
Trade receivables				
Not past due	28,296	-	28,296	-
Past due up to 60 days	-	-	-	-
Past due 60 days to 90 months	-	-	-	-
Past due over 90 months	-	-	-	-
	28,296	-	28,296	-
Other receivables				
Not past due	323,000	-	323,000	323,000
Total	351,296	-	351,296	323,000

(iii) **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Notes to the financial statements
for the period ended 30 June 2021

Note 9 Financial Instruments (continued)

- Impairment losses

The following are the contractual maturities of financial liabilities of the Company:

	Within 1 Year 30 June 2021 $	Greater Than 1 Year 30 June 2021 $	Total 30 June 2021 $
Financial liabilities due for payment			
Trade and other payables	10,000	-	10,000
Total contractual outflows	10,000	-	10,000
Financial assets			
Cash and cash equivalents	116,824	-	116,824
Trade and other receivables	351,296	-	351,296
Financial Assets - Shares	1,194,426	-	1,194,426
Total anticipated inflows	1,662,546	-	1,662,546
Net inflow/(outflow) on financial instruments	1,652,546	-	1,662,546

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Notes to the financial statements
for the period ended 30 June 2021

Note 10 Fair value measurements

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Fair Value through Profit and Loss – Financial Instruments

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Notes to the financial statements

for the period ended 30 June 2021

Note 11 Fair value measurements (continued)

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Note	30 June 2021 Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial assets					
Financial assets – equity instruments:					
▪ Shares in unlisted companies			1,194,426	-	1,194,426
Total financial assets recognised at fair value		-	1,194,426	-	1,194,426

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period.

Note 12 Key management personnel disclosures

Directors:

The following persons were Directors of New Energy Technology Limited during the financial year:

Glynn Ellis

Rowan Logie

Gregory Stace

Shareholdings

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

	27 October 2020	Received as part of remuneration	Additions	Disposals/other	30 June 2021
Ordinary shares					
Glynn Ellis	-	-	200,000	-	200,000
Rowan Logie	1	-	15,699,999	-	15,700,000
Gregory Stace	1	-	15,699,999	-	15,700,000
	2	-	31,599,998	-	31,600,000

Notes to the financial statements
for the period ended 30 June 2021

Note 13 Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

The following transactions occurred with related parties:

	27 October 2020 to 30 June 2021 $
Payments for wages, contractor and director fees:	
Glynn Ellis	-
Rowan Logie	164,064
Gregory Stace	21,000
	185,064

A number of the directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms length basis.

Note 14 Auditor's remuneration

	27 October 2020 to 30 June 2021 $
During the financial year the following fees were paid or payable for services provided by Moore, the auditor of the company:	
Moore Australia	
Audit and other assurance services	
Audit of financial statements	10,000
	10,000

Note 15 Commitments

The Company has no material commitments as at 30 June 2021.

Note 16 Events subsequent to reporting date

In August 2021, the Company engaged Pendragon Capital Ltd to undertake a capital raising of up to $5,000,000 to support the growth of the business. At the time of this report, the capital raise is currently underway with share proceeds of approximately $900,000 banked since 1 July 2021.

In October 2021 the Company made payments of US$320,000 out of US$600,000 to invest in the Tranche 2 capital raising of Starfire Energy. The further investment has allowed the Company to maintain its 9% ownership in Starfire Energy.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements.

Note 17 Contingent liabilities and contingent assets

Contingent liabilities

The company had no contingent liabilities at 30 June 2021.

Contingent assets

The company had no contingent assets at 30 June 2021.

Directors' declaration

The Directors have determined that the Company is a reporting entity, and determined that this general purpose financial statements should be prepared in accordance with the policies outlined in Note 1 to the financial report.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 24 are in accordance with the *Corporations Act 2001* (Cth) and:

    (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

    (b) present fairly the Company's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. 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 and is signed by:

G Stace

Gregory Stace
Director
Dated this Friday, 26 November 2021

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NEW ENERGY TECHNOLOGY LIMITED

Opinion

We have audited the accompanying financial report of New Energy Technology Ltd ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial period 27 October 2020 to 30 June 2021, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

In our opinion, the accompanying financial report of New Energy Technology Ltd is in accordance with the Corporations Act 2001, including:

a. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the period then ended and;
b. complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Opinion

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MOORE AUSTRALIA

Suan-Lee Tan
Partner

Moore Australia Audit (WA)
Chartered Accountants

Dated in Perth Western Australia, this 26th day of November 2021.

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