EESTECH INC AND SUBSIDIARIES

(A DEVELOPMENT STAGE COMPANY)

QUARTERLY / INTERIM REPORT

AS AT 31 DECEMBER 2015

(Denominated in USD)

Reg. Office:

Eestech Inc
14 Crimson Drive
Hockessin, Newcastle
DELAWARE USA 19707

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2015
(Unaudited)

	DECEMBER 31, 2015 $	DECEMBER 31, 2014 $
ASSETS		
Current Assets		
Cash	41,073	13,146
Other receivables	36,508	45,485
Provision for doubtful debts	(28,628)	(32,139)
Total Current Assets	**48,953**	**26,492**
Other Non-Current Assets		
Property and equipment, net of depreciation	16,610	36,521
Investment – EESTech Africa (Pty) Ltd	17	19
Investment - EMS	395,958	296,074
HCGT Technology	1,816,491	1,816,491
Delta E Technology	39,834	34,849
Total Non-Current Assets	**2,268,910**	**2,183,954**
TOTAL ASSETS	**2,317,863**	**2,210,446**
LIABILITIES		
Current Liabilities		
Trade creditors	255,271	114,753
Accrued expenses	88,479	114,493
Shareholder loans	640,856	691,548
Debenture notes	41,815	41,815
Total Current Liabilities	**1,026,421**	**962,609**
Non-Current Liabilities		
Shareholder loans	-	-
Total Non-Current Liabilities	**-**	**-**
TOTAL LIABILITIES	**1,026,421**	**962,609**
Net Assets	**1,291,442**	**1,247,837**
EQUITY		
Foreign currency translation reserve	(1,353,989)	(1,439,871)
Issued capital – par value	98,875	96,003
Issued capital – paid in	29,068,966	28,504,907
Retained earnings	(25,913,202)	(25,017,335)
Current period earnings	(609,208)	(895,867)
Total Equity	**1,291,442**	**1,247,837**

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
(Unaudited)

	CURRENT QUARTER DECEMBER 31		YEAR TO DATE DECEMBER 31		CUMMULATIVE FROM INCEPTION TO (April 26, 2000) DECEMBER 31,
	2015	2014	2015	2014	2015
	$	$	$	$	$
Operating expenses:					
General administrative	144,613	224,634	602,970	897,491	23,265,712
Write off investment in China	-	-	-	-	477,252
Unrealised FX (Gain)/loss on translation	-	-	-	-	(1,064,350)
Research and development	-	-	-	-	1,200,466
Impairment loss on assets	-	-	-	-	4,836,374
Total operating expenses	144,613	224,634	602,970	897,491	28,715,454
Profit / (loss) from operations	**(144,613)**	**(224,634)**	**(602,970)**	**(897,491)**	**(28,715,454)**
Other income (expense)					
Sale of investment in EESTech Africa Pty Ltd	-	-	-	-	968,180
Licence fees	-	-	-	-	619,301
Other income	-	-	-	-	32,697
Rental income	-	-	-	-	7,046
Write back of directors loans	-	-	-	-	581,848
Discounts received	-	-	-	-	79,291
Interest income	12	11	12	1,624	55,677
Interest expense	-	-	(6,250)	-	(123,332)
Loss on disposition of assets	-	-	-	-	(26,495)
Provision for taxes	-	-	-	-	(1,169)
Net Profit/(Loss)	**(140,601)**	**(224,623)**	**(609,208)**	**(895,867)**	**(26,522,410)**
Other comprehensive income	**(9,966)**	**54,048**	**85,882**	**157,378**	**(1,353,989)**
Total comprehensive income/(loss) for the period	**(154,567)**	**(170,575)**	**(523,326)**	**(738,489)**	**(27,876,399)**
Profit/(loss) for the year is attributable to:					
Owners of EESTech Inc	**(154,567)**	**(170,575)**	**(523,326)**	**(738,489)**	**(27,876,399)**
Total comprehensive income/(loss) for the year is attributable to:					
Owners of EESTech Inc	**(154,567)**	**(170,575)**	**(523,326)**	**(738,489)**	**(27,876,399)**

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other compre-hensive income /(loss)	Total Stock -holders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Balance at inception - April 26, 2000	—	—	—	—	—	—	—
Issuance of stock for intellectual property	4,000,000	4,000	—	—	—	—	4,000
Issuance of stock to directors	650,000	650	—	—	—	—	650
Net loss	—	—	—	—	(18,973)	—	(18,973)
Balance December 31, 2000	4,650,000	4,650	—	—	(18,973)	—	(14,323)
Issuance of stock for cash	997,000	997	996,003	—	—	—	997,000
Issuance of stock for intellectual property	1,000,000	1,000	999,000	—	—	—	1,000,000
Net loss	—	—	—	—	(1,638,743)	—	(1,638,743)
Balance December 31, 2001	6,647,000	6,647	1,995,003	—	(1,657,716)	—	343,934
Issuance of stock for cash	585,000	585	584,415	—	—	—	585,000
Net loss	—	—	—	—	(662,710)	—	(662,710)
Balance December 31, 2002	7,232,000	7,232	2,579,418	—	(2,320,426)	—	266,224
Issuance of stock for cash	583,985	584	875,470	—	—	—	876,054
Issuance of stock for services	50,000	50	189,950	—	—	—	190,000
Common stock subscribed	—	—	—	44,097	—	—	44,097
Net loss	—	—	—	—	(1,106,906)	—	(1,106,906)
Adjustment for foreign currency translation	—	—	—	—	—	23,637	23,637
Comprehensive loss							(1,083,269)
Balance December 31, 2003	7,865,985	7,866	3,644,838	44,097	(3,427,332)	23,637	293,106
Issuance of stock for intellectual property	1,000,000	1,000	3,299,000	—	—	—	3,300,000
Stock subscribed issued	29,398	29	44,068	(44,097)	—	—	—
Issuance of stock for cash	978,370	978	616,149	—	—	—	617,127
Issuance of stock for services	30,000	30	37,470	—	—	—	37,500
Common stock subscribed	—	—	—	890,230	—	—	890,230
Net loss	—	—	—	—	(5,159,117)	—	(5,159,117)
Adjustment for foreign currency translation	—	—	—	—	—	135,903	135,903
Comprehensive loss							(5,023,214)

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other compre-hensive income /(loss)	Total Stock -holders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Balance December 31, 2004	9,903,753	9,903	7,641,525	890,230	(8,586,449)	159,540	114,749
Issuance of stock for cash	3,845,638	3,845	1,853,673	(890,230)	—	—	967,288
Issuance of stock for note	588,235	588	299,412	—	—	—	300,000
Issuance of stock for services	78,784	79	97,759	—	—	—	97,838
Common stock subscribed (62,500 shares)	—	—	—	50,000	—	—	50,000
Net loss	—	—	—	—	(1,737,846)	—	(1,737,846)
Adjustment for foreign currency translation	—	—	—	—	—	(148,541)	(148,541)
Comprehensive loss							(1,886,387)
Balance December 31, 2005	14,416,410	14,415	9,892,369	50,000	(10,324,295)	10,999	(356,512)
Issuance of stock for cash	2,192,691	2,194	934,629	(50,000)	—	—	886,823
Issuance of stock for acquisition of Methgen Inc	763,700	764	495,641	—	—	—	496,405
Issuance of stock for services	622,627	623	540,602	—	—	—	541,225
Net loss	—	—	—	—	(1,873,231)	—	(1,873,231)
Adjustment for foreign currency translation	—	—	—	—	—	25,622	25,622
Comprehensive loss							(1,847,609)
Balance December 31, 2006	17,995,428	17,996	11,863,241	—	(12,197,526)	36,621	(279,668)
Issuance of stock for cash	8,224,322	8,224	3,107,241	—	—	—	3,115,465
Issuance of stock for services	6,489,989	6,489	5,514,793	—	—	—	5,521,282
Issuance of stock for license	10,000,000	10,000	5,990,000	—	—	—	6,000,000
Net Loss	—	—	—	—	(8,349,511)	—	(8,349,511)
Adjustment for foreign currency translation	—	—	—	—	—	(636,404)	(636,404)
Comprehensive Loss							(8,985,915)
Balance December 31, 2007	42,709,739	42,709	26,475,275	—	(20,547,037)	(599,783)	5,371,164
Issuance of stock for cash	3,148,650	3,150	2,532,335	-	-	-	2,535,485
Issuance of stock for services	905,674	905	473,418	-	-	-	474,323
Cancellation of stock for License	(10,000,000)	(10,000)	(5,990,000)	-	-	-	(6,000,000)
Issuance of stock for License	2,500,000	2,500	247,500	-	-	-	250,000

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other compre-hensive income /(loss)	Total Stock -holders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Net Loss	-	-	-	-	(3,360,680)	-	(3,360,680)
Adjustment for foreign currency translations	-	-	-	-	-	708,647	708,647
Comprehensive Loss							(2,652,033)
Balance December 31, 2008	39,264,063	39,264	23,738,528	-	(23,907,717)	108,864	(21,061)
Issuance of stock for cash	3,516,799	3,517	205,439	-	-	-	208,956
Issuance of stock for services	7,364,666	7,365	473,369	-	-	-	480,734
Net Profit	-	-	-	-	547,030	-	547,030
Adjustment for foreign currency translations	-	-	-	-	-	(928,537)	(928,537)
Comprehensive Loss							(381,507)
Balance December 31, 2009	50,145,528	50,146	24,417,336	-	(23,360,687)	(819,673)	287,122
Issuance of stock for cash	4,151,310	4,151	159,598	-	-	-	163,749
Issuance of stock for services	6,638,046	6,638	316,625	-	-	-	323,263
Net Loss	-	-	-	-	(474,739)	-	(474,739)
Adjustment for foreign currency translations	-	-	-	-	-	(440,748)	(440,748)
Comprehensive Loss							(915,487)
Balance December 31, 2010	60,934,884	60,935	24,893,559	-	(23,835,426)	(1,260,421)	(141,353)
Issuance of stock for cash	11,021,223	11,021	509,436	-	-	-	520,457
Issuance of stock for services	6,794,248	6,794	604,704	-	-	-	611,498
Net Loss	-	-	-	-	(775,777)	-	(775,777)
Adjustment for foreign currency translations	-	-	-	-	-	(76,626)	(76,626)
Comprehensive Loss							(852,403)
Balance December 31, 2011	78,750,355	78,750	26,007,699	-	(24,611,203)	(1,337,047)	138,199
Issuance of stock for cash	7,224,840	7,225	459,013	-	-	-	466,238
Issuance of stock for services	12,124,344	12,124	1,029,970	-	-	-	1,042,095
Net Loss	-	-	-	-	(679,116)	-	(679,116)
Adjustment for foreign currency translations	-	-	-	-	-	(369,652)	(369,652)
Comprehensive Loss							(1,048,768)

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EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND COMPREHENSIVE LOSS
(Unaudited)

	Common Stock				Deficit accumulated during development stage	Accumulated other compre-hensive income /(loss)	Total Stock -holders' equity (deficit)
	Shares issued		Additional paid-in capital	Shares subscribed			
	Par Number	Par Value					
	No.	$0.00	$	$	$	$	$
Balance December 31, 2012	98,099,539	98,099	27,496,682	-	(25,290,320)	(1,706,697)	597,764
Issuance of stock for cash	1,353,791	1,354	194,775	-	-	-	196,129
Net Loss	-	-	-	-	272,985	-	272,985
Adjustment for foreign currency translations	-	-	-	-	-	109,448	109,448
Comprehensive Income							382,433
Balance December 31, 2013	99,453,330	99,453	27,691,457	-	(25,017,335)	(1,597,249)	1,176,326
Issuance of stock for cash	9,575,000	9,575	775,425	-	-	-	785,000
Issuance of stock to settle debt	500,000	500	24,500	-	-	-	25,000
Return of stock for no cash	(13,525,649)	(13,525)	13,525	-	-	-	-
Net Loss	-	-	-	-	(895,867)	-	(895,867)
Adjustment for foreign currency translations	-	-	-	-	-	157,378	157,378
Comprehensive Loss							(738,489)
Balance December 31, 2014	96,002,681	96,003	28,504,907	-	(25,913,202)	(1,439,871)	1,247,837
Issuance of stock for cash	10,328,376	10,328	504,615	-	-	-	514,943
Issuance of stock for services	1,039,765	1,040	50,948	-	-	-	51,988
Return of stock for no cash	(8,496,464)	(8,496)	8,496	-	-	-	-
Net Loss	-	-	-	-	(609,208)	-	(609,208)
Adjustment for foreign currency translations	-	-	-	-	-	85,882	85,882
Comprehensive Loss							(523,326)
Balance December 31, 2015	98,874,358	98,875	29,068,966	-	(26,522,410)	(1,353,989)	1,291,442

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
(Unaudited)

	YEAR TO DATE DECEMBER 31, 2015 $	YEAR TO DATE DECEMBER 31, 2014 $	CUMULATIVE TO DECEMBER 31, 2015 $
Cash flows from operating activities:			
Net profit / (loss)	(609,208)	(895,867)	(26,522,410)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization and depreciation	20,813	15,612	163,359
Amounts credited to provisions	-	-	2,558
Impairment of intellectual property and goodwill	-	-	4,836,373
Gain on sale of EESTech Africa Pty Ltd shares	-	-	(968,180)
Unrealised FX Gains	-	78,722	(1,419,910)
Writeback of related party loans	-	-	(128,965)
Shares issued for services	-	-	9,320,408
Gain on sale of property	-	-	26,495
Changes in assets and liabilities:			
Decrease in accounts payable	234,820	63,076	988,658
Decrease in accruals	(26,004)	(10,121)	126,994
Decrease in prepaid expenses	4,157	(604)	(29,390)
Increase in other receivables	1,309	6,127	(34,726)
Net cash used in operations	**(374,113)**	**(743,055)**	**(13,638,736)**
Cash flows used by investing activities:			
Acquisition of plant and equipment	(2,073)	(35,824)	(201,494)
Investment in Licence	-	-	(7,500)
Investment in Liquatech	-	-	(8)
Proceeds on sale of investment in EESTech Africa	-	-	968,256
Investment in Delta E Technology	(4,985)	(21,418)	(39,833)
Investment in HCGT Technology	-	(2,810)	(1,816,492)
Investment in EMS	(99,884)	(126,062)	(225,946)
Net cash used in investing activities	**(106,942)**	**(186,114)**	**(1,323,017)**
Cash flows from financing activities:			
Issuance of common stock	566,931	810,000	14,797,028
Loan from/(repaid to) shareholder	(88,565)	(139,867)	43,690
Proceeds from issuance of debentures	-	41,815	41,815
Principal repayments under finance leases	-	-	(45,506)
Deferred lease	-	-	46,703
Net cash from financing activities	**478,366**	**711,948**	**14,883,730**
Comprehensive gain (loss) on translation	30,616	79,454	119,096
Net increase (decrease) in cash	**30,616**	**(137,767)**	**41,073**
Cash, beginning of period	13,146	150,913	-
Cash, end of period	**41,073**	**13,146**	**41,073**

The accompanying notes are an integral part of these financial statements

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

Note 1: Organisational Structure

EESTech, Inc. (the "Company"), a Delaware Corporation, incorporated in 2000. EESTech Australia Pty Ltd. (a wholly-owned subsidiary) was formed in December 2002. In 2013 EESTech entered into an agreement with the US systems and technologies development company, Environmental Management Solutions LLC (EMS). These arrangements progressed to the stage where, in late 2015 EESTech signed an agreement which will culminate in EESTech owning EMS, with the founder of EMS becoming an equity holder and Chief Engineer of EESTech.

EESTech is focused on providing mine site waste management solutions through the application of industrially robust, advanced and proprietary processing capabilities. For further information on these capabilities refer to Note 3 & 4.

EESTech aims to exclusively delivers highly cost effective advanced remediation and reclamation services to the mining industry, reducing environmental and capital liabilities of mining, while optimising the profitable recovery of mineral resources from mine site discard and processed waste.

Cross industry knowledge and expertise has provided EESTech with a platform from which to develop an advanced processing capability with unique economic advantages, whereby high yields of valuable resources can be recovered from mine site discard and process waste dumps.

Proprietary process configurations and modifications to standard industry equipment, that retain supplier performance warranties, enables EESTech to deliver a service offering that can not be replicated or circumvented.

The worlds mining industry classifies waste fines as an environmentally hazardous by-product with fine materials being avoided by mine and process operators due to high handling costs and environmental compliance liabilities associated with the transporting or stock-piling of fines.

EESTech embraces fine materials, with the break-down of waste resource materials into ultra fines enabling EESTech to liberate recoverable resources, which then undergo EESTech's unique process of particle separation and particle shaping prior to being re-agglomerated back into a saleable product of ultra high grade and purity, transforming a financial and environmental liability into a valued resource asset.

Environmental regulation support EESTech.

Governments around the world are introducing strict laws for the handling of hazardous waste, including criminal conviction of company directors for breach of environmental regulations governing the management of mine site discard and process waste.

Environmental Market Drivers, a legacy of the world's mining industry is its abundance of mine site discard and processed waste, classified as hazardous waste and a significant capital and environmental liability.

EESTech's unique approach to remediation and reclamation of mine site discard and process waste provides a solution to this industry challenge, generating a broad range of profitable commercial opportunities for EESTech.

EESTech is now in the position to capitalise on its *"first mover"* status, using its market advantage to secure process rights to hazardous mine site discard and process waste dumps.

EESTECH INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

Note 2: Summary of significant Accounting Policies

The consolidated balance sheet as at December 31, 2015 and the consolidated statement of operations for the twelve-month period ended December 31, 2015 have been prepared by the company without audit. The accounts represent the cumulative results for the Group since its incorporation in 2000.

In the opinion of the management, all adjustments necessary to present a true and fair view of the financial position and results of the operations as at December 31, 2015 and for the periods presented have been made. It should be noted that the financial position and results of the operations are subject to change and may differ to the results for the full year reported in the annual financial statements.

PRINCIPLES OF CONSOLIDATION
The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The financial statements have been consolidated with the parent company and all inter-company transactions and balances have been eliminated in consolidation.

PROPERTY AND EQUIPMENT
Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which is three to seven years. The Company has no equipment under capital lease.

INTELLECTUAL PROPERTY
The Intellectual property associated with the JetWater System and HCGT Technologies are recorded either at their purchase cost or the contra pricing associated with issuance of Restricted Shares under Rule 144. The company has undertaken additional research and development over the past 3 years that has significantly enhanced the values of the intellectual property that is recorded in the accounts. This value has not been included in the financial statements. The Board has resolved that in the coming period/s it will initiate an independent valuation for the technologies in which the company is engaged.

During the current financial year the group has paid monies to acquire the rights to new remediation and reclamation Technologies. Further monies will be expended on this in the coming quarter. Once the transaction is complete the Board will review the technologies value.

USE OF ESTIMATES
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The Company has only used estimates for relatively minor accruals when they are not in possession of actual invoices after the balance date. The Company accounts for all its foreign subsidiaries on the same basis. Actual results could differ from those estimates.

NET LOSS PER SHARE
In February 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 128 “Earnings Per Share,” which requires the Company to present basic and diluted earnings per share for all periods presented. The computation of loss per common share (basic and diluted) is based on the weighted average number of shares actually outstanding during the period. The Company has no common stock equivalents, which would dilute earnings per share.

Note 2: Summary of significant Accounting Policies (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist principally of cash and payables. The estimated fair values of these instruments approximate their carrying value.

FOREIGN CURRENCY TRANSLATION

The functional currency of the Company's foreign operations is Australian Dollars. The Company translates the foreign currency financial statements of its foreign operations in accordance with generally accepted accounting principles by translating balance sheet accounts at the appropriate historical or current exchange rate on the balance sheet date and the income statement accounts using the prevailing exchange rates at the transaction date. Translation gains and losses are recorded in stockholders' equity and realized gains and losses are reflected in operations.

RESEARCH AND DEVELOPMENT COSTS

With much of the company's' research and development completed, the focus is now on commercialization and further product development coming largely from the project implementation and plant operation where it is envisioned new improvements will be identified which in turn will continue to maintain EESTech's competitiveness.

MARKETING EXPENSES

The Company is focusing its marketing activities in Africa where significant market analysis and investment has been undertaken over the past 3 years. It is envisaged that business development and pre sales technical support expenses will be incurred to further capitalize on the market success EESTech has made to date within Africa. It is viewed that marketing into other global regions will follow once the commercial activities in Africa become self-sustaining.

IMPAIRMENT OF LONG-LIVED ASSETS

FASB issued in August 2001, SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets". In accordance with this statement, the Company periodically reviews its long-lived assets to be held and used by the Company to determine whether any events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company bases its evaluation on such impairment indicators as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements, as well as other external market conditions or factors that may be present. If such impairment indicators are present or other factors exist that indicate that the carrying amount of the asset may not be recoverable, the Company determines whether impairment has occurred through the use of an undiscounted cash flow analysis of assets at the lowest level for which identifiable cash flows exist.

If impairment has occurred, the Company recognizes a loss for the difference between the carrying amounts and the estimated value of the asset. The fair value of the asset is measured using quoted market prices or, in the absence of quoted market prices, fair value is based on an estimated discounted cash flow analysis.

The Company reduced the carrying value of the intellectual property to its net realizable value and recorded an impairment loss in accordance with SFAS 121, which was superseded by SFAS 144.

Note 3: Going Concern

The accompanying financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America, contemplates the continuation of the Company as a going concern. However, the Company has been in the development stage since its inception (April 26, 2000), sustained significant losses and has used capital raised through the issuance of stock to fund activities. Continuation of the Company as a going concern is contingent upon establishing and achieving profitable operations. Such operations will require management to secure additional financing for the Company in the form of debt, equity, the sale of marketing right to Geographical regions and Licence Fee.

Note 3: Going Concern (continued)

Management believes that actions currently being taken to initiate the Company's ability to generate cash flow will allow the Company to continue the marketing of the Company's products and services. However, there is no assurance that the necessary funds will be realized by securing debt or through stock offerings.

EESTech has established strong project deployment capabilities through a working partnership with preeminent Service Providers of Engineering, Construction, Procurement (EPC), Operations, Maintenance and Management (OMM), all recognised as industry leaders in mining and resource recovery. This team has extensive experience in evaluation and development of greenfield projects. This experience provides project optimisation programs capable of maximising the resource yield potential from any project undertaken.

As a remediation and reclamation service provider, EESTech's Production Strategy will depend upon the analysis of the waste discard dump or slime dam fines. EESTech will work toward the sweet spot of spec/tonnage output vs commercial reward. Spreads between market changes, offtaker's behaviour and value as varied by use. new tech / product is all about stabilizing the process whilst producing satisfied buyers and increasing tonnes sold and thereby cash flow.

The unique advantage of EESTech's waste and fines processing facility is that it will produce an ultra-high grade, high purity product, at a low cost with the potential to be traded at the maximum market price on any given day. All EESTech process designs will be in the direction of the sweet spot and tailored to maximize return on investment.

Note 4: Intellectual property

When the company was formed in 2000, its mandate was to develop or acquire certain intellectual property rights, with an objective to establish EESTech as a leading provider of environmentally sustainability technologies.

In order to protect know-how and Intellectual Property only a summary description of EESTech's proprietary two stage process can be given. However, two key features of this unique processing capability are its simplicity and its cost effectiveness.

The 1st Stage consists of material sizing and preparation utilizing industry standard, commercially available equipment, modified and configured to enable elemental separation and particle shaping resulting in stock-piles of prepared materials ready for *stage 2* of the process

The 2nd Stage is a proprietary "Black Box" process. This pioneering and breakthrough process configuration optimizes the purification and recovery of any saleable materials available within the waste: prepared materials undergo a process of phase change, using an electrical impulse to initiate a controlled thermite reaction in tandem with a proprietary flux that induces carbon stripping and conductivity, triggering a polarization at a molecular level, removing most impurities and transforming prepared material into ultra-high grade, high purity saleable products.

Note 5: Controls and Procedures

Disclosure Controls and Procedures. The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, have concluded that its disclosure controls and procedures are effective to reasonably ensure that material information required to be disclosed by the Company in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specific by Securities and Exchange Commissions' rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There were no changes made during our most recently completed fiscal quarter in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Note 6: Directors, Executive Officers, Promoters and Control Persons

The officers and directors of the Company, their ages and present positions held with the Company are as follows:

Name	Age	Position and Offices with the Company
Murray Bailey	66	Chief Executive Officer, Chief Financial Officer and Director
Gaylord Beeson	67	Director
Don Bartlem	69	Director and Company Secretary

Murray Bailey – Director / CEO/CFO:
Founding investor 1999, joining Company as Director 2006. An acknowledged entrepreneur with extensive international business experience, has significant technical skills in product identification, research, development. As a co-founder investor has been the primary driving force behind the capabilities being promoted by the company today.

Don Bartlem – Director / Secretary:
Director since 2012, an experienced mining industry operative with a background in related Industrial, Corporate, Government and international trade. For a number of years, he was chairman over one of Australia's largest Employees Superannuation Funds.

Gaylord Beeson – Director / Projects oversight:
Director since 2005, with a history of 27 years in the oil and chemical industry. His specific expertise is in plant design, project management, plant operations and quality control.

Graeme Lynch – CCO:
25 years of senior international corporate experience in both private and publically listed organizations, most notably new venture companies with an emphasis on technology commercialization. He has extensive experience financing company growth, managing merger, acquisition and divestment initiatives.

Chad Lehman – Chief Engineer:
20 years systems engineering, new product development, conceptualizing, prototyping, process design, international patents. Products and processes include polycrystalline plastics, specialized thermal forming, composite injection moulding, specialized cyanoacrylates, nano thermites, jelled hydrocarbon fuels, particle shaping, combustion technology, mineral extraction, chemical binding, cold and thermal agglomeration of recovered minerals.

Note 6: Directors, Executive Officers, Promoters and Control Persons (continued)

All directors hold office until the next annual meeting of shareholders of the Company and the election and qualification of their successors. Officers are elected annually by, and serve at the discretion of, the board of directors of the Company.

Board Committees

The Company does not presently have an audit committee, nominating committee or compensation committee. The board of directors as a whole performs the functions of each of these committees. The board of directors is cognizant of the requirement of Regulation S-B Item 407(d) (5) and is seeking to appoint a director with financial expertise within the next two years that may be deemed to be an audit committee financial expert. The Company has not adopted any procedures by which security holders may recommend nominees to our board of directors.

Code of Ethics

The Company has not adopted a code of ethics that applies to its principal executive officer, principal financial officer or principal accounting officer. The Company does not believe that a code of ethics is currently necessary because the Company has one employee and is a development stage company.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: 9th February 2016

EESTECH, INC.



Name: Murray Bailey
Title: Chairman / Chief Executive Officer