



EESTECH INC AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
QUARTERLY / INTERIM REPORT
AS AT 31 DECEMBER 2018
(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, 2018
(Unaudited)

	DECEMBER 31, 2018 \$	DECEMBER 31, 2017 \$
ASSETS		
Current Assets		
Cash	11,857	371
Other receivables	7,470	8,189
Total Current Assets	19,327	8,560
Other Non-Current Assets		
Property and equipment, net of depreciation	26,227	33,250
Investment - EMS	674,389	584,598
HCGT Technology	1,816,491	1,816,492
Delta E Technology	39,834	39,834
Total Non-Current Assets	2,556,941	2,474,174
TOTAL ASSETS	2,576,268	2,482,734
LIABILITIES		
Current Liabilities		
Trade creditors	225,588	525,719
Accrued expenses	117,592	118,886
Shareholder loans	49,494	672,062
Debenture notes	-	41,815
Total Current Liabilities	392,674	1,358,482
Non-Current Liabilities		
Shareholder loans	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	392,674	1,358,482
Net Assets	2,183,594	1,124,252
EQUITY		
Foreign currency translation reserve	(1,419,075)	(1,424,752)
Issued capital – par value	152,885	136,934
Issued capital – paid in	31,842,198	30,119,348
Issued warrants	7,500	7,500
Retained earnings	(27,713,190)	(27,114,848)
Current period earnings	(686,724)	(599,930)
Total Equity	2,183,594	1,124,252

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, 2018
(Unaudited)

	CURRENT QUARTER		YEAR TO DATE		CUMMULATIVE
	DECEMBER 31		DECEMBER 31		FROM
					INCEPTION TO
					(April 26, 2000)
					DECEMBER 31,
	2018	2017	2018	2017	2018
	\$	\$	\$	\$	\$
Operating expenses:					
General administrative	177,505	161,744	686,722	599,935	25,143,512
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	-	-	-	18	4,836,392
Total operating expenses	177,505	161,744	686,722	599,953	30,593,272
Profit / (loss) from operations	(177,505)	(161,744)	(686,722)	(599,953)	(30,593,272)
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 director loans	-	-	-	-	581,848
Discounts received	-	-	-	-	79,291
Interest income	5	21	18	23	56,011
Interest expense	-	-	(20)	-	(123,352)
Loss on disposition of assets	-	-	-	-	(26,495)
Provision for taxes	-	-	-	-	(1,169)
Net Profit/(Loss)	(177,500)	(161,723)	(686,724)	(599,930)	(28,399,914)
Other comprehensive income	2,224	789	31,260	(75,550)	(1,419,075)
Total comprehensive income/(loss) for the period	(175,276)	(160,934)	(655,464)	(675,480)	(29,818,989)
Profit/(loss) for the year is attributable to:					
Owners of EESTech Inc	(175,276)	(160,934)	(655,464)	(675,480)	(29,818,989)
Total comprehensive income /(loss) for the year is attributable to:					
Owners of EESTech Inc	(175,276)	(160,934)	(655,464)	(675,480)	(29,818,989)

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)	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
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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)	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)
Comprehensive loss						(1,886,387)
Balance December 31, 2005	14,416,410	14,415	9,892,369	50,000	(10,324,295)	(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
Comprehensive loss						(1,847,609)
Balance December 31, 2006	17,995,428	17,996	11,863,241	—	(12,197,526)	(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)
Comprehensive Loss						(8,985,915)
Balance December 31, 2007	42,709,739	42,709	26,475,275	—	(20,547,037)	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

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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
Comprehensive Loss						(2,652,033)
Balance December 31, 2008	39,264,063	39,264	23,738,528	-	(23,907,717)	108,864
Issuance of stock for cash	3,516,799	3,517	205,439	-	-	-
Issuance of stock for services	7,364,666	7,365	473,369	-	-	-
Net Profit	-	-	-	-	547,030	-
Adjustment for foreign currency translations	-	-	-	-	-	(928,537)
Comprehensive Loss						(381,507)
Balance December 31, 2009	50,145,528	50,146	24,417,336	-	(23,360,687)	(819,673)
Issuance of stock for cash	4,151,310	4,151	159,598	-	-	-
Issuance of stock for services	6,638,046	6,638	316,625	-	-	-
Net Loss	-	-	-	-	(474,739)	-
Adjustment for foreign currency translations	-	-	-	-	-	(440,748)
Comprehensive Loss						(915,487)
Balance December 31, 2010	60,934,884	60,935	24,893,559	-	(23,835,426)	(1,260,421)
Issuance of stock for cash	11,021,223	11,021	509,436	-	-	-
Issuance of stock for services	6,794,248	6,794	604,704	-	-	-
Net Loss	-	-	-	-	(775,777)	-
Adjustment for foreign currency translations	-	-	-	-	-	(76,626)
Comprehensive Loss						(852,403)
Balance December 31, 2011	78,750,355	78,750	26,007,699	-	(24,611,203)	(1,337,047)
Issuance of stock for cash	7,224,840	7,225	459,013	-	-	-
Issuance of stock for services	12,124,344	12,124	1,029,970	-	-	-
Net Loss	-	-	-	-	(679,116)	-
Adjustment for foreign currency translations	-	-	-	-	-	(369,652)
Comprehensive Loss						(1,048,768)

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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	-	(25,290,319)	(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	-	(25,017,334)	(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	-	(25,913,203)	(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	-	-	-	-	(601,902)	-	(601,902)
Adjustment for foreign currency translations	-	-	-	-	-	85,882	85,882
Comprehensive Loss							(516,020)
Balance December 31, 2015	98,874,358	98,875	29,068,968	-	(26,515,105)	(1,353,989)	1,298,749
Issuance of stock for cash	7,325,905	7,324	598,396	-	-	-	605,720
Issuance of stock for services	157,000	158	8,477	-	-	-	8,635
Return of stock for no cash	(6,644,810)	(6,645)	6,645	-	-	-	-
Net Loss	-	-	-	-	(599,743)	-	(599,743)
Adjustment for foreign currency translations	-	-	-	-	-	4,787	4,787
Comprehensive Loss							(597,956)
Balance December 31, 2016	99,712,453	99,712	29,682,486	-	(27,114,848)	(1,349,202)	1,318,148

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	\$	\$	\$	\$
Issuance of stock for cash	4,703,199	4,703	462,950	-	-	467,653
Issuance of stock for services	64,500	65	166,366	7,500	-	173,931
Return of stock for no cash	32,453,763	32,454	(32,454)	-	-	-
Net Loss	-	-	-	-	(598,342)	(598,342)
Adjustment for foreign currency translations	-	-	-	-	-	(101,133)
Comprehensive Loss						(699,475)
Balance December 31, 2017	136,933,915	136,934	30,279,348	7,500	(27,713,190)	1,260,257
Issuance of stock for cash	6,324,119	6,325	626,087	-	-	632,412
Issuance of stock for services and settlement of debt	9,827,234	9,826	936,563	-	-	946,389
Return of stock for no cash	(200,000)	(200)	200	-	-	-
Net Loss	-	-	-	-	(686,724)	(686,724)
Adjustment for foreign currency translations	-	-	-	-	-	31,260
Comprehensive Loss						(655,464)
Balance December 31, 2018	152,885,268	152,885	31,842,198	7,500	(28,399,914)	2,183,594

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, 2018
(Unaudited)

	YEAR TO DATE DECEMBER 31, 2018 \$	YEAR TO DATE DECEMBER 31, 2017 \$	CUMULATIVE TO DECEMBER 31, 2018 \$
Cash flows from operating activities:			
Net profit / (loss)	(686,724)	(599,930)	(28,399,914)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>			
Amortization and depreciation	10,982	10,032	202,390
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	-	-	(1,419,910)
Writeback of related party loans	-	-	(128,965)
Shares issued for services and settlement of debt	73,665	13,931	9,408,004
Loss on sale of property	-	1,974	28,469
<i>Changes in assets and liabilities:</i>			
Decrease in accounts payable	(351,900)	193,295	1,158,719
Decrease in accruals	(1,294)	30,683	160,478
Decrease in prepaid expenses	-	-	(29,390)
Increase in other receivables	720	(425)	(34,315)
Net cash used in operations	(954,551)	(350,440)	(15,183,684)
Cash flows used by investing activities:			
Acquisition of plant and equipment	(4,519)	(5,310)	(252,202)
Investment in subsidiaries	-	(79)	(79)
Investment in Licence	-	-	(7,500)
Investment in Liquatech	-	-	(8)
Proceeds on sale of investment in EESTech Africa	-	-	968,256
Investment in Delta E Technology	-	-	(39,833)
Investment in HCGT Technology	-	-	(1,816,492)
Investment in EMS	(89,792)	(92,281)	(504,360)
Net cash used in investing activities	(94,311)	(97,670)	(1,652,218)
Cash flows from financing activities:			
Issuance of common stock	632,412	467,653	16,671,448
Loan from/(repaid to) shareholder	396,115	52,103	331,460
Proceeds from issuance of debentures	-	-	41,815
Principal repayments under finance leases	-	-	(45,506)
Deferred lease	-	-	46,703
Net cash from financing activities	1,028,527	519,756	17,045,920
Comprehensive gain (loss) on translation	31,821	(75,996)	(198,162)
Net increase (decrease) in cash	11,486	(4,350)	11,857
Cash, beginning of period	371	4,721	-
Cash, end of period	11,857	371	11,857

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, 2018

Note 1: Organizational 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 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. In December 2017, EESTech Board of Directors, pursuant to Section 228(e) of the Delaware General Corporation Law has, upon receiving approval from the holders of greater than a majority of issued and outstanding shares of voting capital stock of the Company, increased the number of authorized shares from 100,000,000 to 300,000,000. The increase in authorized shares comprises 150,000,000 shares of common stock and 50,000,000 shares of preferred stock, for which the Board may set the terms.

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 optimizing 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 cannot 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.

EESTech's acquisition of a Niton FXL 959 x-ray analyzer has made it possible to fine-tune proprietary extraction process of ferro chrome metal from furnace slag. The unit will play an important role in all EESTech's mineral recovery and environmental management projects.

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 INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018

Note 2: Summary of significant Accounting Policies

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

The consolidated balance sheet as at December 31, 2018 and the consolidated statement of operations for the twelve-month period ended December 31, 2018 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, 2018 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.

During this quarter a number of long term loans and creditors were settled via share issues. This has resulted in an improvement in the net asset position of approximately \$1million.

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 outstanding during the period. The Company has no common stock equivalents, which would dilute earnings per share.

EESTECH INC. AND SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018

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 using 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 License Fee.

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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.

Over the past 5 years EESTech has successfully completed a culmination of workings, including the development and integration of a totally new range of technologies, process capabilities and know-how related to EESTech's now promoted zero-cost reclamation and remediation services for the management of mine site and process waste. EESTech has undertaken a proof of capability, a comprehensive due diligence review, sample processing, third party test analysis, appraisals of proprietary process configurations and a project economic and technical feasibility study.

EESTech's waste management service agreements will incorporate a guaranteed offtake agreement whereby any resource company contracting EESTech's services will be obligated to purchase all targeted metal reclaimed by EESTech at a pre-agreed discount to market price, whilst any revenues derived from the sale of other reclaimed materials is solely to the benefit of EESTech, hence EESTech's ability to provide a zero-cost zero-waste management service.

The uniqueness of EESTech's waste reclamation and remediation process technologies has warranted the filing of provisional patents to protect the company's intellectual property rights. Copyright and provisional patent filings have been initiated to protect EESTech's unique intellectual property. NDA's and non-circumvention agreements have been completed with all supporting product and service providers.

EESTech's service offerings are timely uniquely packaged as a low risk solution for mine site operators whilst delivering a scalable business model for EESTech shareholders. EESTech will hold ownership over the resources reclaimed from the waste processed with a guaranteed offtake agreement for the purchase of all recovered metal at a predetermined buy price, with a shared upside as commodity prices increase. The EESTech service model is well suited to capture the interest of the investment community which is expected to deliver sound capital growth for the company.

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.

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.

EESTech has filed a patent application for an apparatus and method of induction smelting - Inductosmelt Reduction Furnace (IRF). The IRF is an induction furnace capable of melting or smelting non-conductive materials. The IRF will dramatically reduce the cost of smelting requiring up to 80% less energy than traditional electric arc or blast furnaces and achieves up to 99% recovery of metal from non-conductive metal oxides.

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Note 4: Intellectual property (continued)

The installation cost of an IRF is significantly less than traditional electric arc or blast furnaces. The IRF requires less infrastructure and support systems. The IRF is a modular design with each module capable of smelting up to 12 ton per hour. Modules can be added and configured to meet demand. EESTech will use the IRF technology for its own operations and expects to license IRF to other operators and partners.

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:

<u>Name</u>	<u>Age</u>	<u>Position and Offices with the Company</u>
Murray Bailey	69	Chief Executive Officer, Chief Financial Officer and Director
Gaylord Beeson	70	Director
Don Bartlem	72	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 several 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 publicly 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.

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

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 molding, specialized cyanoacrylates, nano thermites, jelled hydrocarbon fuels, particle shaping, combustion technology, mineral extraction, chemical binding, cold and thermal agglomeration of recovered minerals.

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 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: 13th February 2019

EESTECH, INC.



Name: Murray Bailey
Title: Chairman / Chief Executive Officer