

## FURTHER INFORMATION TO ASSIST POTENTIAL SHAREHOLDERS CONSIDERING AN INVESTMENT IN HYDRA LIGHT INTERNATIONAL PTY LTD.

Information below has been produced to assist potential shareholders in their considerations of an investment in Hydra Light International Pty Ltd (“HLI”).

### Proposed New Products

- Personal lantern designated the PL 750 (see below). A more powerful version of the PL 500 as detailed in the IM. Instead of one cell the PL 750 will have two cells providing much stronger light. Also a hybrid product (with a Lithium Ion battery) this product will allow a user to recharge a cell phone 2-3 times per day instead of one. Design and development is complete. We are waiting on final manufacturing engineering drawings for confirmation. This is expected within 7 days at which time tooling will commence. Expected to be in the market late May/early June 2017



- Bamboo flashlight Waterproof flashlight (manufacturing engineering to be approved) See below. Not a lot of additional tooling will be required as most of the parts from the standard flashlight will also be used in the bamboo version. Expected to be in the market late May 2017.



- Power packs (four different form factors, one to power miners lights, one to be used as a travelling cell phone recharger with flashlight capability, one to be a disposable cell phone recharger and the other to be used in concert with solar light products). Design and development is well advanced on

all of the above products. Once completed the designs will be sent to the factory for assessment for manufacturability and any resulting changes will be incorporated into the design. Finalisation of all design work will be complete by June 2017 (working prototypes are currently being bench tested) with product expected in the market by August/September 2017.

- Marine product to include an EPIRB, strobe and flashlight. Based on a dolphin torch form factor with significantly more features. Being designed and developed in co-operation with one of the largest marine distributors in the USA, the product is expected to be in the market by October 2017.
- Milspec (military specification) flashlight. Will include a small lithium battery and is to be manufactured in metal. An existing product from one of HLI's factories is being re-engineered to take the HLI power cells. Prototype will be taken back to the factory late March 2017 for final design modifications. As this product will be based on an existing product, limited additional tooling will be required, so the product is expected to be available late May/early June 2017. HLI has several military forces (such as the US special forces) waiting to field test the product. Meantime it will also be sold in the general retail sector.
- A plastic version of the Milspec flashlight for sale in the retail industry. Availability is as for the Milspec product above.
- Dolphin torch. Design work will be completed by June 2017. Will come in both water only and hybrid versions. The product will be able to float if dropped in the water. The product is expected to be in the market by September 2017
- Radio head to be used with the Utility range body. Details of the Utility range of products has been shown in the IM. The body of each of the Utility products is common to all products. What is being designed is a radio head that will just replace the other heads as required, which will provide 1000 plus hours of continuous radio use. Will be available September 2017
- Blue tooth head to be used with the Utility range body. Same as the radio head except it will be a high end blue tooth device. Again will be available September 2017
- Xmas trees (two sizes being 2 foot and 6 foot or the nearest to those sizes). Will be LED Xmas trees that will sit in a plant pot size base. All that will be needed to activate the product is to add water as if a user is watering a tree. Will come with a wand that will change the settings on the flashing LEDs (8 different ones). Will be available in July 2017 in time for first orders.
- T-light. To be used with Chinese lanterns and their equivalent for Chinese New Year, Ramadan and Deepavali. High demand item as it the T-Light will replace traditional T-Light products that only last a few days. Design work is complete and is with the factory for manufacturing design assessment. Available by June 2017.
- Bamboo versions of the Utility range of products. (See below). Available by June 2017.



## Proposed Cells

- Bamboo Cell (see picture with the bamboo flashlight and bamboo products Utility Series above). Form factor has already been completed. HLI is waiting on prices from the factory for replacing the ASB plastic with bamboo. Will be available with the bamboo flashlight
- Cell with electronics to be used by other OEMs. Will be the Hydra Light power cell with special electronics built into the cell allowing an OEM such as Coleman (see later) to just use the cell without needing to change their own electronics in their product. Will allow an OEM to generate recurring revenue not currently available to it once a torch or lantern is sold; that revenue is presently going to the battery manufacturer. Available July 2017
- Cells (initially the same as 2 traditional D cell batteries) for use as an alternate to traditional batteries. This will take a bit more design and development and will not be available till November/December 2017. Essentially it will be a cell that can be used in any flashlight or lantern with the difference being that the same flashlight or lantern can still use traditional batteries as required.

## First to Market Products in HLI Corporate Colours

Below is a picture of the suite of HLI's first to market products in the Corporate Colours selected by Sales and Marketing:



From left to right in order:

1. Flashlight
2. Super Cell Lantern
3. Personal Lantern (water only)
4. Utility Lantern
5. Accessory Light on stand
6. Utility Power Pack with the ability to run three (3) Accessory Lights simultaneously
7. Utility Down Light
8. Mini Flashlight with replaceable cell
9. Disposable Mini Flashlight

## New Market Opportunities

### Distributors

1. Coleman ([www.coleman.com](http://www.coleman.com)) Lantern Division. Have asked HLI to look at designing a cell specifically for their lantern products. This will allow the company to generate recurring revenue from their own licensed power source.
2. SeaWide Distribution ([www.seawide.com](http://www.seawide.com)). One of the larger Marine Distributors in the USA SeaWide is very keen to take on the HydraLight range and promote it through the Chandleries in the US. They have three warehouses that cover the USA.
3. Coast Lighting ([www.coastportland.com](http://www.coastportland.com)). Wish to use HydraLight products as both a stand-alone OEM product as well as develop a Hybrid product where the Flashlight is designed so that if for whatever reason HydraLight Cells were not available the consumer could use standard D Cells etc. They believe that this would break down any potential resistance barrier.

The above were the major opportunities (apart from those detailed in the Update to the December 2016 document). HLI has some 250+ enquiries from people wishing to become distributors around the world. Most of these will not be big enough to meet HLI's criteria for becoming a Distributor, so they will be referred to the closest authorised Distributor. Based on preliminary review of the expressions of interest it is expected and additional 15-20 Distributors will be appointed.

### NGO's and Aid Agencies.

Again HLI is in discussions with several NGO organisations to take HLI products into villages in Africa and in developing countries in South East Asia. Two particular opportunities are being pursued one in Sierra Leone and the other in the Philippines where different NGO's wish to each take an initial 10,000 lantern or flashlight units into Villages for field trialling.

For the Aid Agencies, each of the Red Cross, United Nations and Oxfam have indicated that they wished to test several HLI products first for authorisation, before then taking the product into their authorised suite of products to be used in both disaster relief as well as being provided to the poor and needy living off the electricity grid. The first of these organisation is the Red Cross where products will be sent to their testing labs in the next 4-6 weeks for them to commence their testing regime. Documentations is currently being prepared for this to move forward.

### Other Opportunities

American Outdoors. Hydra Light has been selected to be included as one of American Outdoors ("AO") product ranges on their new On-Line Shop Platform. This will result in AO including Hydra Light products in its on-line store and they will also produce a commercial which will be shown across AO's national TV program "American Outdoor". Since 1968, "American Outdoor" is America's longest running outdoor TV show with 84 million viewers and broadcast into 38 million TV households.

AO also carried out a live stream from the Shot Show in Las Vegas where HLI's Director of Sales and Marketing was interviewed. Refer:

<https://www.facebook.com/aotv.shop/videos/594255190765279/> .

Note if anyone is unable to open the above link, please simply cut and paste the link into your web browser.