GRAPHENE MANUFACTURING GROUP LTD

Management's Discussion and Analysis

For the year ended June 30, 2021

(in Australian dollars)

(Unless specified otherwise, all amounts are expressed in Australian dollars)

This Management's discussion and analysis ("MD&A") provides a review of Graphene Manufacturing Group Ltd's ("GMG" or the "Company") operations, performance and financial position for the year ended June 30, 2021. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2021. The purpose of this document is to provide information on GMG's activities. The information contained herein is dated as of October 29, 2021. You will find more information about us on GMG's website and on SEDAR (the official site of the Canadian Securities Administrators, which is publicly available), including all news releases.

The period from April 1, 2021 to June 30, 2021 has been referred to as Q4FY21 and the period from April 1, 2020 to June 30, 2020 has been referred to as Q4FY20. The financial year ended 30 June 2021 has been referred to as FY21 and the financial year ended 30 June 2020 has been referred to as FY20.

The financial statements of GMG and extracts of those financial statements provided in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements, including the comparative figures. References to the symbol AUD or $ or A$ means the Australian dollar, the official currency of Australia. References to the symbol CAD or C$ mean the Canadian dollar. Except as otherwise set out herein, all amounts expressed herein are in Australian dollars, the functional currency of the Company. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section which follows.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward looking statements" that reflect the Company's expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", and "objective" and similar expressions or variations of such words. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates, or projections will be sustained.

In developing the forward-looking statements in the MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company's ability and general business and economic conditions. Many risks, uncertainties and other factors could cause the actual results of GMG to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to the following: overall economic conditions, technical de-risking and market acceptance for GMG's products and solutions, the introduction of competing technologies/products, environmental and regulation requirements, competitive pressures, change in market conditions and other factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in the MD&A are expressly qualified in their entirety by this cautionary statement.

BUSINESS OVERVIEW

Company Overview

GMG is a clean-technology company which seeks to offer energy saving and energy storage solutions, enabled by graphene, including that manufactured in-house via a proprietary production process.

GMG has developed a proprietary production process to decompose natural gas (i.e. methane) into its elements, carbon (as graphene), hydrogen and some residual hydrocarbon gases. This process produces high quality, low cost, scalable, 'tuneable' and low/no contaminant graphene suitable for use in clean-technology and other applications. The Company's present focus is to develop commercial scale-up and secure market applications.

GMG is listed on the TSX Venture Exchange ("TSXV") under the ticker "GMG" and is also quoted on Tradegate in Germany under "0GF". GMG understand that its shares may have traded on OTCQB under "GMGMF". This quotation was initiated by third party market participants, not GMG. To date, GMG has not offered or sold any securities to investors in the United States. GMG share warrants trade on TSXV under the ticker "GMG.WT".

GMG's strategy has evolved over time. While GMG graphene may be suitable for a wide range of industries, GMG has narrowed its focus to target select applications and industries. GMG's management team ("Management") believes that focusing on downstream applications will provide a higher return on in-house graphene production. Also, the vertically integrated approach will enable it to build a long-term competitive advantage. In line with this approach, GMG's initial focus has been developing applications for energy savings and energy storage.

In the energy savings segment, GMG has focused on graphene enhanced heating, ventilation and air conditioning ("HVAC-R") coating (or energy-saving paint), lubricants and fluids. In the energy storage segment, GMG and the University of Queensland are working collaboratively with financial support from the Australian Government to progress R&D and commercialization of graphene aluminium-ion batteries ("G+Al Batteries").

GMG and its customers have successfully demonstrated HVAC coating projects, offering customers improved heat transfer in space cooling (air-conditioning) and coolant units. Also, GMG is developing lubricants which reduce friction in engines. Both these offerings have the potential to enable lower energy consumption, reducing both cost and emissions.

Near-term revenue generation will depend largely on the ability of the company to generate sales of HVAC coating projects ("THERMAL-XR® powered by GMG Graphene" or "TXR") and to a lesser extent on being able to monetize the advanced research and testing work undertaken on graphene enhanced lubricants. Medium term, GMG remains focused on R&D and will continue to invest in new product development including in energy storage.

Business highlights

Graphene Enhanced Aluminium-Ion Battery Development Project

In April 2021, the Company announced the execution of an agreement with the University of Queensland's Australian Institute for Bioengineering and Nanotechnology ("AIBN") for the development of G+AI Batteries. Under the agreement, GMG will seek to manufacture commercial battery prototypes for watches, phones, laptops, electric vehicles and grid storage with technology developed at the University of Queensland ("UQ"). GMG has also signed a license agreement with Uniquest, the UQ commercialisation company, which provides GMG an exclusive license of the technology for battery cathodes.

The GMG G+AI Battery project, being undertaken with University of Queensland, aims to develop a new generation of high performance and low-cost cathode materials for rechargeable G+AI Batteries. To address the low-capacity issue of current cathodes, this project anticipates generating new knowledge in the material design of novel graphene materials. Also, by developing an innovative surface perforation technique coupled in a continuous production process, this project expects to produce scalable and cost-effective graphene cathodes with a record-high capacity. A successful outcome of this project will create new intellectual property which will enable GMG to target a global market for batteries. The project has also been approved to receive grant funding of $390,000 from the Australian Government's Australian Research Council.

Initial trialing of G+AI Batteries indicate potential advantages over LI Batteries, including:

- 3 times energy storage density of LI Battery;
- Up to 60 times faster charging than LI Battery;
- Stable charging/de-charging capacity over 1000 cycles;
- Lower cost – of aluminium vs lithium;
- Higher potential for recycling [1];
- Security of supply as aluminium is more widely available than lithium and widely available in developed countries; and
- Significantly reduced risk of fire.

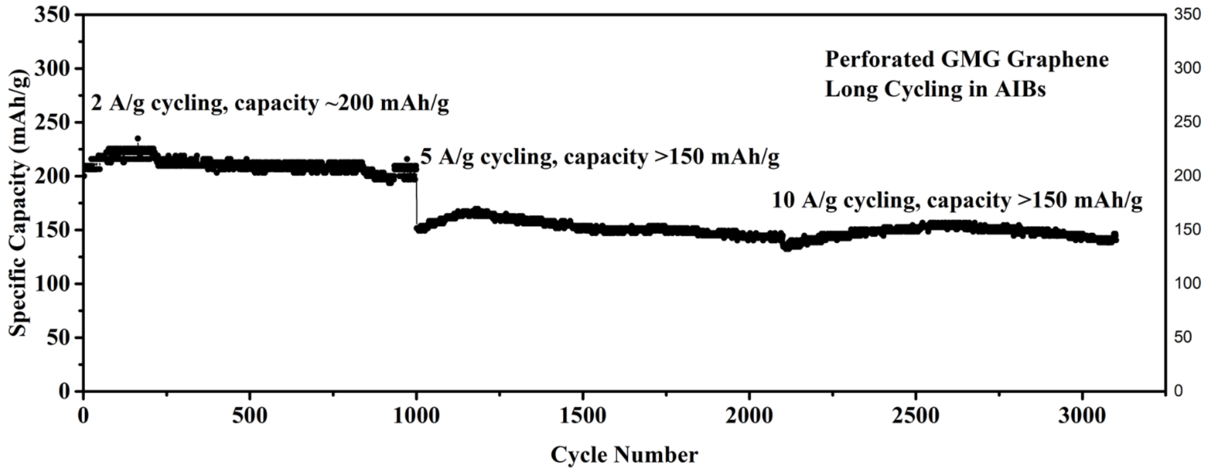
Initial performance data when tested in coin cells from experiments performed at AIBN at UQ is set out below.

[1] As per CSIRO, only two per cent of Australia's annual 3,300 tons of lithium-ion battery waste is recycled https://www.csiro.au/en/Research/EF/Areas/Grids-and-storage/Energy-storage/Battery-recycling.

Battery Technology	Electrode Materials	Energy Density (Wh/kg)	Power Density (W/kg)	Calculated Time to Fully Charge Average Phone Battery (minutes)
Taiwan/Stanford US[1]	Natural graphite/Aluminium	~68.7	~41.1	~60-110
Stanford US[2]	CVD graphitic foam/Aluminium	40	~3000	1 – 5
GMG+UQ[3]	**GMG+UQ Graphene/Aluminium**	**150-160**	~7000	1 – 5

Source: 1. Hongjie Dai, Nat. Commun., 2017, 8:14283 2. Hongjie Dai, Nature, 2015, 520, 325, and 3. University of Queensland testing data.

Further experiments confirmed a very high cycle rate for G+Al Batteries together with minimal reduction in performance over a 3,000 cycle experiment period (which includes charging up to full charge and discharge down to near full discharge) at very high charging rates – including at 2 Ampere per gram ("A/g") of cathode material for 1000 cycles, 5 A/g of cathode material for 1000 cycles and then 10 A/g of cathode material for a further 1000 cycles. These results are set out below.



Source: University of Queensland. All testing was carried out on coin cells with perforated GMG graphene in aluminium ion battery at ambient temperature cycling from 2.4V to 0.5V, 1000 cycles at 10 Coulomb or 10 C (2 A/g) providing ~ 200 milli-Ampere-hour/gram ("mAh/g") of capacity, 1000 cycles at 30 C (5 A/g) providing >150 mAh/g of capacity and 1000 cycles at 66 C (10 A/g) providing > 150 mAh/g.

GMG has procured equipment for a pilot production and testing plant for the manufacture of its G+Al Batteries and production of a commercial prototype coin cell battery is targeted before the end of 2021. This pilot production and testing plant is an important next step in the Company's battery technology development plan. The Company is also evaluating the purchase of additional equipment to enable the manufacturing of G+Al Batteries in a pouch cell format.

The Company believes that the performance testing results of early prototypes have shown very encouraging power and energy density results and that batteries are retaining full performance after more than 3,000 charge and discharge cycles. Furthermore, the Company believes that the G+Al Battery is almost fully recyclable, has an extremely low fire risk and does not use lithium nor any rare earth metals.

THERMAL-XR® powered by GMG Graphene

THERMAL-XR® powered by GMG Graphene is a coating application for restoring and improving energy efficiency to refrigeration and air conditioning coils on both building and transport cooling systems. The process coats and rebuilds lost thermal conductivity to the coil by leveraging GMG's graphene to increase the heat transfer rate, resulting in efficiency improvement, and reductions in both energy and CO2 emissions where related for customers.

Revenue for the year of $246K mainly related to graphene powder for production of TXR, and collaborative research projects.

HVAC-R systems account for up to 50 per cent of a commercial buildings' energy use[2]. Almost, 20% of all the electricity used in buildings is for cooling[3].13 By improving the efficiency of HVAC-R systems and air conditioners in particular, energy consumption can be reduced, lowering operating costs and potentially greenhouse gas emissions.

Global sales of air conditioners ("AC") have grown steadily. Since 1990, annual sales of ACs nearly quadrupled to 135 million units[3]. There are approximately 1.6 billion ACs in use, of which over 50% are in the United States and the People's Republic of China. ACs consume over 2,000 Terawatt-hour ("TWh") of electricity every year, approximately two and a half times the total electricity use of Africa[3]. The number of ACs worldwide is predicted to soar from 1.6 billion units today to 5.6 billion units by 2050, according to a report by the International Energy Agency[4].

After signing Supply and Distribution Agreements for TXR in November 2020, GMG continued to supply graphene powder to the Company's TXR supplier for TXR production and receive shipments of TXR into inventory.

In June 2021, the Company announced the signing of a non-binding Letter of Intent with OPENIA Project Management Services LLC for the exclusive distribution of TXR throughout the United Arab Emirates.

GMG intends to adopt a value-based pricing strategy to access a share of the energy savings available to customers. Business development discussions continue to progress towards first multi-site TXR project sales in Australia and sales of TXR product to international customer prospects. GMG has exclusive distribution rights for this product in most regions in the world, including the Americas, Middle East, Europe, Africa and NE Asia (China, Japan and Korea), and non-exclusive rights elsewhere. Exclusive distribution rights were also recently secured for Singapore and Malaysia.

GMG and its customers have continued to successfully demonstrate HVAC-R coating projects, offering customers improved heat transfer in space cooling (air-conditioning) and coolant units, including reduction and therefore cost savings in a range of situations.

After coating with TXR on a public library air conditioner a 52% Energy savings was measured and verified by an independent third party certified verification and measurement professional ("CVMP").

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[2] https://www.csiro.au/en/About/Our-impact/Our-impact-in-action/Industry-and-defence/Opticool
[3] The Future of Cooling, Opportunities for energy-efficient air conditioning, International Energy Agency, 2018.
[4] https://www.iea.org/news/air-conditioning-use-emerges-as-one-of-the-key-drivers-of-global-electricity-demand-growth

It confirmed that the TXR treatment yielded an estimated savings of 52%, or 348 kWh ± 91kWH with a relative uncertainty of 26% at a confidence level of 90%. These results are set out below.

Size of the Unit (kW)	% Energy Saving Calculated	Calculated Annualised Energy Saving (kWhr)	Calculated Annualised Emissions Reduction (CO2 tonnes)
53.2 kW	52%	4021	3.3

The 53.2kW (Model OPA55RKTBG01-P) ducted system was studied over a 4 month period with energy and weather data obtained via remote wifi connected energy sensors and third party weather stations. Calculations for the regression model were carried out by an independent Certified Measurement & Verification Professional (CVMP) with reference to International Performance Measurement and Verification Protocol (IPMVP). Annualised calculations are projected over a full 12 months without any seasonality variance included and emissions reductions were based of the Queensland specific electricity grid greenhouse gas emission factors of 0.82 kg of CO_2 / kWhr. The above energy and emission calculation is based on 348 kWh ± 91kWH with a relative uncertainty of 26% at a confidence level of 90% over 18 days of regression modelling. The library has 4 operational days per week.

Independent third parties carried out a project utilising TXR on a diesel bus's air conditioner and showed a 2.7% fuel saving and 25% less cooling time to reach the set operating temperature. These results are set out below.

	Pull Down Test 45°C to 22°C	Diesel Fuel Used Over 2 Hour Test
Baseline Trial	24 minutes	12.70 litres
THERMAL-XR coated Trial	18 minutes	12.36 litres
Improvement Reduction	**6 minutes less**	**0.34 litres less**
	25%	**2.7%**

Source: Results from over a two (2) hour period in a controlled facility whilst monitoring time and fuel usage. A Thermo King DAS (Data Acquisition System), standalone data recorder, (not connected to the AC system) with TK Wintrac 5 software was used to download the data for the Pull Down Test, and a proprietary Volvo Telematic System recorded the fuel data. Test was conducted inside a Spray 'n' Bake paint booth Model TNT-3-20/6.

GMG has worked with the Australian Government's Department of Health to have its graphene approved for use as a component within industrial coatings.

The Company has obtained a Commercial Evaluation Authorisation encourages innovation by providing a pathway to manufacture chemicals in Australia for the purpose of evaluating its commercial potential. The authorisation was granted after GMG's submission was assessed against specified criteria including management of potential health and environmental risks.

This authorisation is issued under the Industrial Chemical Act 2019 and approves the use of TXR to authorised GMG customers covered by the approval.

G Lubricants

GMG blends its graphene into lubricating oil to make G Lubricant concentrates for lubricant manufacturers to then mix into their lubricant products (e.g. engine oil) for final blending, packaging and sale. GMG has developed mixing equipment, systems and processes at laboratory and commercial scale to make G Lubricant concentrates. GMG has also developed lubricant product testing equipment, systems and processes to optimize product formulations for graphene quality, lubricant type and customer performance data. GMG has also developed sales and marketing capabilities for selling G Lubricant concentrates to lubricant manufacturers worldwide.

Initial trials by GMG have shown a reduction in wear and subsequent reduction in co-efficient of friction in GMG graphene enhanced lubricants over those without graphene. GMG believes that further reduction is possible by codeveloping the product with an additive pack and better knowledge of the base oil molecules of the intended lubricants.

GMG's in-house and external testing program continued to progress. Results of this program continue to be encouraging with further results expected from external laboratory trials in the coming months.

Qualifying Transaction and Listing on TSX Venture Exchange, private placement and appointment of new director

In April 2021, GMG and Cuspis Capital Ltd completed their qualifying transaction (the "Transaction") under TSX Venture Exchange Policy 2.4 – Capital Pool Companies.

The Transaction was completed by way of statutory plan of arrangement under the Business Corporations Act (Ontario). Prior to completion of the Transaction, the Company effected a share split ("Split") on the basis of twenty-two (22) post-Split ordinary shares in the capital of GMG ("Shares") for every one (1) pre-Split Share held.

Upon closing of the Transaction, William Ollerhead, a former director of Cuspis, was appointed as a director of the Company.

The Shares commenced trading on the TSXV under the symbol "GMG". The Company is classified as a Tier 1 Industrial Issuer pursuant to TSXV policies.

Also in March 2021, the Company completed a non-brokered private placement financing at a price of C$0.65 per Subscription Receipt for gross proceeds of C$2,000,050.

Name Change and Prospectus

In April 2021, the Company's name changed from "Graphene Manufacturing Group Pty Ltd." to "Graphene Manufacturing Group Ltd."

Research projects

GMG is involved as a participant in several collaborative research projects set out below:

Project name	**Lead research institution**
Enabling Next-generation Rechargeable Aluminium-ion Batteries.	University of Queensland
Biofabrication - 3D biomedical treatments for better health outcomes for Queensland.	Queensland University of Technology
Functional biomass carbons for low-cost sodium and potassium-ion batteries.	University of Queensland
Fabrication and Characterisation of Graphene Carbon Hollow Nanofiber Yarns for Next Generation of Piezoresistive MEMS Sensors.	University of Southern Queensland
Future Battery Industries Co-operative Research Centre	Deakin University
Piezo-Supercapacitors for Self-Powered Medical Implants.	Queensland University of Technology
Developing high performance nanocomposite coatings for domestic appliance.	University of Queensland

Graphene powder production

Graphene powder production in 2021 was focussed at different times during the year either on maximising production for sale to GMG's TXR supplier, and otherwise on developing improvements in manufacturing process technology, uptime and reliability, quality and more accurate systems data. These investments have resulted in gains in total production time and yield per hour for powder production.

COVID-19 Pandemic

The COVID-19 pandemic, as declared by the World Health Organization on March 11, 2020, continued to cause significant financial market and social dislocation in FY21. While government responses to COVID-19 have created an uncertain operating environment which can change at short notice, the Company's staff and production operations have not been materially impacted. Customer trials and related potential sales were restricted during lockdowns in certain countries for periods in 2021 which slowed the Company's commercialization plans, but currently the Company is not seeing any significant disruption to its manufacturing operations except for slowing business development activities in Australia and other countries and regarding access to UQ facilities during certain periods.

In financial terms, the Company benefited from government support measures during April 2020 to September 2020, but no financial support was received during the second half of the year ended June 30, 2021.

In terms of effects on the Company:

- The Company has maintained access to capital during the 2021 financial year, as evidenced by its capital raisings during this period. Capital markets conditions have been receptive to the Company during the pandemic to date.
- The TXR demonstration projects and customer lubricants trials may have progressed more quickly had it not been for COVID-19.
- While interstate and international travel has been very restricted, the use of technology has greatly mitigated the general impact on the business these restrictions would have otherwise had.

Launch of new website

In April 2021, GMG launched a new website designed to highlight the Company's business model, corporate philosophies, ESG approach, the GMG solutions portfolio, provide investor information, and ongoing updates on GMG. It provides for the Company's growth and new innovations as GMG develops. The Company's new corporate tagline ENERGY SAVING AND ENERGY STORAGE SOLUTIONS links and is underpinned by examples across the new website. The layout, imagery, messaging, and colours reflect the Company's brand and position going forward and will only strengthen the GMG brand.

Subsequent events

Public Offering

In September 2021, GMG completed an overnight marketed public offering of units ("Units") of the Company, including exercise in full of an over-allotment option ("Offering"). A total of 5,635,000 Units were sold at a price of C$2.05 per Unit ("Offering Price") for gross proceeds of approximately C$11.55 million. Each Unit is comprised of one ordinary share in the capital of the Company (each, an "Ordinary Share") and one-half of one Ordinary Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one Ordinary Share at C$2.60 at any time until September 2, 2024. The Offering was completed pursuant to an underwriting agreement dated August 13, 2021 among the Company and Cantor Fitzgerald Canada Corporation, as lead underwriter and sole bookrunner, and a syndicate of underwriters including PI Financial Corp., Echelon Wealth Partners Inc. and Haywood Securities Inc.

The TSX Venture Exchange also accepted for listing the 2,817,500 Warrants underlying the Units issued pursuant to the Offering. The Warrants were listed for trading on the TSX Venture Exchange under the symbol "GMG.WT" on September 8, 2021.

The Company also completed a non-brokered private placement for gross proceeds of $909,500 through the sale of 425,000 units ("PP Units") at a price of $2.14 per PP Unit ("Private Placement"). Each PP Unit was comprised of one Ordinary Share and one-half of one Warrant. Each Warrant entitles the holder to purchase one Ordinary Share at $2.60 at any time on or before the date which is 36 months from the date of issuance.

The Company anticipates using the proceeds of the Offering and the Private Placement to, among other things, develop a commercial coin cell graphene aluminium-ion battery prototype, perform front end design and commence building of a battery manufacturing facility (subject to a successful prototype and a final investment decision) and for working capital and general corporate purposes.

Dissolution of Cuspis Capital Ltd

Following the successful completion of the Transaction, the Company has deregistered Cuspis Capital Ltd effective on August 12, 2021. The Transaction is being treated as an asset acquisition not a business combination under IFRS.

ESG Statement

"No Harm to People or Environment" is at the core of GMG's values, and this is championed by the board appointed Sustainability Committee and Charter. The Sustainability Committee takes a holistic view of sustainability factors and was founded from a desire to contribute towards the solutions needed for enriching our environment and society. The United Nations 17 Sustainable Development Goals ("SDG"s) was identified as the benchmark for goal alignment.

GMG has committed to initially focus on targeted SDGs where the Company can best contribute. These were identified as:

- # 7 Ensure access to affordable, reliable sustainable and modern energy for all.
- # 13 Take urgent action to combat climate change and its impact.
- # 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

These goals form part of the standing agenda within the Sustainability Committee and are aligned with goals in GMG's business plan.

One commitment GMG has made, is to provide transparent reporting on the Company's carbon emissions footprint from its operations. This is being verified by an independent party using the National Greenhouse and Energy Reporting ("NGER") Framework and guidance notes on estimating emissions and energy from industrial processes.

Once GMG's baseline carbon emissions are verified, GMG is committed to continued focus on Environmentally Sustainable Governance practices to ensure ongoing improvement within its business practices. Through the application and use of GMG's products and services the Company will continue to maintain transparent reporting on its carbon footprint and carbon footprint reductions through the application of energy saving products and services with our customers.

FINANCIAL HIGHLIGHTS

Income Statement

$'000 unless otherwise stated	12 month period ended June 30 2021	2020	Variation $'000	%
Revenue from operations	246	111	*135*	*122%*
Other income including subsidies, grants and incentives	1,013	1,214	*(201)*	*(17%)*
Total revenue	**1,259**	**1,325**	***(66)***	***(5%)***
Employee expenses	(2,684)	(1,898)	*(786)*	*41%*
Plant expenses	(189)	(158)	*(31)*	*20%*
Occupancy expenses	(154)	(91)	*(63)*	*69%*
Overheads expenses	(1,998)	(848)	*(1,150)*	*136%*
Total operating expenses	**(5,025)**	**(2,995)**	***(2,030)***	***68%***
EBITDA	(3,766)	(1,670)	*(2,096)*	*126%*
Listing expenses	(2,226)	-	*(2,226)*	-
Change in fair value of warrants	(1,832)	-	*(1,832)*	-
Finance costs	(23)	(2)	*(21)*	*1050%*
Depreciation	(263)	(395)	*132*	*(33%)*
Loss before income tax	**(8,110)**	**(2,067)**	***(6,043)***	***292%***
Income tax expense	-	-	-	-
Loss for the period	**(8,110)**	**(2,067)**	***(6,043)***	***292%***
***Non-IFRS financial measures* [(1)]**				
Adjusted loss before income tax	(4,053)	(2,067)	*(1,986)*	*96%*
Basic and diluted loss per share (cents)	(13.40)	(3.87)	*(10)*	*246%*
Adjusted basic and diluted loss per share (cents)	(6.69)	(3.87)	*(3)*	*73%*

(1) Refer to Non-IFRS Measures for further information.

Balance Sheet

$'000	As at 30 June, 2021	As at 30 June, 2020
Cash and cash equivalents	3,359	659
Trade and other receivables	56	24
Research and development grants receivable	736	934
Inventories	336	6
Other current assets	184	21
Property, plant and equipment	224	228
Intangible assets	49	31
Total assets	**4,944**	**1,903**
Trade and other payables	539	176
Financial liabilities	2,189	-
Employee benefit liabilities	162	42
Provisions	20	-
Long term liabilities	-	-
Total liabilities	**2,910**	**218**
Total equity	**2,034**	**1,685**

Summary of Cash Flows

$'000	For the year ended June 30 2021	2020	Variation $'000	%
Cash flows from operating activities	(3,348)	(2,162)	*(1,186)*	*(55%)*
Cash flows from investing activities	1,901	(156)	*2,057*	*1319%*
Cash flows from financing activities	4,107	1,148	*2,959*	*258%*
Total cash flows	**2,660**	**(1,170)**	*3,830*	*327%*

Summary of Historical and Quarterly Financial Information

$'000 unless otherwise stated	**2021**	**2020**	**2019**
Total revenue	1,259	1,325	961
Loss for the year from continuing operations	(8,110)	(2,067)	(1,729)
Basic and diluted loss per share (cents)	(13.40)	(3.87)	(3.62)
Total assets	4,944	1,903	3,223
Non-current financial liabilities	-	-	-
Dividends declared per share	-	-	-

$'000 unless otherwise stated		**Total revenue**	**Profit / (loss)**	**Basic and diluted profit / (loss) per share (cents)**	**Note**
Q4-2021	June 30, 2021	836	(5,384)	(7.91)	1
Q3-2021	March 31, 2021	114	(1,134)	(1.91)	2
Q2-2021	December 31, 2020	93	(926)	(1.57)	3
Q1-2021	September 30, 2020	216	(666)	(1.19)	4
Q4-2020	June 30, 2020	1,202	438	0.80	5
Q3-2020	March 31, 2020	80	(839)	(1.58)	6
Q2-2020	December 31, 2019	22	(851)	(1.61)	7
Q1-2020	September 30, 2019	21	(815)	(1.54)	8

Note:

1. Higher revenue in Q4FY21 is mainly due to the refundable R&D tax offset of $736K and the $84K Export Market Development Grant. The higher loss was due mainly to $2,226K listing expenses related to the Transaction (due to the premium paid to acquire the listing vehicle Cuspis Capital Ltd.), $1,832K change in fair value of warrants issued and other legal, investor relations, compliance and consultancy costs associated with the Company's listing on the TSXV. Further details are provided in 'Operations' below.
2. Revenue during the quarter included $80K of sales of graphene powder to GMG's TXR Supplier, for the production of TXR. The higher loss in the quarter was due to $275K of legal expenses incurred in preparing for listing, as well as for advisory services related to commercial and research collaboration agreements.
3. Revenue primarily consists of sales of graphene powder, as well as approximately $48K in COVID-19 related government subsidies.
4. Revenue primarily consists of sales of graphene powder, as well as $165K in COVID-19 related government subsidies.
5. Higher revenue in Q4FY20 is due mainly to the refundable R&D tax offset of $934K, as well as $242K associated with grants and COVID-19 related government subsidies.

6. Revenue primarily consists of sales of graphene powder, as well as a $22K Export Market Development Grant. The loss is primarily due to employees' salaries and wages, combined with consultant and contractor costs.
7. Revenue primarily consists of sales of graphene powder offset by employees' salaries and wages, as well as consultant and contractor costs.
8. Revenue primarily consists of sales of graphene powder offset by employees' salaries and wages, as well as consultant and contractor costs.

Fourth Quarter Results

$'000 unless otherwise stated	**Q4FY21**	**Q4FY20**	**Variation $'000**	**%**
Revenue from operations	38	24	*14*	*58%*
Other income	798	1,178	*(380)*	*(32%)*
Total operating expenses	3,918	641	*3,277*	*511%*
Listing expenses	2,226	-	*2,226*	-
Depreciation and amortisation	99	123	*(24)*	*(20%)*
Profit / (loss) for the period	(5,384)	438	*(5,822)*	*(1329%)*
Basic and diluted earnings / (loss) per share (cents)	(7.91)	0.80		

Total revenue in Q4FY21 consisted primarily of other income from the FY21 refundable R&D tax offset of $736K, which is finalised in the fourth quarter of each year, as well as an $84K Export Market Development Grant received.

Significant items which drove the higher loss for Q4FY21 included:

- The gross refundable R&D tax offset which was $198K lower than the prior year of $934K. The reduction was due to more of FY21 being focussed on commercial production operations compared to research and development compared to FY20;
- Listing expenses incurred on acquisition of Cuspis Capital Ltd of $2,226K (see further details in 'Other Expenses' below); and
- Higher legal fees, investor relations and accounting and professional services costs incurred for listing on the TSXV.

Further details of the Q4FY21 results and their impacts on the FY21 results are provided in the next 'Operations' section.

OPERATIONS

Non-IFRS financial measures

This MD&A refers to adjusted loss for the period and adjusted basic and diluted loss per share that are measures with no standardised meaning under IFRS. They are non-IFRS measures and may not be comparable to similar measures presented by other companies. Their measurement and presentation is consistently prepared and is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Adjusted loss for the period and adjusted loss per share

Adjusted loss for the period and adjusted loss per share are used by management and investors to measure the underlying operating performance of the Company. Adjusted loss for the period, excludes specific items that are significant but not reflective of the underlying operating performance of the Company, such as the impact of listing expenses and changes in the fair value of warrants. Adjusted loss per share amounts are calculated using the weighted average number of shares outstanding on a basic and diluted basis as determined by IFRS.

The following table provides the calculation of the adjusted loss for the period and adjusted basic and diluted loss per share, as adjusted and calculated by the Company:

	12 month period ended June 30	
$'000 unless otherwise stated	**2021**	**2020**
Loss for the period	(8,110)	(2,067)
Less:		
Listing expenses - Cuspis acquisition	2,226	-
Change in fair value of warrants	1,832	-
Total adjustment items	4,058	-
Adjusted loss for the period	**(4,053)**	**(2,067)**
Loss per share (1)		
Basic and diluted (cents) (2)	(13.40)	(3.87)
Adjusted basic and diluted (cents) (3)	(6.69)	(3.87)
Weighted average number of ordinary shares - basic and diluted	60,534,549	53,443,739

(1) *Due to the loss recognised for the years, all outstanding stock options, warrants and broker warrants were excluded from the calculation of diluted loss per share due to their anti-dilutive effect.*
(2) *Calculated using loss for the period over the weighted average number of ordinary shares as per IFRS.*
(3) *Calculated using adjusted loss for the period over the weighted average number of ordinary shares (non-IFRS measure).*

Revenue

$'000	12 month period ended June 30 2021	2020	Variation $'000	%
Revenue from operations	246	111	*135*	*122%*
Grants, subsidies and tax incentives	1,011	1,198	*(187)*	*(16%)*
Interest, sundry and forex gains	2	16	*(14)*	*(88%)*
Total revenue	**1,259**	**1,325**	***(66)***	***(5%)***

Revenue from operations increased from $111K in FY20 to $246K in FY21. In Q4FY21, GMG delivered 10kg of graphene power to its TXR Supplier, for the production of TXR generating revenue of $10K and a further 2kg of graphene powder to other customers generating revenue of $2K. In addition, 38 Litres of graphene enhanced fluids were sold to other customers generating revenue of $5K. As in prior quarters, GMG had a 'take or pay' style agreement with a customer under which it has committed to supply graphene powder for a research project for a fixed quarterly fee. GMG generated revenue through this agreement of $20K in Q4FY21 and $80K for FY21. This agreement to supply graphene powder ended on June 30, 2021. The remaining recorded revenue was from the sale of graphene powder, sale of TXR kits, sale of TXR projects and sale of G Lubricants.

The business has received grants, subsidies and tax incentives, which are recognized as other income. The largest component of this item is the refundable R&D tax offset which was $736K in FY21 and $934K in FY20. The Company expects a lower amount to be received in FY21 primarily because more of the year's production operations related to sale of graphene powder and therefore less costs were eligible for the R&D tax offset. GMG receives external advice on this process of calculating the R&D tax offset at the completion of each financial year, which is also when it is recognized. An $84k Export Market Development Grant was also received in Q4FY21. In FY21, $214K of other income relates to government subsidies received relating to COVID-19.

TXR continues to be demonstrated and offered for sale to customers. GMG supplies graphene powder to an Australian coatings technology company that specialises in coatings for the HVAC-R industry ("TXR Supplier"), which manufactures TXR. GMG then buys back the TXR under supply and distribution agreements, which were signed in November 2020. GMG has exclusive distribution rights for this product in most regions in the world, including the Americas, Middle East, Europe, Africa and NE Asia (China, Japan and Korea), Singapore and Malaysia. This will allow GMG to adopt a value-based pricing approach for distribution, supply and install projects of this coating. For regions in which GMG does not have exclusivity under the TXR Agreements, it can still operate on a non-exclusive basis.

In FY22, Management expects R&D expenditure and therefore revenue from tax incentives to be received again, with the amount received depending on the amount of eligible expenditure incurred during the year and timing of GMG's transition from a predominantly R&D focus to a commercial operations phase for part of its operations. The revenue from products is expected to be largely from sales of graphene powder for TXR production, and sales of TXR coating systems and full service TXR projects.

Operating costs

Shown in the table below are total operating expenses, which excludes finance costs and depreciation and amortization.

	12 month period ended June 30		Variation	
$'000	**2021**	**2020**	**$'000**	**%**
Employee expenses	2,684	1,898	*786*	*41%*
Plant expenses	189	158	*31*	*20%*
Occupancy expenses	154	91	*63*	*69%*
Overheads expenses	2,019	848	*1,171*	*138%*
Total operating expenses	**5,046**	**2,995**	***2,051***	***68%***

Following is a description of, and commentary on the high-level expense categories of GMG:

Employee expenses

Employee expenses consist of salaries, on-costs (e.g. superannuation), and share based payments for all employees, directors and certain contractors. The total amount to be expensed as share based payments is determined by reference to the fair value of the options granted under the employee share option plan:

- including any market performance conditions (e.g. the entity's share price); and
- excluding the impact of any service-based vesting conditions (for example, remaining an employee of the entity for a period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Total salary costs have increased with increases in the number of employees and any adjustments to salaries of existing employees during the relevant period.

Occupancy

Occupancy expenses relate primarily to leased premises for both the production facilities and the Company's head office. As for the Company's other leases, these are short-term leases recognised on a straight-line basis as an expense. The rent expenses increased from $59K to $73K from FY20 to FY21 primarily due to the head office lease which commenced in October 2020.

Other expenses in this category include cleaning, light, power, heating, telephone internet, repairs and maintenance ("R&M") and outgoings. Within these categories R&M had the largest increase, from $4K in FY20 to $34K in FY21.

In respect of leases recorded under AASB 16 *Leases*, there are no right of use assets or corresponding lease liabilities required to be recorded on the balance sheet by the Company at this stage. This is due to the short-term lease exemption being applied to the Company's leases.

Plant expenses

This includes raw materials and production inputs, general warehouse expenses, Health, safety and environment ("HSE"), machinery parts and consumables, R&M and other costs. While expenses on items such as consumables can be estimated, there are various expenses relating to R&M and machinery spares that depend on plant performance and cannot be estimated with a high degree of certainty.

Plant expenses, excluding raw materials and production inputs, were $145K in both FY21 and FY20. In FY21 machinery componentry, consumables and equipment rental expenses collectively reduced by $15K, offset by increases of $5K in HSE, $7K in R&M and $3K in general warehouse expenses.

Overheads

Insurance, IT, legal, travel, sponsorships, other R&D related expenses, and various other expenses have been classified as 'Overheads'. While expenses such as IT related expenses, travel and marketing are expected to increase as the business grows, others such as licensing and registration, website, other R&D, and filing fees will be uncorrelated to the number of employees, product offerings or number of customers. Following are various sub-items that constitute 'Overhead', for which the change from FY20 to FY21 has been greater than $10,000:

- Accounting and tax planning expenses increased to $256K in FY21 from $64K in FY20 primarily due to additional costs required for listing, as well as higher costs associated with increased reporting requirements associated with being a public company;
- Legal expenses increased to $588K in FY21 from $71K in FY20 primarily due to costs incurred in preparation for listing and also due to an increase in advice related to commercial agreements and research collaboration agreements;
- Investor relations expenses of $247K were incurred in FY21;
- Listing expenses of $59K and finders fees of $245K were incurred in FY21 compared to nil in FY20;
- R&D third party expenses increased to $63K in FY21 from $15K in FY20 primarily due to the first annual payment of $46K being made to UQ under the G+AI Battery project;
- Testing and quality control expenses increased to $55K in FY21 from $29K in FY20;
- Meeting expenses reduced from $14K in FY20 to $2K in FY21 due to greater use of video conferencing due to COVID-19 restrictions;
- International and domestic travel expenses collectively reduced from $124K in FY20 to $7K in FY21 due to COVID-19 border restrictions preventing travel (with international travel expenses representing $115K of the FY20 total); and
- Consultants and contracting expenses reduced from $412K in FY20 to $286K in FY21, mainly due to a contractor moving to permanent employee status.

Other expenses

Listing expenses of $2,226K resulted from the premium paid to acquire Cuspis Capital Ltd as the Company's listing vehicle, being the difference between the fair value of the consideration paid at the date of the Transaction, and the value of the net assets acquired.

Change in fair value of warrants of $1,832K was due to certain share purchase warrants issued by the Company in Q4FY21. These warrants are recognised as a financial liability due to their Canadian dollar, fixed exercise price being different to the Company's functional currency. There are no cash obligations for the Company. Due to the share price increase between the issue date and reporting date, the fair value of the warrants increased accordingly resulting in the significant change at reporting date. Changes in fair value will continue to be reported in subsequent periods until the warrants are exercised or expire when their liability ceases.

Projects

The Company has not generated significant revenue to date. Graphene powder is a commercialized product that is generating revenue, but sale of graphene powder is not the Company's core strategy. The G+AI Battery Project has been described in detail above. TXR is a product in early commercial production stage (produced by TXR Supplier), and the business is focusing on developing the market for TXR. The Company is also undertaking significant product development activities to commercialize various other products. This section provides a summary of projects (each project corresponds to a product under development). These are not capital-intensive projects with well-defined project plans, but are ongoing initiatives driven by certain employees, with the cost of the employees being the key expense associated with the projects.

G Lubricants

This product is under development and testing internally and with prospective customers. Results achieved so far are encouraging and therefore Management views this product to be in more advanced stages of development as compared to other products. The research and development for this product is being undertaken in-house. Research is ongoing and there is no fixed end date. Customer engagement is taking place simultaneously, and hence timing of commercial production will be based on customer accepted scientific results, energy savings calculations and receipt of substantial orders. In a business-to-business environment with large corporate counterparties, the timeline for product validation and acceptance is uncertain. There is no significant operating cost for development, other than the salary costs of the Head Product Scientist and Marketing Manager. Necessary capital equipment has already been acquired.

Several large global lubricant blending and marketing companies and original equipment manufacturers are either testing or have expressed interest in testing G Lubricant concentrates for their performance characteristics for potential adoption as an additive for their products. Some smaller lubricant blending and marketing companies have purchased GMG's graphene for initial trials and/or early-stage small scale commercial production. The Company intends to pursue these opportunities for commercialization of G Lubricants. The Company's staff undertake multiple projects simultaneously and a project cost tracking system has not been required to date. Therefore expenditures made to date on each project cannot be separately identified.

G Coolants and G Fluids

These products are currently under development and testing. The research and development for this product is being undertaken in-house. Research is ongoing, but with lesser focus than on G Lubricants, and there is no fixed end date. Customer engagement is taking place simultaneously, and therefore timing of commercial production will be based on customer accepted scientific results, energy savings calculations and receipt of substantial orders. There is no significant operating cost for development, other than the salary costs of the Head Product Scientist responsible for development. Necessary capital equipment has already been acquired.

The Company intends to continue to develop these products with a view to commercialization in the future. The Company's staff undertake multiple projects simultaneously and a project cost tracking system has not been required to date. Therefore expenditures made to date on each project are not separately identified.

G Diesel and bio-Diesel

This application is still in the early stages of development and testing, which has not been prioritized in the near term. The potential for this product has been identified from third party research studies conducted using graphene in diesel and bio-diesel. Research will likely require use of local university facilities to enable performance testing in a controlled environment. As of now, the Company remains interested in this product and is engaged with potential collaboration partners towards the progression of this project, but at this time does not plan to spend significant amounts on this project in the next 12 months. There is no timeline or end date for development of this product. The Company's staff undertake multiple projects simultaneously and a project cost tracking system has not been required to date. Therefore expenditures made to date on each project are not separately identified.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents have increased by $2,700K due to cash outflows being offset primarily by the Transaction and non-brokered private placement in March and April 2021 resulting in a total cash inflow (before fees) of $4,199K. In addition, there was a further receipt for the R&D tax incentive gross payment of approximately $934K in FY21. Since the end of the financial year ended June 30, 2021, the Company completed the Offering and Private Placement raising gross proceeds of C$11.55 million and $909K respectively.

The gross R&D tax incentive relating to FY21 of approximately $736K was calculated as 43.5% of eligible R&D expenditure of $1,692K in FY21. This amount was a receivable as at June 30, 2021 and is anticipated to be received in H1FY22. Any R&D related expenses for FY22 will be determined only at the end of the financial year.

Trade and other receivables were low at 30 June 2021, due to limited sales achieved to date. The balance of $56K in FY21 was higher than the $24K recorded in FY20, primarily due to $34K of GST receivables at year end.

Inventories increased to $336K as at 30 June 2021, due to purchase of TXR from TXR Supplier during FY21 under the payment in advance made in November 2020.

Other current assets of $184K is largely $168K of prepayments, primarily $89K for insurance and $60K for investor relations and platform costs.

The trade and other payables relate to expenses in the ordinary course of business, including accounts payable, wages payable, PAYG withholding tax payable, superannuation payable, and other accrued expenses. The balance of $539K as at 30 June 2021, was higher than 30 June 2020 mainly due to higher than normal professional and legal fees being incurred in respect of the listing and raising capital, and payables relating to research collaboration projects.

The financial liability relates to certain share purchase warrants issued with an exercise price fixed in Canadian dollars. As the Company's functional currency is the Australian dollar, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. The fair value of the warrants is determined using the Black Scholes option pricing model at the period-end date. At 30 June 2021, a financial liability of $2,189K was recognised based on the fair value of certain share purchase warrants on that date. The Company has no obligation to settle this liability in cash. The fair value will be adjusted over time until the warrants are exercised or expire when the liability will cease.

Liquidity and capital resources

GMG has generated limited revenue to date. Cash expenses mainly relate to operations and R&D activities. Capital raised has been mainly used to fund the development of the Company's proprietary graphene powder production technology, associated graphene enhanced products and solutions, associated plant and equipment and expenses for manufacturing and marketing these products. Development of G+AI Battery technology, production and commercialisation planning has been an increasing focus area for GMG's employees and intended use of proceeds for recent capital raised.

Revenue in the near term is targeted to be generated from TXR. Growth in customer demand for this and other product offerings, and timing for commercialisation of G+AI Batteries, will influence the future funding requirements for GMG. The go-to-market strategy for TXR will evolve as GMG receives more feedback from customers, has more referenceable energy savings data and more customer success stories. Based on these parameters, GMG will determine how much to invest to achieve rapid market penetration of TXR in different geographies. A rapid penetration strategy may require additional capital, but deployment of capital for marketing purposes would be controllable by Management. Timing for commercialisation of G+AI Batteries will depend on the successful development of a commercial coin cell G+AI Battery prototype, timing for completion of front end design and construction of a battery manufacturing facility (subject to a final investment decision).

As at June 30, 2021, the cash and cash equivalents were $3,359K with the increase in funds since FY20 due mainly to the Transaction with Cuspis Capital Ltd and private placement in April 2021. The cash obtained through the Transaction was distributed via return of capital in June 2021 and Cuspis Capital Ltd was then dissolved. The resulting net cash uplift from the Transaction and private placement was approximately $4,199K.

Since the end of the financial year ended June 30, 2021, the Company completed the Offering and Private Placement raising gross proceeds of C$11.55 million and $909K respectively.

Following completion of the Offering and Private Placement, Management believes GMG has enough cash to meet its growth objectives for at least 12 months. To date, the Company has relied on grants, subsidies and R&D incentives and external funding from investors. There is no guarantee that revenue generated by the business will be sufficient to fund the business for a longer period of time. There can be no assurance that adequate funding will be available in the future, or on terms that are favorable to the Company.

Although the operating and investing cash flow for FY21 were negative, it is assumed that the Company has neither the intention nor the need to liquidate any of its assets to discharge its liabilities and commitments in the normal course of business. Though not guaranteed, Management believes that investors will continue to support the business to fund its expansion and development of products and solutions until the business becomes profitable.

Financial instruments and risk management

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the financial instrument. GMG's financial instruments are its cash and cash equivalents, trade and other receivables, trade and other payables. The Company is exposed to a variety of financial risks, which result from its financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position.

The risks arising from the Company's financial instruments are mainly credit risk and foreign currency risk. The risk management policies employed by the Company to manage these risks are discussed below:

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets.

As the company expands and increases sales, this will become a larger consideration. Management closely monitors, the activities of its counterparties and potential counterparties.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. Some financial assets may not be able to be monetised in a timely manner. Following the Offering and Private Placement since the end of FY21, Management considers liquidity risk to be low. While the company does not have any credit facilities from banks, GMG ensures it maintains enough cash, to fulfil its near-term liabilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk, however, at present, this risk is relatively low as there are revenue is limited and most expenses are denominated in Australian dollars. However, in the past, the company has sourced funding from investors and will increasingly source capital equipment from overseas. Because of the relatively low level of foreign currency exposure, the Company's policy is not to enter into any currency hedging transactions.

Off-balance sheet arrangements

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements, except for the non-cancellable operating leases for warehouses and portable office units. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets, as well as short-term leases, including for leased premises and portable office units, and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company recognises a contingent liability as at June 30, 2021 of approximately C$102,195 relating to the repatriation of cash acquired in the Transaction, prior to the dissolution of Cuspis Capital Ltd on August 12, 2021. The contingent liability relates to a potential withholding tax obligation in Canada at the rate of 5% of the amount of cash distributed. The transaction is being treated as a return of capital for Australian tax purposes. At the date of this report, GMG is consulting with the Canadian tax authorities in relation to this amount.

Outstanding shares

As at October 20, 2021, the Company has:

- 75,853,908 ordinary shares issued and outstanding;
- 5,639,079 options outstanding with expiry dates ranging between March 12, 2024 and March 11, 2028, with exercise prices between A$0.36 and C$1.00. If all the options were exercised, 5,639,079 shares would be issued for proceeds of A$2,958,990[5]; and
- 4,755,924 warrants outstanding with expiry dates ranging between October 12, 2022 and September 2, 2024, with exercise prices between C$0.65 and C$2.60. If all the warrants were exercised, 4,840,449 shares would be issued for proceeds of A$10,768,645[5].

For further details on recent issues of shares and other securities, please refer to the final short form prospectus of the Company dated August 27, 2021 (the "Prospectus") available on the Company's SEDAR profile.

[5] Assuming a C$/A$ exchange rate of 1.08.

RELATED PARTY TRANSACTIONS

For a detailed description of all related party transactions, please refer to the Note 25 "Related parties" in the consolidated financial statements for the year ended June 30, 2021.

RISKS AND UNCERTAINTIES

The Company's business is subject to numerous risks and uncertainties, including those described elsewhere in this MD&A, as well as general economic and market risks. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

For a detailed description of risks and uncertainties, please refer to the Prospectus available on the Company's SEDAR profile.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The key reported numbers requiring the use of estimates and critical judgments that may potentially have a significant impact on the Company's earnings and financial position are the useful life of property and equipment and the recognition and amortization of intangible assets.

Intangible assets and property and equipment are amortized or depreciated over their useful lives. Useful lives are based on Management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the amounts charged to the statement of comprehensive income in specific periods.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

FUTURE CHANGES IN ACCOUNTING POLICIES

In FY21 the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 3 *Definition of a Business*
- Amendments to IFRS 7, IFRS 9 and IAS 39 *Interest Rate Benchmark Reform*
- Amendments to IAS 1 and IAS 8 *Definition of Material*
- Amendments to IFRS 16 *Covid-19 Related Rent Concessions*

These amendments had no material impact to the Company during the reporting period.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*
  The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. In May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current and future practice.

- Amendments to IAS 37 *Onerous contracts – Costs of Fulfilling a Contract*
  The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Other standards

The following amendments are effective for the period beginning 1 January 2022 and apply prospectively. These amendments are not expected to have a material impact on the Group's consolidated financial statements:

- *References to Conceptual Framework* (Amendments to IFRS 3);
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to IAS 16); and
- *Annual Improvements to IFRS Standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).