

Graphene Manufacturing Group Ltd

ACN 614 164 877

**Unaudited Condensed Interim Financial Statements for the
three and nine months ended 31 March 2024 and 2023**

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Corporate information

The unaudited condensed interim financial statements of Graphene Manufacturing Group Ltd (“**GMG**” or the “**Company**”) for the three and nine months ended 31 March 2024 and 2023 were authorised for issue in accordance with a resolution of the directors on 25 May 2024. The Company is a limited liability company incorporated and domiciled in Australia, whose shares are publicly traded on the TSX Venture Exchange (the “**TSXV**”) and traded over the counter on the OTCQX® Best Market (The “**OTCQX**”).

Directors

Guy Outen (Resigned 28 November 2023)
Craig Nicol
Robert Shewchuk (Resigned 28 November 2023)
William Ollerhead (Resigned 29 February 2024)
Emma FitzGerald (Resigned 28 November 2023)
Frederick Kotzee (Resigned 31 July 2023)
Robert Galyen (Appointed 1 July 2023)
Andrew Small (Appointed 31 July 2023)
Jack Perkowski (Appointed 7 September 2023)

Registered office

Graphene Manufacturing Group Ltd
5/848 Boundary Road
Richlands QLD 4077
Australia

Principal place of business

Graphene Manufacturing Group Ltd
5/848 Boundary Road
Richlands QLD 4077
Australia

Share registrar and transfer agent

Computershare Investor Services Inc.
510 Burrard Street
Vancouver BC V6C 3B9
Canada

Auditors

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
Australia

Graphene Manufacturing Group Ltd
Unaudited Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
For the three and nine months ended 31 March 2024 and 2023

Unaudited Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Note	Three months ended 31 March		Nine months ended 31 March	
		2024 \$	2023 \$	2024 \$	2023 \$
Revenue	7	53,093	24,374	212,234	113,774
Other income	8(a)	781,424	25,374	2,298,978	168,169
Employee benefit expenses	8(b)	(1,687,362)	(1,852,880)	(5,003,332)	(5,020,345)
Professional and consulting fees	8(b)	(499,214)	(782,295)	(2,377,680)	(1,904,938)
Depreciation and amortisation expense	13,14	(517,061)	(320,662)	(1,391,836)	(814,084)
Travel expenses		(61,250)	(138,197)	(270,127)	(257,727)
Raw materials and production inputs		(65,621)	(15,402)	(167,519)	(43,134)
Occupancy and utilities expenses		(111,199)	(96,875)	(312,736)	(275,488)
Factory costs		(127,107)	(69,920)	(369,314)	(320,110)
Share based payments expense		(298,454)	(496,758)	(785,527)	(1,602,764)
Other expenses	8(b)	(319,223)	(374,980)	(981,136)	(933,773)
Finance costs	8(c)	(30,877)	(28,113)	(175,547)	(150,697)
Gain / (loss) on change in fair value of warrants	17(a)	647,406	1,492,516	3,160,925	3,066,825
Loss before income tax		(2,235,445)	(2,633,818)	(6,162,617)	(7,974,292)
Income tax expense	9	-	-	-	-
Loss for the period		(2,235,445)	(2,633,818)	(6,162,617)	(7,974,292)
Other comprehensive income (OCI)					
Foreign currency translation differences		-	-	-	-
Net OCI that may be reclassified to profit or loss in subsequent periods		-	-	-	-
OCI for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		(2,235,445)	(2,633,818)	(6,162,617)	(7,974,292)
Earnings / (loss) per share attributable to the ordinary equity holders of the Group:					
Basic and diluted (cents)	10	(2.64)	(3.22)	(7.33)	(9.93)
Weighted average number of ordinary shares outstanding (Basic and diluted)	10	84,624,283	81,805,717	84,105,180	80,344,564

The above unaudited condensed interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Graphene Manufacturing Group Ltd
Unaudited Condensed Interim Statement of Financial Position
As at 31 March 2024 and 30 June 2023

Unaudited Condensed Interim Statement of Financial Position

	Note	31 March 2024 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	2,350,536	4,647,644
Trade and other receivables	12	61,778	1,860,151
Contract assets	7(b)	-	14,728
Inventories		578,396	360,927
Research and development grants receivables		-	2,579,757
Other current assets		675,449	392,107
		3,666,159	9,855,314
Non-current assets			
Property, plant and equipment	13	6,574,894	4,384,881
Intangible assets	14	1,406,575	1,716,451
		7,981,469	6,101,332
Total assets		11,647,628	15,956,646
LIABILITIES			
Current liabilities			
Trade and other payables	15	2,768,199	2,821,312
Contract liabilities	7(b)	12,900	126,000
Lease liabilities	16	445,147	272,999
Borrowings		184,932	-
Financial liabilities	17	91,384	2,571,397
Employee benefit liabilities		176,772	218,735
Provisions		17,719	18,916
		3,697,053	6,029,359
Non-current liabilities			
Lease liabilities	16	885,957	1,032,604
Employee benefit liabilities		46,605	-
Provisions		250,000	200,000
		1,182,562	1,232,604
Total liabilities		4,879,615	7,261,963
Net assets		6,768,013	8,694,683
EQUITY			
Share capital	18	33,750,345	30,471,505
Share capital warrant premium	18	7,618,373	7,618,373
Reserves	19	4,995,277	4,038,170
Accumulated losses		(39,595,982)	(33,433,365)
Total equity		6,768,013	8,694,683

The above unaudited condensed interim statement of financial position should be read in conjunction with the accompanying notes.

Graphene Manufacturing Group Ltd
Unaudited Condensed Interim Statement of Changes in Equity
For the nine months ended 31 March 2024 and 2023

Unaudited Condensed Interim Statement of Changes in Equity

	Note	Share capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022		32,406,981	1,802,893	(24,109,700)	10,100,174
Loss for the period		-	-	(7,974,292)	(7,974,292)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(7,974,292)	(7,974,292)
Transactions with owners of the Company					
Shares issued	18	3,382,287	-	-	3,382,287
Transaction costs on issued shares	18	(454,363)	-	-	(454,363)
Share options and warrants exercised	18	957,479	-	-	957,479
Share capital warrant premium	18	1,646,702	-	-	1,646,702
Share based payments		-	1,778,906	-	1,778,906
		5,532,105	1,778,906	-	7,311,011
Balance at 31 March 2023		37,939,086	3,581,799	(32,083,992)	9,436,893
Balance at 1 July 2023		38,089,878	4,038,170	(33,433,365)	8,694,683
Loss for the period		-	-	(6,162,617)	(6,162,617)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(6,162,617)	(6,162,617)
Transactions with owners of the Company					
Shares issued	18	3,754,423	-	-	3,754,423
Transaction costs on issued shares	18	(699,345)	-	-	(699,345)
Share options and warrants exercised	18	223,762	-	-	223,762
Share capital warrant premium	18	-	-	-	-
Share based payments	19(a)	-	957,107	-	957,107
		3,278,840	957,107	-	4,235,947
Balance at 31 March 2024		41,368,718	4,995,277	(39,595,982)	6,768,013

The above unaudited condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.

Graphene Manufacturing Group Ltd
Unaudited Condensed Interim Statement of Cash Flows
For the nine months ended 31 March 2024 and 2023

Unaudited Condensed Interim Statement of Cash Flows

	Note	Nine months ended 31 March	
		2024	2023
		\$	\$
Operating activities			
Receipts from customers and government subsidies		237,575	107,930
Payments to suppliers and employees		(10,405,541)	(8,634,613)
Research and development tax incentive received		2,579,757	1,554,070
Joint development income received	8(a)	4,950,000	-
Interest received		5,395	698
Interest paid		(81,453)	(71,621)
Net cash used in operating activities		(2,714,267)	(7,043,536)
Investing activities			
Acquisition of property, plant and equipment	13,	(2,330,608)	(1,663,532)
Acquisition of intangibles	13, 14	(424,416)	(1,024,617)
Net cash used in investing activities		(2,755,024)	(2,688,149)
Financing activities			
Proceeds from issue of shares	18(a)	3,254,423	2,882,287
Proceeds from issue of share warrants	17(a)	707,281	3,445,656
Proceeds from exercise of share options	18(a)	223,762	22,781
Proceeds from exercise of share warrants	18(a)	-	934,698
Share issue transaction costs		(679,753)	(821,392)
Payment of lease liabilities		(299,386)	(187,822)
Net cash from financing activities		3,206,327	6,276,208
Net increase / (decrease) in cash and cash equivalents		(2,262,964)	(3,455,477)
Cash and cash equivalents at 1 July		4,647,644	12,258,018
Net foreign exchange difference on cash held		(34,145)	(31,899)
Cash and cash equivalents at 31 March		2,350,535	8,770,642

The above unaudited condensed interim statement of cash flows should be read in conjunction with the accompanying notes.

1. Reporting entity

Graphene Manufacturing Group Ltd (“**GMG**” or the “**Company**”) is a for-profit company primarily involved in the development of technology and manufacture of graphene powder and energy saving and energy storage solutions enabled by graphene. The Company is a limited liability company incorporated and domiciled in Australia, and whose shares are publicly listed on the TSX Venture Exchange (the “**TSXV**”) and traded over the counter on the OTCQX® Best Market (The “**OTCQX**”).

2. Basis of preparation

These unaudited condensed interim financial statements (“interim financial statements”) as at 31 March 2024 and for the three and nine months ended 31 March 2024 and 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 30 June 2023 (“last annual financial statements”). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company’s board of directors on 24 May 2024.

(a) Going concern

The interim financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of operations.

For the nine month period ended 31 March 2024, the Company incurred a loss of \$6,162,617 after income tax and net cash used in operating activities of \$2,714,267. At 31 March 2024, the Company had net current Liabilities of \$30,895 including non-cash warrant liabilities of \$91,384.

The ability of the Company to continue as a going concern is principally dependent upon current cash funding held and the ability to raise additional capital or secure other forms of financing, as and when necessary to meet the levels of expenditure required for the Company. This is required to continue its ongoing development and commercialisation of energy saving and energy storage solutions and to meet the Company’s working capital requirements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company’s ability to continue as a going concern.

Whilst acknowledging these uncertainties, the Directors have concluded that the going concern basis of preparation of the interim financial statements is appropriate considering the following circumstances:

- As at 31 March 2024, the Company had cash on hand of \$2,350,535, which is anticipated to be sufficient to meet the ongoing corporate costs and expected project expenditure in the short to medium term;
- The Company believes that it will continue to be eligible for the Australian research and development tax incentive scheme (\$2,579,757 received for the year ending 30 June 2023).
- As at the date of this report there are 5,149,348 options and 14,356,551 warrants on issue with exercise prices ranging from AUD\$0.36 to AUD\$3.78. Of these, 2,662,654 options and 579,600 warrants are considered “in the money”, amounting to potential currently ‘in the money’ proceeds of \$1,263,193;

2. Basis of preparation (continued)

(a) Going concern (continued)

- On 17 May 2023, GMG and Rio Tinto signed a binding Joint Development Agreement (“JDA”) where subject to the terms and conditions of the agreement, Rio Tinto will contribute technical and operational performance criteria and up to \$6 million, in exchange for preferential access rights (the first three payments totalling \$4.5 million have been received to date) of which \$2.625 million has been recognised as income with \$1.875 million recognised as a non-cash deferred income liability, and
- To the extent required, the Company has capacity under the TSXV Listing Rules to raise further funds through the issue or placement of securities and currently has a Base Shelf Prospectus readily available on SEDAR+ for this purpose. As an example in August 2023 C\$3.45m (gross) was raised via an overnight marketed offering with an additional C\$3.47M (gross) raised in a separate marketed offering in April 2024.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

3. Functional and presentation currency

These interim financial statements are presented in Australian dollars (\$ or A\$), except for certain references to Canadian dollars (C\$) where specifically stated. The Company’s functional and presentation currency is Australian dollars.

4. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, revenue and expense. Actual results may differ from these estimates.

Significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5. Change in accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company’s last annual financial statements for the year ended 30 June 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

6. Operating segments

The Company’s senior management represent the Chief Operating Decision Makers (“**CODM**”). The CODM analyses the company information as a whole and as such, have determined that the Company has only one operating segment. Revenue from the operations is not at a stage where there are multiple product lines with all sales coming from energy saving and energy storage solutions mainly in Australia. Assets are all based in Australia.

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

Three months ended 31 March		Nine months ended 31 March	
2024	2023	2024	2023
\$	\$	\$	\$

7. Revenue from contracts with customers

Sale of goods	500	16,050	43,192	105,450
Services	52,593	8,324	169,042	8,324
	53,093	24,374	212,234	113,774

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods as follows:

Timing of revenue recognition

At a point in time	500	16,050	43,192	105,450
Over time	52,593	8,324	169,042	8,324
	53,093	24,374	212,234	113,774

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

\$	31 March 2024	30 June 2023
Receivables, which are included in 'trade and other receivables'	45,618	166,262
Contract assets	-	14,728
Contract liabilities	(12,900)	(126,000)

The Company recognises contract assets where professional services are performed or products are delivered prior to the Company's ability to invoice in accordance with the contract terms, or contract liabilities when revenue is recognised subsequent to invoicing.

\$	Contract assets		Contract liabilities	
	31 March 2024	30 June 2023	31 March 2024	30 June 2023
Opening Balance 1 July	14,728	-	(126,000)	-
Revenue recognised from contracts in progress	85,287	31,978	-	-
Transfers from contract assets to trade receivables	(100,015)	(17,250)	-	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	49,857	(126,000)
Unearned revenue recognised where performance obligation is pending completion	-	-	(26,757)	-
Unearned revenue reversed due to cancellation of contracts	-	-	90,000	-
Closing Balance	-	14,728	(12,900)	(126,000)

No information is provided about remaining performance obligations at 31 March 2024 and 30 June 2023 that have an original expected duration of one year or less, as allowed by IFRS 15.

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

8. Income and expenses

	Three months ended 31 March		Nine months ended 31 March	
	2024 \$	2023 \$	2024 \$	2023 \$
(a) Other income				
Research and development tax incentive	-	-	-	142,144
Joint development income	750,000	-	2,250,000	-
Interest income	757	46	5,395	697
Other income	-	-	29	-
Foreign exchange gains	30,667	25,328	43,554	25,328
	781,424	25,374	2,298,978	168,169

Other income is recognised using the methods outlined below:

Joint development income

Joint development income relates to income received as a result of collaboration agreements where the Company has agreed to work collaboratively with another entity to develop or improve energy storage solutions over a period of time. Income is recognised on a straight-line basis over the collaboration period. Year to date GMG has received \$4.95M (inclusive) of this income, recorded as deferred income and recognised proportionately over the agreement term (see note 15).

Interest income

Interest income is recognised using the effective interest method.

	Three months ended 31 March		Nine months ended 31 March	
	2024 \$	2023 \$	2024 \$	2023 \$
(b) Notable expenses				

Employee benefit expenses include the following notable items:

Superannuation	149,693	140,124	433,117	397,629
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Other expenses include the following notable items:

Filing Fees	11,258	14,478	64,475	119,868
Insurance	97,270	90,448	277,157	232,131
Information technology expenses	43,176	27,722	122,738	82,191
Licensing and registration expenses	38	-	1,709	57,889
Marketing	51,913	21,172	95,935	26,926
Research and development partner expenses	-	74,629	-	95,918
Share registry and other listing expenses	3,669	3,326	27,657	36,730
Subscriptions and memberships	16,709	2,602	34,288	7,608
Testing and quality control	35,992	66,697	148,505	145,073
Transaction costs - financial instruments	43,297	33,595	125,619	44,985
Website costs	1,638	2,332	14,285	8,049

Professional and consulting fees include the following notable items:

Accounting, Audit and Tax advisory fees	50,233	76,748	182,886	154,088
Engineering consultants and other contractors	275,086	517,943	1,559,278	977,824
Investor Relations	137,949	133,504	456,316	454,191
Legal expenses	35,946	54,100	179,200	318,835

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

8. Income and expenses (continued)

	Three months ended 31 March		Nine months ended 31 March	
	2024	2023	2024	2023
	\$	\$	\$	\$
(c) Finance costs				
Foreign exchange losses	-	-	83,621	72,097
Interest expense – lease liabilities	26,424	25,716	81,453	71,226
Finance and other interest charges	4,453	2,397	10,473	7,374
	30,877	28,113	175,547	150,697

9. Income tax expense

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The unused tax losses incurred by the Company are not recognised as there is uncertainty on the expected timing in which the Company is likely to generate taxable income in the foreseeable future. Subject to satisfying certain tests under the relevant legislation they can be carried forward indefinitely. As a consequence, there is no income tax expense.

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

10. Earnings per share

Basic earnings or loss per share (“EPS”) calculations have been based on the following profit/(loss) attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding.

Diluted EPS calculations have been based on the following loss attributable to ordinary equity holders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Due to the net loss recognised for the years, and the ongoing non-cash impact on profit and loss due to the change in the fair value of warrants, to ensure consistency and relevance of reporting, all outstanding stock options, warrants and broker warrants were excluded from the calculation of diluted EPS due to their anti-dilutive effect.

	Three months ended 31 March		Nine months ended 31 March	
	2024	2023	2024	2023
	\$	\$	\$	\$
Basic and diluted EPS (cents)	(2.64)	(3.22)	(7.33)	(9.93)
Profit / (loss) attributable to ordinary equity holders of the Company for basic earnings – continuing operations	(2,235,445)	(2,633,818)	(6,162,617)	(7,974,292)
Profit / (loss) attributable to ordinary equity holders of the Company adjusted for the effect of dilution	(2,235,445)	(2,633,818)	(6,162,617)	(7,974,292)
	2024	2023	2024	2023
	Number	Number	Number	Number
(a) Weighted average number of ordinary shares (“WANOS”)				
WANOS used in basic and diluted EPS	84,624,283	81,805,717	84,105,180	80,344,564

Items excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive:

	Number as at 31 March	
	2024	2023
Stock options	5,249,348	4,417,929
Warrants	5,288,156	4,273,450
Broker warrants	208,795	87,030
Restricted and performance share units	1,650,617	1,127,392
	12,396,916	9,905,801

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

	31 March 2024	30 June 2023
	\$	\$
11. Cash and cash equivalents		
Cash at bank	2,059,076	4,435,432
Term deposits	291,460	212,212
	2,350,536	4,647,644

	31 March 2024	30 June 2023
	\$	\$
12. Trade and other receivables		
Trade and other receivables ⁽ⁱ⁾	61,778	1,817,619
Goods and services tax receivable ⁽ⁱⁱ⁾	-	42,532
	61,778	1,860,151

- (i) Other receivables at 30 June 2023 include \$1.65m relating to Joint Development income, received 17 July 2023.
(ii) GST balance was payable at 31 March 2024 and included in trade and other payables (see note 15).

13. Property, plant and equipment

	Right-of-use ⁽ⁱ⁾⁽ⁱⁱ⁾	Property, plant and equipment			Total
	Leased buildings	Plant and equipment ⁽ⁱⁱⁱ⁾	Leasehold improvements	Capital work in progress ^{(iv)(v)}	
	\$	\$	\$	\$	\$
Cost					
At 30 June 2023	1,684,028	2,360,358	535,595	1,897,088	6,477,069
Additions	318,065	56,824	-	2,895,348	3,270,237
Transfers	-	2,399,024	239,544	(2,638,568)	-
At 31 March 2024	2,002,093	4,816,206	775,139	2,153,868	9,747,306
Accumulated depreciation					
At 30 June 2023	336,806	1,655,382	100,000	-	2,092,188
Depreciation	371,878	623,411	84,935	-	1,080,224
At 31 March 2024	708,684	2,278,793	184,935	-	3,172,412
Net book value					
At 30 June 2023	1,347,222	704,976	435,595	1,897,088	4,384,881
At 31 March 2024	1,293,409	2,537,413	590,204	2,153,868	6,574,894

- (i) Right-of-use ("ROU") asset recognised in respect of the Company's head office and warehouse leased premises in Brisbane, Australia, as disclosed in note 16, with the corresponding lease accounting policy as described in note 29 of the last annual financial statements for the year ended 30 June 2023.
(ii) Right-of-use ("ROU") asset recognised in respect of the additional office space and Q&A testing laboratories leased premises in Brisbane, Australia, as disclosed in note 16, with the corresponding lease accounting policy as described in note 29 of the last annual financial statements for the year ended 30 June 2023.
(iii) Plant and equipment cost includes \$24,246 of leased office equipment & \$56,822 of leased plant manufacturing equipment recognised as a ROU asset as the lease terms exceed 12 months.
(iv) Capital works in progress at 31 March includes \$523,911 of costs incurred to file global patents relating to processes that are not yet enforceable (\$101,233 of which is accrued for patent work performed, not yet invoiced.)
(v) Capital works in progress at 31 March includes \$40,830 of accruals for works performed, not yet invoiced.

Graphene Manufacturing Group Ltd
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended 31 March 2024 and 2023

14. Intangible assets

	Patents, trademarks and other rights \$	Computer software \$	Total \$
Cost			
At 30 June 2023	2,066,176	35,111	2,101,287
Additions	1,738	-	1,738
At 31 March 2024	2,067,914	35,111	2,103,025
Accumulated amortisation			
At 30 June 2023	376,530	8,306	384,836
Amortisation	306,546	5,068	311,614
At 31 March 2024	683,076	13,374	696,450
Net book value			
At 30 June 2023	1,689,646	26,805	1,716,451
At 31 March 2024	1,384,838	21,738	1,406,575

	31 March 2024 \$	30 June 2023 \$
15. Trade and other payables		
Trade payables	256,084	244,679
Accrued expenses	345,714	604,756
Other payables	158,248	846,877
Deferred income (See note 8(a) – Joint development income)	1,875,000	1,125,000
Goods and services tax payable	133,153	-
	2,768,199	2,821,312
	31 March 2024 \$	30 June 2023 \$
16. Lease liabilities		

Maturity analysis of contractual undiscounted cash flows:

Within one year	530,193	357,990
Between one and five years	963,544	1,149,891
More than five years	-	-
	1,493,737	1,507,881

Lease liabilities included in the condensed interim statement of financial position:

Current	445,147	272,999
Non-current	885,957	1,032,604
	1,331,104	1,305,603

Right-of-use asset and lease liability

In July 2023, the Company commenced a new lease for additional office space at the existing head office location in Brisbane Australia for a two-year lease agreement including QA testing laboratories. A right of use asset of \$318,065 has been recognised as disclosed in note 13, assessed on its two-year lease term, which is subject to annual review. A corresponding lease liability of \$268,065 has been recognised together with a provision of make good for \$50,000.

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	31 March 2024	30 June 2023
Note	\$	\$
17. Financial liabilities		
Warrant liabilities:		
Traded warrants	409,644	1,132,948
Non-traded warrants	172,464	1,902,804
Transaction costs	582,108	3,035,752
Carrying amount of warrant liabilities	(490,724)	(464,355)
	91,384	2,571,397

(a) Warrant liability

The Company has issued certain share purchase warrants which have a fixed exercise price in Canadian dollars. As the functional currency of the Company 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 share purchase warrants were not issued for goods or services rendered. Accordingly, these warrants are classified and accounted for as a derivative financial liability at fair value through profit or loss. The fair value of the warrants is determined using the quoted market trading data for the Company's traded warrants, and the Black-Scholes option pricing model for non-traded warrants.

The changes in the carrying amounts of the Company's outstanding warrant liability during the nine-month periods ended 31 March 2024 and 2023 were as follows:

	2024	2023
	\$	\$
At 1 July	3,035,752	4,410,364
Issued during the period	707,281	3,445,656
Exercised	-	(1,646,702)
Expired	-	-
Fair value adjustment	(3,160,925)	(3,066,825)
At 31 March	582,108	3,142,493

Further details of the warrants issued are disclosed in note 18(b).

Non-traded warrants

The fair value of non-traded warrants and stock options classified as derivative financial liabilities was calculated with the following weighted average assumptions:

	31 March 2024	30 June 2023
Share price	C\$0.74	C\$2.34
Exercise price	C\$2.60 – C\$3.35	C\$2.60 – C\$3.35
Expected volatility	68.14%	55.0%
Expected life (years)	0.42 – 2.67	1.18 – 3.42
Risk-free interest rate	3.59% - 3.67%	4.03% - 4.18%

17. Financial liabilities (continued)

(a) Warrant liability (continued)

Traded warrants

The Marketed Offering Warrants issued on 2 September 2021 commenced trading on the TSXV on 9 September 2021 under the ticker GMG.WT. On initial recognition and prior to active market trading data being available for use, the Marketed Offering Warrants were valued using the Black Scholes option pricing model based on the inputs below:

	On initial recognition
Share price	C\$2.73
Exercise price	C\$2.60
Expected volatility	61%
Expected life (years)	2.99
Risk-free interest rate	0.20%

Once trading of the warrants commenced, the quoted market trading data on the TSXV was available for use as a Level 1 input to determine the fair value. At 31 March 2024 the fair value of traded warrants was based on the market price of C\$0.095 per warrant at the end of the reporting period.

The Marketed Offering Warrants issued on 16 August 2023 commenced trading on the TSXV on 21 August 2023 under the ticker GMG.WT.A . On initial recognition and prior to active market trading data being available for use, the Marketed Offering Warrants were valued using the Black Scholes option pricing model based on the inputs below:

	On initial recognition
Share price	C\$1.62
Exercise price	C\$2.20
Expected volatility	55%
Expected life (years)	4
Risk-free interest rate	3.91%

Once trading of the warrants commenced, the quoted market trading data on the TSXV was available for use as a Level 1 input to determine the fair value. At 31 March 2024 the fair value of traded warrants was based on the market price of C\$0.17 per warrant at the end of the reporting period.

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18. Share capital

	Nine months ended 31 March				
	Note	2024 Number	2024 \$	2023 Number	2023 \$
Ordinary shares		84,833,342	41,368,718	81,815,940	37,939,086
(a) Movement in ordinary shares					
At 1 July		82,044,234	38,089,878	78,764,797	32,406,981
Shares issued – Marketed Offering	(i)	2,029,412	3,254,423	-	-
Shares issued – OzKem Transaction	(ii)	125,206	500,000	125,207	500,000
Shares issued – Bought Deal Offering	(iii)	-	-	2,091,850	2,882,287
Share options exercised	(iv)	375,000	223,762	37,348	22,781
Warrants exercised	(v)	-	-	727,246	934,698
RSUs exercised	(vi)	259,490	-	69,492	-
Transaction costs for issued shares		-	(699,345)	-	(454,363)
		84,833,342	41,368,718	81,815,940	36,292,384
Share capital warrant premium		-	-	-	1,646,702
At 31 March		84,833,342	41,368,718	81,815,940	37,939,086

(i) Share issue – Marketed Offering

On August 16, 2023, GMG completed a marketed public offering of units (the “**Offering Units**”) of the Company, including exercise in full of the over-allotment option (the “**Offering**”). A total of 2,029,412 Offering Units were sold at a price of C\$1.70 per Offering Unit (the “**Offering Price**”) for gross proceeds of approximately C\$3.45 million. Each Offering Unit is comprised of one ordinary share in the capital of the Company (each, an “**Ordinary Share**”) and one-half of an Ordinary Share purchase warrant (each, an “**Offering Warrant**”). Each Offering Warrant entitles the holder to purchase one Ordinary Share at C\$2.20 at any time until August 16, 2027.

The TSX Venture Exchange also accepted for listing the 1,014,706 Offering Warrants underlying the Offering Units issued pursuant to the Offering. GMG share warrants trade on TSXV under the ticker “GMG.WT.A”.

(ii) Share issue - OzKem Transaction

On 15 August 2022, GMG and OzKem Pty Ltd (“**OzKem**”) signed a binding agreement for GMG to acquire the manufacturing intellectual property and brand rights of OzKem’s THERMAL-XR® coating products for a cash consideration of \$1 million, in addition to \$1 million in ordinary shares of GMG (the “**OzKem Transaction**”). GMG paid OzKem an initial \$1 million cash and issued 125,207 ordinary shares of GMG (“Shares”) to OzKem upon the receipt of certain deliverables and equipment from OzKem on 8 September 2022 and 22 September 2022 respectively.

GMG issued an additional 125,206 Shares (the “Additional Shares”) to OzKem, upon successful commercial batch blend of the THERMAL XR® produced by GMG on 28 August 2023.

(iii) Share issue – Bought Deal Offering

On November 30, 2022, GMG completed its bought deal prospectus offering of units (the “**Units**”) of the Company, including exercise in full of the over-allotment option (the “**Offering**”). A total of 2,091,850 Units were sold at a price of C\$2.75 per Unit (the “**Offering Price**”) for gross proceeds of approximately C\$5.75 million. Each Unit is comprised of one ordinary share in the capital of the Company (each, an “**Ordinary Share**”) and one Ordinary Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder to purchase one Ordinary Share at C\$3.35 at any time until November 30, 2026.

(iv) Share options exercised

Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 20(a).

(v) Warrants exercised

Shares issued upon the exercise of warrants detailed in note 18(b).

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18. Share capital (continued)

(a) Movement in ordinary shares (continued)

(vi) *Restricted share units (“RSUs”) exercised*
Shares issued upon the exercise of RSUs detailed in note 20(c).

(b) Warrants

Warrants, including broker warrants, outstanding at the end of the period have the following expiry dates and exercise prices:

Issue date	Expiry date	Exercise price	31 March 2024	30 June 2023
2 September 2021	2 September 2024	C\$2.60	1,994,100	1,994,100
2 September 2021	2 September 2024	C\$2.05	16,180	16,180
2 September 2021	2 September 2024	C\$2.60	187,500	187,500
2 September 2021	2 September 2024	C\$2.14	5,760	5,760
9 November 2021	2 September 2024	C\$2.60	2,335	2,335
30 November 2022	30 November 2026	C\$3.35	2,091,850	2,091,850
30 November 2022	30 November 2024	C\$2.75	62,755	62,755
16 August 2023	16 August 2027	C\$2.20	1,014,706	-
16 August 2023	16 August 2026	C\$1.70	121,765	-
Total			5,496,951	4,360,480

The number and weighted average exercise price (“**WAEP**”) of warrants, which are all exercisable, were as follows:

	Nine months ended 31 March			
	2024 WAEP	2024 Number	2023 WAEP	2023 Number
Outstanding at 1 July	\$3.36	4,360,480	\$2.51	2,931,852
Issued	\$2.47	1,136,471	\$3.66	2,155,874
Exercised	-	-	\$1.27	(727,246)
Outstanding at 31 March	\$3.16	5,496,951	\$3.26	4,360,480

There were no warrants forfeited or expired since the end of the last reporting year ended 30 June 2023 and during the nine month period ended 31 March 2024.

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19. Reserves

	31 March 2024	30 June 2023
	\$	\$
Share-based payment reserve	4,213,564	3,428,037
Warrants reserve	781,713	610,133
	4,995,277	4,038,170

(a) Movements in reserves

	Share-Based Payment	Warrants	Total
	\$	\$	\$
At 30 June 2023	3,428,037	610,133	4,038,170
Stock option plan expense	192,019	-	192,019
RSUs expense	593,508	-	593,508
PSUs expense	-	-	-
Warrants issued	-	171,580	171,580
At 31 March 2024	4,213,564	781,713	4,995,277

20. Share-based payments

(a) Share-based payments reconciliation

	Contributed equity	Share Based Payment Reserve			Warrant Reserve	Warrant Liability
		Stock Options	RSU	PSU		
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	38,089,878	607,028	2,821,009	-	610,133	2,571,397
Shares issued (i)	3,254,423	-	-	-	-	707,281
Transaction costs issued shares (ii)	(699,345)	-	-	-	-	(151,988)
Shares issued - supplier payments (iii)	500,000	-	-	-	-	-
Broker warrants issued (ii)	-	-	-	-	171,580	-
Stock options exercised (iv)	223,762	-	-	-	-	-
Stock options vested/(forfeited) (v)	-	192,019	-	-	-	-
RSU and PSU exercised (vi)	-	-	-	-	-	-
RSU and PSU vested/(forfeited) (vii)	-	-	593,508	-	-	-
FV adjustment of warrants (viii)	-	-	-	-	-	(3,160,925)
Transaction costs amortised (ix)	-	-	-	-	-	125,619
At 31 March 2024	41,368,718	799,047	3,414,517	-	781,713	91,384

- (i) August 16 2023 Marketed Offering see note 18
- (ii) Transaction costs incurred as part of the marketed offering on 16 August including the cost of 121,756 broker warrants issued, see note 20(f) for fair value measurement.
- (iii) Share issue – Ozkem Transaction see Note 18
- (iv) Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 20(b).
- (v) The cost of options issued under the stock Option Plan are recognised according to their vesting period.
- (vi) RSU's & PSU's issued under the Share Incentive plan detailed in note 20(c) have a \$nil exercise price.
- (vii) The cost of RSU's and PSU's issued under the share incentive plan are recognised in accordance with their vesting period.
- (viii) Fair value adjustment of the warrant liability outstanding due to the loss in value of the underlying share price.
- (ix) Transaction costs associated with the issue of warrants are amortised over the life of the warrant.

20. Share-based payments (continued)

(b) Stock option plan and Share Incentive Plan

Amendments to the stock option plan (established 19 September 2018) and the Share Incentive Plan (established 25 November 2021) were approved by resolutions of shareholders on 25 November 2022 and 28 November 2023. The plans are designed to provide eligible participants with an opportunity to share in the ownership of the Company in order to:

- promote the long-term success of the Company;
- provide a strategic, value based reward for eligible persons who make a key contribution to that success;
- align eligible persons' interests with the interests of the Company's shareholders; and
- promote the retention of eligible participants.

Eligible participants under each plan are any director, executive officer, employee or consultant of the Company as decided upon by the board to be eligible under the terms of the respective plan.

Options, RSUs and PSUs may be granted on commercial terms approved by the board, which may include but are not limited to vesting conditions based on length of service and performance of the eligible participant, or the Company's share price. Participation in each plan is at the board's discretion.

Options, RSUs and PSUs are granted under the respective plan for no consideration and carry no dividend or voting rights. Upon exercise or settlement, each option, RSU and PSU is convertible into one ordinary share.

20. Share based payments (continued)

(c) Restricted share units (“RSUs”) and performance share units (“PSUs”)

Equity settled

Under the terms of the share incentive plan (“**Share Incentive Plan**”) the Board of Directors may, from time to time, grant to directors, executive officers, employees and consultants, RSUs and PSUs in such numbers and on such terms as determined by the board. RSUs and PSUs granted under the Share Incentive Plan, are exercisable into ordinary shares for no additional consideration, after the vesting conditions specified within the terms of each participants’ agreement are met.

The fair value of RSUs and PSUs was determined based on the Company’s share price on the date of grant.

The RSUs vest in one to three tranches with vesting conditions based on time and share price performance over its respective one to three-year period. The PSUs vest in three tranches with vesting conditions based on time and performance targets over a three-year period.

Share-based payments expense related to the RSUs and PSUs are recorded over the respective one to three-year vesting period and the amount is adjusted at each reporting period to reflect the number of RSUs and PSUs expected to vest.

(d) Reconciliation of outstanding share options

Share options, granted as share based payments, outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	31 March 2024	30 June 2023
6 November 2018	4 November 2025	\$0.36	2,222,654	2,222,654
18 February 2019	16 February 2026	\$0.61	220,000	220,000
15 March 2019	13 March 2026	\$0.61	75,000	150,000
20 March 2019	18 March 2026	\$0.61	29,326	29,326
2 December 2019	30 November 2026	\$0.42	440,000	440,000
6 April 2020	5 April 2027	\$0.61	29,326	29,326
21 April 2020	20 April 2027	\$0.61	85,000	285,000
23 December 2020	22 December 2027	\$0.82	518,694	564,454
12 March 2021	10 March 2028	\$0.94	29,348	29,348
15 April 2021	12 March 2024	C\$0.50	-	151,125
16 April 2021	15 April 2024	C\$1.00	100,000	100,000
1 July 2023	30 June 2026	C\$1.90	100,000	-
1 February 2024	1 February 2028	C\$1.74	1,400,000	-
Total			5,249,348	4,221,233

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20. Share based payments (continued)

(d) Reconciliation of outstanding share options (continued)

The number and weighted average exercise price (“WAEP”) of share options representing share based payments, were as follows:

	Nine months ended 31 March			
	2024 WAEP	2024 Number	2023 WAEP	2023 Number
Outstanding at 1 July	\$0.49	4,221,233	\$0.52	4,627,427
Granted	\$1.97	1,500,000	-	-
Exercised	\$0.60	(375,000)	\$0.61	(37,348)
Forfeited / Lapsed	\$0.68	(96,885)	\$0.83	(172,150)
Outstanding at 31 March	\$0.91	5,249,348	\$0.51	4,417,929
Exercisable at 31 March	\$0.52	3,824,348	\$0.50	4,240,213

(e) Reconciliation of outstanding broker warrants

Broker warrants, issued as share based payments, outstanding at the end of the period have the following expiry dates and exercise prices:

Issue date	Expiry date	Exercise price	31 March 2024	30 June 2023
24 March 2021	24 September 2022	C\$0.65	-	-
2 September 2021	2 September 2024	C\$2.05	16,180	16,180
2 September 2021	2 September 2024	C\$2.14	5,760	5,760
9 November 2021	2 September 2024	C\$2.60	2,335	2,335
24 March 2021	24 September 2022	C\$0.65	62,755	62,755
16 August 2023	16 August 2026	C\$1.70	121,765	-
Total			208,795	87,030

The number and weighted average exercise price (“WAEP”) of broker warrants, issued as share based payments which are all exercisable, were as follows:

	Nine months ended 31 March			
	2024 WAEP	2024 Number	2023 WAEP	2023 Number
Outstanding at 1 July	\$2.93	87,030	\$2.12	126,875
Issued	\$1.95	121,765	\$3.02	64,024
Exercised	-	-	\$2.00	(103,869)
Outstanding at 31 March	\$2.34	208,795	\$2.84	87,030

There were no broker warrants forfeited or expired since the end of the last reporting year ended 30 June 2023 and during the nine month period ended 31 March 2024.

Further details in respect of broker warrants held at reporting date are provided in note 18(b).

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20. Share-based payments (continued)

(f) Reconciliation of outstanding RSUs and PSUs

RSUs and PSUs, granted as share based payments, outstanding at the end of the period, have the following expiry dates:

Grant date	Expiry date	Plan Type	31 March 2024	30 June 2023
20 October 2021 (i)	18 July 2023	RSU	-	14,528
20 October 2021 (i)	20 October 2026	RSU	10,532	45,277
5 December 2021	5 December 2026	RSU	15,662	15,662
14 September 2022 (ii)	26 May 2024	RSU	-	118,395
14 September 2022 (ii)	14 September 2027	RSU	145,582	282,832
20 September 2022	20 September 2027	RSU	106,027	253,651
12 October 2022	12 October 2027	RSU	-	36,186
14 October 2022	14 October 2027	RSU	4,984	7,306
20 October 2022	20 October 2027	RSU	91,523	159,669
21 October 2022	21 October 2027	RSU	6,984	20,952
13 July 2023	13 July 2028	RSU	170,737	-
22 January 2024	22 January 2028	RSU	632,555	-
12 February 2024	12 February 2028	RSU	115,135	-
12 February 2024	17 October 2026	RSU	189,671	-
12 February 2024	12 February 2026	RSU	161,225	-
Total			1,650,617	954,458

(i) The vesting and expiry dates for 59,805 RSUs granted on 20 October 2021, with an original expiry date of 20 October 2026, were accelerated following the approval of the amendments by the Board.

(ii) The vesting and expiry dates for 118,395 RSUs granted on 14 September 2022, with an original expiry date of 14 September 2027, were accelerated to a date no earlier than 12 months from grant date following the approval of the amendments by the Board.

The number and weighted average share price (“WASP”) of RSUs and PSUs were as follows:

	Nine months ended 31 March			
	2024 WASP ⁽ⁱ⁾	2024 Number	2023 WAEP	2023 Number
RSUs				
Outstanding at 1 July	\$4.35	954,458	\$6.24	197,622
Granted	\$1.53	1,517,025	\$4.20	962,001
Exercised	\$4.28	(259,490)	\$6.28	(69,492)
Expired or forfeited	\$3.65	(561,376)	\$4.79	(74,606)
Outstanding at 31 March	\$2.04	1,650,617	\$4.41	1,015,525
Exercisable at 31 March	\$3.48	152,599	\$6.28	25,061
PSUs				
Outstanding at 1 July ⁽ⁱⁱ⁾	-	-	\$6.28	77,359
Granted	-	-	\$3.62	34,508
Expired or forfeited	-	-	-	-
Outstanding at 31 March	-	-	\$5.46	111,867
Exercisable at 31 March	-	-	-	-

(i) Further details of fair value measurement are included in note 20(g).

(ii) PSU's outstanding at 1 July 2022 were forfeited during Q4 FY2023. Since the end of the last reporting year ended 30 June 2023 and during the nine-month period ended 31 March 2024 there were no PSUs granted, exercised, forfeited or expired.

20. Share-based payments (continued)

(f) Fair value measurement of options and warrants granted

The assessed fair value of options granted during the nine months ended 31 March 2024 was \$900,938 (year ended 30 June 2023: nil). The assessed fair value of warrants granted during the nine months ended 31 March 2024 was \$171,580 (year ended 30 June 2023: \$176,143).

The fair value of options at grant date is determined using a Black-Scholes Model (BSM) that takes into account the exercise price, the term of the option, the market price of a share at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option and the volatilities of certain peer group companies.

The fair value of options granted during the nine months ended 31 March, and the year ended 30 June 2023, were calculated using the exercise price, grant date and expiry date as per above with the following weighted average assumptions:

On initial recognition using BSM	Options	
	31 March 2024	30 June ⁽ⁱ⁾ 2023
Share price at grant date	C\$1.30 - C\$2.34	-
Expected volatility	55.01%	-
Risk-free interest rate	3.56% - 4.03%	-

(i) No Options were granted during the financial year ended 30 June 2023.

Options are granted for no consideration and vested options are exercisable until the expiry date which is between two to seven years after grant date. The expected price volatility is based on the historic volatility of certain peer group companies, and since the listing of the Company's traded warrants, the implied volatility of the Company's shares calculated by reference to those warrants.

Compensation Warrants

For the Compensation Warrants issued on 16 August 2023 that contain a second level of warrants upon exercise of the first level, the Monte Carlo Simulation (MCS) Methodology has been used to determine the fair value of each level, that takes into account the exercise price, the term of the warrant, the market price of a share at grant date, the price volatility of the underlying share and the risk-free rate for the term of the warrant.

The fair value of Compensation Warrants issued during the nine months ended 31 March 2024, was calculated using the following assumptions:

20. Share-based payments (continued)

(f) Fair value measurement of options and warrants granted (continued)

On initial recognition using MCS	Compensation Warrants ⁽ⁱ⁾	
	Level 1	Level 2
Share price at grant date	C\$1.62	Not applicable
Exercise price	C\$1.70	C\$2.20
Term	3 years	4 years
Risk-free rate	4.420%	4.195%
Dividend yield	-	-
Volatility (rounded)	75%	75%

(i) 121,765 broker warrants were issued on 16 August 2023 in respect of the Marketed Offering completed, as detailed in Note 18(a)(i). The warrants have two levels of value whereby upon exercise, each initial warrant (Level 1) grants its holder an ordinary share in the Company, as well as a second warrant (Level 2). The Level 2 warrants entitle the holder to purchase an additional ordinary share in the Company at a new exercise price as listed in the table.

(g) Fair values of RSUs and PSUs granted

The assessed fair value of RSUs and PSUs granted during the nine months ended 31 March was \$2,326,433 (year ended 30 June 2023: \$4,164,189) and is based on the Company's share price on the date of grant.

The RSUs vest in one to three tranches with vesting conditions based on time and share price performance over its respective one to three-year period. The PSUs vest in three tranches with vesting conditions based on time and performance targets over a three-year period.

Share-based payments expense related to the RSUs and PSUs are recorded over the respective one to three-year vesting period and the amount is adjusted at each reporting period to reflect the number of RSUs and PSUs expected to vest.

The fair value of RSUs and PSUs granted during the nine months ended 31 March 2024, and the year ended 30 June 2023, was calculated at the grant date based on the following weighted average assumptions:

On initial recognition	RSUs		PSUs	
	31 March 2024	YE 30 June 2023	31 March 2024	YE 30 June 2023
Share price at grant date	\$1.41 - \$2.19 ⁽ⁱ⁾	\$4.20 ⁽ⁱⁱ⁾	-	\$3.62 ⁽ⁱⁱ⁾

(i) The fair value of RSUs granted during the nine month period ended 31 March 2024, was based on the share price on 28 April 2023, 5 May 2023 and 22 January 2024 in accordance with employment agreement terms and the Share Incentive Plan.

(ii) The fair value of RSUs and PSUs granted during the financial year ending 30 June 2023 was based on the share price on 25 August 2022 and 2 September 2022 in accordance with employment agreement terms and the Share Incentive Plan.

21. Commitments and contingencies

The Company's commitments and contingencies are consistent with those reported in the last annual financial statements as at 30 June 2023.

22. Subsequent events

With the exception of the matter below, no other matters or circumstances have occurred since the end of the reporting period, which significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent reporting periods.

(a) Marketed Offering

On April 30, 2024, GMG entered into an agreement pursuant to which PI Financial Corp. as lead underwriter and sole bookrunner, purchased 8,280,000 units of the Company (the "**Units**"), pursuant to the filing of a short form prospectus, subject to all required regulatory approvals, at a price per Unit of C\$0.42 (the "**Issue Price**") for gross proceeds of C\$3,477,600 (the "**Offering**").

Each Unit comprised of one common share in the capital of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Share at an exercise price of C\$0.55 for a period of 4 years following the closing date of the Offering.