Graphene Manufacturing Group Ltd

ACN 614 164 877

Consolidated Financial Statements for the years ended 30 June 2025 and 2024

Contents

Corporate information

The consolidated financial statements of Graphene Manufacturing Group Ltd ("**GMG**" or the "**Company**") for the years ended 30 June 2025 and 2024 were authorised for issue in accordance with a resolution of the directors on 30 September 2025. The Company is a limited company incorporated and domiciled in Australia, and whose shares are publicly traded on the TSX Venture Exchange (the "**TSXV**") and traded over the counter on the OTCQX® Best Market (the "**OTCQX**").

The consolidated financial statements are presented in Australian dollars (**$** or **A$**), except for certain references to Canadian dollars (**C$**) where specifically stated.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	**2025 A$**	2024 A$
Revenue	7	**237,672**	294,859
Other income	8(a)	**4,659,095**	5,898,859
Employee benefit expenses		**(4,163,387)**	(6,063,086)
Professional and consulting fees		**(2,632,646)**	(3,227,741)
Depreciation and amortisation expense	15,16	**(1,826,907)**	(1,977,430)
Travel expenses		**(408,843)**	(272,903)
Raw materials and production inputs		**(178,233)**	(264,146)
Occupancy and utilities expenses		**(320,596)**	(370,559)
Factory costs		**(178,803)**	(476,866)
Share based payments expense	23(a)	**(1,398,836)**	(964,629)
Other expenses	8(b)	**(1,390,975)**	(1,297,548)
Finance costs	8(c)	**(150,027)**	(229,746)
Gain / (loss) on change in fair value of warrants	19(a)	**(821,174)**	1,550,058
Loss before income tax		**(8,573,660)**	(7,400,878)
Income tax expense	9	**-**	-
Loss for the year		**(8,573,660)**	(7,400,878)
Other comprehensive income			
Foreign currency translation differences		**-**	-
Net other comprehensive income that may be reclassified to profit or loss in subsequent years		**-**	**-**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(8,573,660)**	(7,400,878)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic and diluted ($)	10	**(0.0871)**	(0.0865)
Weighted average number of ordinary shares outstanding (Basic and diluted)	10(a)	**98,400,161**	85,577,874

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

Consolidated Statement of Financial Position

	Note	2025 A$	2024 A$
ASSETS			
Current assets			
Cash and cash equivalents	11	**7,708,021**	3,982,205
Trade and other receivables	12	**116,974**	133,664
Inventories	13	**1,270,622**	492,618
Research and development grants receivable		**1,997,992**	2,847,866
Other current assets	14	**347,315**	607,510
		11,440,924	8,063,863
Non-current assets			
Property, plant and equipment	15	**4,752,879**	5,795,525
Intangible assets	16	**1,026,469**	1,377,822
		5,779,348	7,173,347
Total assets		**17,220,272**	15,237,210
LIABILITIES			
Current liabilities			
Trade and other payables	17	**1,133,324**	1,865,739
Contract liabilities	7	**5,919**	21,100
Lease liabilities	18	**354,733**	458,727
Borrowings		**-**	125,086
Financial liabilities	19	**5,537,309**	2,974,796
Employee benefit liabilities	20	**249,366**	185,962
Provisions	21	**6,151**	-
		7,286,802	5,631,410
Non-current liabilities			
Lease liabilities	18	**419,260**	767,722
Employee benefit liabilities	20	**48,895**	48,122
Provisions	21	**556,900**	250,000
		1,025,055	1,065,844
Total liabilities		**8,311,857**	6,697,254
Net assets		**8,908,415**	8,539,956
EQUITY			
Share capital	22	**42,692,887**	36,235,699
Share capital warrant premium	22	**8,555,983**	7,692,823
Reserves	23	**7,067,448**	5,445,677
Accumulated losses		**(49,407,903)**	(40,834,243)
Total equity		**8,908,415**	8,539,956

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

Consolidated Statement of Changes in Equity

	Note	Share capital A$	Reserves A$	Accumulated losses A$	Total equity A$
Balance at 1 July 2023		38,089,878	4,038,170	(33,433,365)	8,694,683
Loss for the year		-	-	(7,400,878)	(7,400,878)
Other comprehensive loss	23	-	-	-	-
Total comprehensive loss for the year		**-**	**-**	**(7,400,878)**	**(7,400,878)**
Transactions with owners of the Company					
Shares issued	22	5,930,152	-	-	5,930,152
Transaction costs on issued shares	22	(1,191,742)	-	-	(1,191,742)
Share options and warrants exercised	22	1,025,784	-	-	1,025,784
Share capital warrant premium	22	74,450	-	-	74,450
Share based payments	23	-	1,407,507	-	1,407,507
		5,838,644	1,407,507	-	7,246,151
Balance at 30 June 2024		**43,928,522**	**5,445,677**	**(40,834,243)**	**8,539,956**
Balance at 1 July 2024		43,928,522	5,445,677	(40,834,243)	8,539,956
Loss for the year		-	-	(8,573,660)	(8,573,660)
Other comprehensive loss	23			-	-
Total comprehensive loss for the year		-	-	**(8,573,660)**	**(8,573,660)**
Transactions with owners of the Company					
Shares issued	22	4,601,987	-	-	4,601,987
Transaction costs on issued shares	22	(894,436)		-	(894,436)
Share options and warrants exercised	22	2,749,637	-	-	2,749,637
Share capital warrant premium	22	863,160	-	-	863,160
Share based payments	23	-	1,621,771	-	1,621,771
		7,320,348	1,621,771	-	8,942,119
Balance at 30 June 2025		**51,248,870**	**7,067,448**	**(49,407,903)**	**8,908,415**

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

Consolidated Statement of Cash Flows

	Note	**2025 A$**	2024 A$
Operating activities			
Receipts from customers and government subsidies (Inc. GST)		**261,549**	290,521
Payments to suppliers and employees (Inc. GST)		**(8,375,607)**	(12,704,299)
Research and development tax incentive received		**2,847,866**	2,579,757
Joint development income received		**1,485,000**	4,950,000
Interest received		**32,140**	6,404
Interest paid		**(80,501)**	(110,864)
Net cash from / (used in) operating activities	28	**(3,829,553)**	(4,988,481)
Investing activities			
Acquisition of property, plant and equipment		**(756,090)**	(2,403,251)
Acquisition of intangibles		**(130,443)**	(301,351)
Net cash from / (used in) investing activities		**(886,533)**	(2,704,602)
Financing activities			
Proceeds from issue of shares	22	**4,601,987**	5,430,152
Proceeds from issue of share warrants	19	**2,722,689**	2,374,302
Proceeds from exercise of share options	22	**296,600**	223,762
Proceeds from exercise of share warrants	22	**2,453,037**	802,022
Share and share warrant issue transaction costs		**(1,097,240)**	(1,278,121)
Repayment of Borrowings		**(125,086)**	(59,846)
Payment of lease liabilities		**(508,223)**	(404,041)
Net cash from / (used in) financing activities		**8,343,764**	7,088,230
Net increase / (decrease) in cash and cash equivalents		**3,627,678**	(604,853)
Cash and cash equivalents at beginning of year		**3,982,205**	4,647,644
Net foreign exchange gain / (loss) on cash held		**98,138**	(60,586)
Cash and cash equivalents at end of year	11	**7,708,021**	3,982,205

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

1. Reporting entity

Graphene Manufacturing Group Ltd ("**GMG**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") 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 traded on the TSX Venture Exchange (the "**TSXV**") and traded over the counter on the OTCQX® Best Market (The "**OTCQX**").

2. Basis of preparation

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and Interpretations (collectively "**IFRS Accounting Standards**" or "**IFRS**"). They were authorised for issue by the Board of Directors on 30 September 2025.

These consolidated financial statements have been prepared on a historical cost basis, except for those assets held at fair value (refer to note 4(c)). Details of the Group's accounting policies are included in Note 33. Changes to material accounting policies are described in Note 5.

(a) Going concern

The consolidated 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 year ended 30 June 2025, the Group incurred a loss of $8,573,660 after income tax and net cash used in operating activities of $3,829,553. At 30 June 2025, the Group had net current assets of $4,154,123.

The ability of the Group 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 Group. This is required to continue its ongoing development and commercialisation of energy saving and energy storage solutions and to meet the Group's working capital requirements. In addition to this, the Group is dependent on the ability to commercialise its products to generate sustainable, sufficient operating cash flows.

These conditions give rise to material uncertainty which may cast significant doubt over the Group'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 consolidated financial statements is appropriate considering the following circumstances:

- As at 30 June 2025, the Group had cash on hand of $7,708,021, which together with the funds which could be received from warrants and options is sufficient to meet the ongoing corporate costs and expected project expenditure in the short to medium term;
- As at the date of this report there are 2,903,483 options and 21,810,804 warrants on issue with exercise prices ranging from AUD$0.36 to AUD$3.68. If exercised these could raise up to $36,919,841 in additional capital. Of these, 1,374,135 options and 2,627,000 warrants are considered "in the money", amounting to potential proceeds of $2,332,852.
- Since June 2025, there has been approximately A$803,422 of warrants exercised.
- On 11 July 2025 the Company entered into an equity distribution agreement (the "Distribution Agreement") to provide additional working capital if required. Pursuant to the Distribution Agreement, the Company is entitled to sell such number of ordinary shares that would result in aggregate gross proceeds of up to C$20million.
- On 4 September 2025, the Company completed a bought deal offering of 7,666,667 units at a price of $0.90 per unit for aggregate gross proceeds of C$6.9m, which includes the exercise in full of the underwriter's over-allotment option for 1,000,000 units.

2. Basis of preparation (continued)

(a) Going concern (continued)

- 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.

Should the Group 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 report. This financial report does 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 Group be unable to continue as a going concern.

3. Functional and presentation currency

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

(a) Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities, as well as revenue and expense items denominated in foreign currencies, are translated into the functional currency at the exchange rate at the date of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of profit or loss and other comprehensive income ("**OCI**").

4. Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Going concern (note 2(a)) – whether there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern;
- Revenue recognition (note 7(c)) – whether revenue from energy saving and energy storage solutions is recognised over time or at a point in time;
- Joint development Income (note 8(a)) – whether the income from the joint development agreement meets the definition of revenue from contracts with customers, or is a collaboration agreement accounted for as other income.
- Research and development tax incentive (note 8(a)) – whether receipt is reasonably assured at the time of lodging the Group's Income Tax Return.
- Inventories (note 13) – whether the net realisable value is greater than the carrying value; and
- Lease term (note 18) – whether the Group is reasonably certain to renew the lease term.

4. Use of judgements and estimates (continued)

(b) Estimates

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are included in the following notes:

- Deferred tax assets recognition (note 9(e)) – availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Financial liabilities (note 19) – key assumptions underlying the basis of measurement of warrant liabilities, valued using the Black-Scholes option pricing model;
- Provisions (note 21) – recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Intangible assets impairment test (note 33(a)) – key assumptions underlying recoverable amounts.

(c) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair values of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices in active markets for identical assets or liabilities (unadjusted).
- *Level 2:* observable direct or indirect inputs (as prices) for the asset or liability, other than Level 1 inputs.
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring the fair values is included in the following notes:

- Note 19 – financial liabilities; and
- Note 25 – financial instruments.

5. Changes in material accounting policies

(a) New standards, interpretations and amendments adopted

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases

The amendments to IFRS 16 *Leases* clarify that where a sale and leaseback transaction qualifies to be recognised as a sales transaction under IFRS 15 *Revenue from Contracts with Customers*, the seller-lessee must subsequently measure its lease liability from the sale and leaseback transaction in such a way that it recognises no gain or loss related to the right of use it retains.

These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 Presentation of Financial Statements

The IAS 1 amendments clarify that a liability is classified as current or non-current based on whether the entity has a substantive right to defer settlement for at least 12 months after the reporting period, regardless of management's intentions or expectations.

The amendments had no impact on the Group's consolidated financial statements.

Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 Presentation of Financial Statements regarding non-current liabilities with covenants clarify how entities should classify and disclose such liabilities. Specifically, the amendments state that covenants which an entity must comply with only after the reporting date do not affect the classification of a liability as current or non-current at that date. Instead, entities must present non-current liabilities subject to these covenants separately in the balance sheet and provide disclosures in the notes about the nature and timing of the covenants, whether the entity would have complied with them at the reporting date, and whether and how it expects to comply in future periods.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

The amendments to IAS 7 *Statement of Cash flows* and IFRS 7 *Financial Instruments: Disclosures* introduces new disclosures to increase the level of transparency about companies' supplier finance arrangements.

The amendments had no impact on the Group's consolidated financial statements.

(b) New standards, interpretations and amendments not yet effective

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.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*)

5. Changes in material accounting policies (continued)

(b) New standards, interpretations and amendments not yet effective (continued)

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments*)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 *Presentation and Disclosure in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Group.

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.

	2025 A$	2024 A$

7. Revenue from contracts with customers

	2025	2024
Sale of goods (i)	**109,403**	70,011
Services (ii)	**128,269**	224,848
	237,672	294,859

(i) Comprises of Thermal-XR and G-Lubricant product sales
(ii) Comprises of Thermal-XR coating services

(a) Disaggregation of revenue from contracts with customers

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

Timing of revenue recognition	**2025**	2024
At a point in time	**237,672**	139,748
Over time	**-**	155,111
	237,672	294,859

(b) Contract balances

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

A$	Note	**2025**	2024
Receivables, which are included in 'trade and other receivables'	12	**89,721**	105,106
Contract assets		**-**	-
Contract liabilities		**(5,919)**	(21,100)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract liabilities relate to the Group's ability to bill for work not yet performed at reporting date.

	Contract assets		**Contract liabilities**	
A$	**2025**	2024	**2025**	2024
At 1 July	-	14,728	(21,100)	(126,000)
Revenue recognised from contracts in progress	-	74,210	-	-
Transfers from contract assets to trade receivables	-	(88,938)	-	-
Amounts included in contract liabilities that was recognised as revenue during the period	-	-	22,066	126,000
Unearned revenue recognised where performance obligation is pending completion	-	-	(6,885)	(21,100)
At 30 June	**-**	-	**(5,919)**	(21,100)

No information is provided about remaining performance obligations at 30 June 2025 and 2024 that have an original expected duration of one year or less, as allowed by IFRS 15.

7. Revenue from contracts with customers (continued)

(b) Contract balances (continued)

Accounting policy for contract balances

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Further information on the accounting policy for impairment of financial assets is detailed in note 25.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(c) Performance obligations and revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

7. Revenue from contracts with customers (continued)

(c) Performance obligations and revenue recognition (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of goods – including Energy Savings products	Sales of products can be either to domestic (Australia) or international customers. Customer agreements may vary according to the terms of the individual sales contract, whereby transfer of control of the products to the customer may occur upon either shipment or delivery receipt. Invoices are generated at the time of shipment and revenue is recognised at that point in time. Invoices are usually payable within 30 days.	Revenue from the sale of goods is recognised when the Group has satisfied the performance obligations under the contract, which is typically at the point the customer obtains control of the products. Where a performance obligation is subject to delivery or receipt of goods, a corresponding adjustment to recognise the deferred revenue is recorded and included in contract liabilities.
Energy Savings Application Service	Application services apply to some Energy Savings products. Dependent on the size, scale and transportability of the equipment that the products are being applied to, the services may be carried out at the customer's or the Company's premises. As contracts vary according to the customer's requirements, and subject to the size of the project and contract term, all work in progress is monitored in accordance with the stage of service completion. Invoices are issued according to contractual terms and are usually payable within 30 days. Un-invoiced amounts are presented as contract assets.	Revenue from the provision of services is recognised when the Company has satisfied the performance obligations under the contract, which is typically at the point the customer obtains control of the products. Where a performance obligation is subject to completion, a corresponding adjustment to recognise the deferred revenue is recorded and included in contract liabilities.
Sales distribution agreements	Sales distribution agreements entered into by the Company are for the purpose of accelerating commercialisation of the Company's products in the market, with prompt payment discounts available on payment terms, subject to conditions.	Revenue recognition for the sales of goods and provision of services above also applies to revenue generated through sales distribution agreements.

Warranty obligations

Some goods sold by the Group include warranties which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

For the years ended 30 June 2025 and 2024, no provision for warranty has been recognised as its impact is considered negligible to the consolidated financial statements. The Group will continue to reassess this in conjunction with the realisation of future sales.

8. Income and expenses

(a) Other income

	2025 A$	2024 A$
Research and development tax incentive	**1,997,992**	2,847,866
Joint development income	**2,475,000**	3,000,000
Foreign exchange gains	**144,517**	43,554
Other income	**9,446**	1,035
Interest income	**32,140**	6,404
	4,659,095	5,898,859

Other income is recognised using the methods outlined below:

Research and development tax incentive
The Research and Development tax incentive represents a refundable tax offset of 43.5% for eligible expenditure in relation to R&D activities within the Group. Income is recognised in the financial year the eligible expenditure was incurred.

Joint development income
Joint development income relates to income received as a result of collaboration agreements where the Group 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.

Interest income
Interest income is recognised using the effective interest method.

(b) Other expenses

Other expenses include the following items:

	2025 A$	2024 A$
Insurance	**294,470**	346,229
Testing and quality control	**172,161**	194,618
Filing fee expenses	**52,446**	70,215
Information technology expenses	**168,080**	162,367
Transaction costs – financial instruments	**307,549**	182,863
Freight and courier	**29,730**	29,282
Marketing	**94,993**	125,933
Share registry expenses	**40,159**	34,523
Advertising	**57,316**	-
Subscriptions	**58,574**	51,985
Other operating expenses	**115,497**	99,528
	1,390,975	1,297,548

(c) Finance costs

	2025 A$	2024 A$
Interest expense – lease liabilities	**76,455**	106,144
Foreign exchange losses	**54,541**	108,003
Finance and other interest charges	**19,031**	15,599
	150,027	229,746

	2025 A$	2024 A$

9. Income tax expense

(a) Income tax expense

	2025 A$	2024 A$
Current tax	**-**	-
Income tax expense	**-**	-

(b) Numerical reconciliation of income tax benefit to prima facie tax payable

	2025 A$	2024 A$
Loss from continuing operations before income tax	**(8,573,660)**	(7,400,878)
Tax at the Australian tax rate of 25%	**(2,143,415)**	(1,850,220)
Tax effect of amounts which are not taxable in calculating taxable income:		
Research and development expenditure	**1,148,153**	1,636,705
Share based payment expense	**349,709**	241,157
Sundry Items	**(171,645)**	(142,808)
R&D tax incentive	**(499,498)**	(711,966)
Change in fair value of warrants	**205,294**	(387,515)
Subtotal	**(1,111,402)**	(1,214,647)
Unrecognised tax losses and temporary differences movement	**1,111,402**	1,214,647
Income tax expense/(benefit)	**-**	-

(c) Tax losses

	2025 A$	2024 A$
Unused tax losses for which no deferred tax asset has been recognised:		
Current year	**5,618,486**	4,297,521
Prior year/s	**19,566,380**	15,057,601
Potential tax benefit @ 25%	**6,296,217**	4,838,781

The unused tax losses were incurred by the Company and there is uncertainty on when the Company is likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely. See note 9(e)(ii) for information about recovery of deferred tax assets and significant judgements made in relation to them.

(d) Unrecognised temporary differences

	2025 A$	2024 A$
Temporary differences for which deferred taxes have not been recognised:		
Section 40-880 (off balance sheet)	**32,809**	157,185
Fixed assets	**(80,905)**	(96,190)
Superannuation payable	**25,098**	23,734
Unrealised foreign exchange gains	**15,090**	15,090
Other accruals	**22,454**	12,093
Provision for employee entitlements	**74,565**	58,521
Provision for make good	**140,763**	62,500
Right of use assets	**(226,933)**	(308,824)
Lease liabilities	**193,498**	306,612
Deferred income	**-**	281,250
Tax losses	**6,296,217**	4,838,781
Unrecognised deferred tax asset relating to the above temporary differences	**6,453,893**	5,350,752

9. Income tax expense (continued)

(d) Unrecognised temporary differences (continued)

Unrecognised deferred tax asset relating to s40-880 through equity	**404,238**	362,318
Total unrecognised net deferred tax assets	**6,858,131**	5,713,070

(e) Income tax accounting policy

Income tax expense or benefit comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of the current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow form the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

10. Earnings per share

Basic earnings or loss per share (“**EPS**”) calculations have been based on the following 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, broker warrants, restricted and performance share units were excluded from the calculation of diluted EPS due to their anti-dilutive effect.

In Australian dollars ($) unless otherwise stated	**2025 A$**	2024 A$
Basic and diluted EPS ($)	**(0.0871)**	(0.0865)
Loss attributable to ordinary equity holders of the Company for basic earnings – continuing operations	**(8,573,660)**	(7,400,878)
Loss attributable to ordinary equity holders of the Company adjusted for the effect of dilution	**(8,573,660)**	(7,400,878)

	2025 Number	2024 Number
(a) Weighted average number of ordinary shares (“WANOS”)		
WANOS used in basic and diluted EPS	**98,400,161**	85,577,874
Items excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive:		
Stock options	**3,035,483**	5,149,348
Warrants	**13,705,556**	12,680,656
Broker warrants	**1,208,515**	788,395
Restricted and performance share units	**2,874,897**	1,130,406
	20,824,451	19,748,805

11. Cash and cash equivalents

	2025 A$	2024 A$
Cash at bank	**7,416,561**	3,690,745
Term deposits	**291,460**	291,460
	7,708,021	3,982,205

Accounting policy for cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	2025	2024
	A$	A$

12. Trade and other receivables

Trade and other receivables	**89,933**	105,319
Goods and services tax receivable	**27,041**	28,345
	116,974	133,664

Accounting policy for trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period.

Further information regarding credit risk and impairment is provided in note 25.

	2025	2024
	A$	A$

13. Inventories

Energy saving products	**372,675**	352,088
Graphene powder	**236,489**	133,347
Critical Spares	**661,458**	7,183
	1,270,622	492,618

Accounting policy for inventories

Inventory is recorded at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	2025	2024
	A$	A$

14. Other current assets

Prepayments	**347,315**	598,790
Other assets	**-**	8,720
	347,315	607,510

Prepayments comprises mainly payments made in advance for insurance related to the Company and its operations.

15. Property, plant and equipment

	Right-of-use (i)(ii)	Property, plant and equipment			
	Leased buildings A$	Plant and equipment (iii) A$	Leasehold improvements A$	Capital work in progress (iv) A$	Total A$
Cost					
At 1 July 2023	1,684,028	2,360,358	535,595	1,897,088	6,477,069
Additions	318,065	56,824	-	2,702,864	3,077,753
Disposals	-	(777,418)	(6,645)	-	(784,063)
Transfers	-	2,430,174	239,544	(2,756,503)	(86,785)
At 30 June 2024	2,002,093	4,069,938	768,494	1,843,449	8,683,974
Additions	360,900	23,268	-	95,807	479,975
Disposals	(318,065)	(43,029)	-	-	(361,094)
Transfers	-	243,131	3,397	(335,466)	(88,938)
At 30 June 2025	**2,044,928**	**4,293,308**	**771,891**	**1,603,790**	**8,713,916**
Accumulated depreciation					
At 1 July 2023	336,806	1,655,382	100,000	-	2,092,188
Depreciation	495,838	937,948	116,493	-	1,550,279
Disposals	-	(747,373)	(6,645)	-	(754,018)
At 30 June 2024	832,644	1,845,957	209,848	-	2,888,449
Depreciation	676,288	596,098	126,570	-	1,398,955
Disposals	(318,065)	(8,302)	-	-	(326,367)
At 30 June 2025	**1,190,867**	**2,433,752**	**336,418**	**-**	**3,961,037**
Net book value					
At 30 June 2024	1,169,449	2,223,981	558,646	1,843,449	5,795,525
At 30 June 2025	**854,061**	**1,859,556**	**435,473**	**1,603,790**	**4,752,879**

(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 18, with the corresponding lease accounting policy as described in note 29.

(ii) A reassessment of the make good for Unit 4 and Unit 5 Richlands Queensland was completed for the year ended 30 June 2025 and required an increase of $360,900 to the make good provision and corresponding ROU asset, as disclosed in note 21.

(iii) Plant and equipment cost includes $24,246 of leased office equipment and $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 30 June includes $197,505 of costs incurred to file global patents & trademarks relating to processes that are not yet enforceable.

Accounting policy for property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the diminishing value and straight-line methods to allocate the net cost of the assets over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Plant and equipment 1 - 10 years
- Leasehold improvements 1 - 20 years
- Right-of-use assets 5 – 6 years

15. Property, plant and equipment (continued)

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and any disposal proceeds are taken to profit or loss.

16. Intangible assets

	Patents, trademarks and other rights A$	Computer software A$	Total A$
Cost			
At 1 July 2023	2,066,176	35,111	2,101,287
Additions	1,738	-	1,738
Transfers	86,784	-	86,784
At 30 June 2024	**2,154,698**	**35,111**	**2,189,809**
Disposals	(13,897)	-	(13,897)
Transfers	88,939	-	88,939
At 30 June 2025	**2,229,740**	**35,111**	**2,264,851**
Accumulated amortisation			
At 30 June 2023	376,530	8,306	384,836
Amortisation	420,477	6,674	427,151
At 30 June 2024	**797,007**	**14,980**	**811,987**
Amortisation	421,509	6,442	427,951
Disposal	(1,556)	-	(1,556)
At 30 June 2025	**1,216,960**	**21,422**	**1,238,382**
Net book value			
At 30 June 2024	1,357,691	20,131	1,377,822
At 30 June 2025	**1,012,780**	**13,689**	**1,026,469**

Accounting policy for intangible assets

(a) Patents, trademarks and licences

Separately acquired patents, trademarks and other rights, including licences, are shown at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(b) Computer software

Costs associated with maintaining software programmes and the company website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Capitalised website and development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(c) Research and development

Research expenditure and development expenditure are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

16. Intangible assets (continued)

(d) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

- Patents, trademarks and other rights — 1 - 10 years
- Computer software — 1 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

17. Trade and other payables

	2025 A$	2024 A$
Trade payables	**619,950**	147,925
Accrued expenses	**412,982**	497,878
Other payables	**100,392**	94,937
Deferred income (note 8a – Joint Development Income)	**-**	1,125,000
	1,133,324	1,865,739

Refer to note 25 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Deferred income

Deferred income represents the Group's obligation to work collaboratively with another entity and is recognised as joint development income when that collaboration occurs, or on a straight-line basis over the collaboration period, which ever best represents the nature of the agreement.

18. Lease liabilities

	2025 A$	2024 A$
Maturity analysis of contractual undiscounted cash flows:		
Within one year	**398,601**	534,462
Between one and five years	**439,340**	829,928
More than five years	**-**	-
	837,941	1,364,390
Lease liabilities included in the statement of financial position:		
Current	**354,733**	458,727
Non-current	**419,260**	767,722
	773,993	1,226,449

Right-of-use asset and lease liability

In January 2024, the Company entered into a five-year lease agreement for a liquid nitrogen storage tank. A lease liability of $56,822 has been recognised along with a corresponding right-of-use asset, as disclosed in note 15.

19. Financial liabilities

	Note	2025 A$	2024 A$
Warrant liabilities:			
Traded warrants		**396,983**	211,051
Non-traded warrants		**6,069,266**	3,574,495
	19(a)	**6,466,249**	3,785,546
Transaction costs		**(928,940)**	(810,750)
Carrying amount of warrant liabilities		**5,537,309**	2,974,796

Refer to note 25 for further information on financial instruments.

Accounting policy for derivative financial liabilities

Derivatives are initially recognised at their fair value on the date the derivative contract is entered into and transaction costs are expensed. The Company's derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognised in net income or loss.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

(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 Company's outstanding warrant liability during the years ended 30 June 2025 and 2024 were as follows:

	2025 A$	2024 A$
At 1 July	**3,785,546**	3,035,752
Issued during the year	**2,722,689**	2,374,302
Exercised	**(863,160)**	(74,450)
Expired	**-**	-
Fair value adjustment	**821,174**	(1,550,058)
At 30 June	**6,466,249**	3,785,546

Further details of the warrants issued are disclosed in note 22(e).

19. Financial liabilities (continued)

(a) Warrant liability (continued)

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:

	30 June 2025	30 June 2024
Share price	C$0.60	C$0.65
Exercise price	C$0.55 – C$3.35	C$0.55 – C$3.35
Expected volatility	159.75%	81.4%
Expected life (years)	1.42 – 2.85	0.18 – 3.85
Risk-free interest rate	3.21% - 3.26%	4.07% - 4.15%

Traded warrants

At 30 June 2025, the fair value of traded warrants was based on the market price per warrant at the reporting date. For the Marketed Offering warrants issued on 16 August 2023 trading under the ticker of GMG-WT-A, the price was C$0.35 (2024 C$0.18) per warrant at the end of the reporting period.

20. Employee benefit liabilities

	2025 A$	2024 A$
Liabilities for employee benefits below and comprise:		
Annual leave liability	**249,366**	185,962
Long service leave liability	**48,895**	48,122
	298,261	234,084

Accounting policy for employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The annual leave liabilities are presented as current employee benefit obligations in the balance sheet. The liabilities relating to wages and other employee related payables are presented as current other payables in the balance sheet.

(b) Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is measured as the probability of expected payments to be made in respect of services provided by employees up to the reporting date. The liability is recognised as a non-current liability in the balance sheet. Remeasurements as a result of experience adjustments are recognised in profit or loss.

21. Provisions

	2025 A$	2024 A$
Lease Provision		
At 1 July	250,000	218,916
Raised during the year	360,900	50,000
Utilised	(47,849)	(1,197)
Released in year	-	(17,719)
At 30 June	**563,051**	250,000
Categorised as:		
Current	6,151	-
Non-current	556,900	250,000

Lease provision

A reassessment of the make good for Unit 4 and Unit 5 Richlands Queensland was completed for the year ended 30 June 2025 and required an increase to the make good provision of $360,900 with a corresponding increase to the right-of-use asset, as disclosed in note 15.

Restoration of the premise at Unit 6A Richlands Queensland occurred during the year ended 30 June 2025 as per the lease agreement. Complete transfer of the premise was not until July 2025.

For the year ended 30 June 2024, the Spine Street premise provision for make good was released, largely due to negotiated early exit and transfer of lease.

Accounting policy for provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

22. Share capital

	Note	**2025 Number**	**2025 A$**	2024 Number	2024 A$
Ordinary shares		107,939,244	51,248,870	94,642,421	43,928,522

(a) Movement in ordinary shares

	Note	2025 Number	2025 A$	2024 Number	2024 A$
At 1 July		94,642,421	43,928,522	82,044,234	38,089,878
Shares issued – Marketed Offering	(i)	-	-	2,029,412	3,254,423
Shares issued – Marketed Offering	(ii)	-	-	8,280,000	2,175,729
Shares issued – OzKem Transaction	(iii)	-	-	125,206	500,000
Shares issued – ATM	(iv)	1,074,500	921,487	-	-
Shares issued – Bought Deal	(v)	7,245,000	3,680,500	-	-
Share options exercised	(vi)	819,295	296,600	375,000	223,762
Warrants exercised	(vii)	4,038,500	2,453,037	1,467,100	802,022
RSUs exercised	(viii)	119,528	-	321,469	-
Transaction costs for issued shares		-	(894,436)	-	(1,191,742)
		107,939,244	**50,385,710**	**94,642,421**	**43,854,072**
Share capital warrant premium		-	863,160	-	74,450
At 30 June		**107,939,244**	**51,248,870**	**94,642,421**	**43,928,522**

(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 – Marketed Offering*
On May 7, 2024, GMG completed a marketed public offering of units (the "**Units**") of the Company, including exercise in full of the over-allotment option (the "**Offering**"). A total of 8,280,000 Units were sold at a price of C$0.42 per Unit for gross proceeds of approximately C$3.47 million. Each Unit is comprised of one ordinary share of the Company (each, an "**Ordinary Share**") and one ordinary share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle the holder to purchase one ordinary share of the Company (a "Warrant Share") at an exercise price of C$0.55 per Warrant Share at any time until May 7, 2028, subject to adjustment in certain events. The Offering was completed pursuant to an underwriting agreement dated April 30, 2024, between the company and Ventum Financial Corp. (formerly PI Financial Corp.) (the "Underwriter").

(iii) *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 A$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.

22. Share capital (continued)

(a) Movement in ordinary shares (continued)

(iv) Share issue – ATM

On October 11, 2024, the Company announced that during the quarterly period ended September 30, 2024, the Company issued a total of 208,000 Ordinary Shares on the TSX Venture Exchange (the "TSXV") at an average price of C$0.6759 per share under the ATM Program, providing gross proceeds of C$140,580.70 (A$153,680). Commissions of C$4,217.42 (A$4,610) were paid to the Agent in relation to these distributions.

On April 25, 2025, the company further announced that during the quarterly period ended March 31, 2025, the Company issued a total of 866,500 Ordinary Shares on the TSX Venture Exchange (the "TSXV") at an average price of C$0.7965 per share under the ATM Program, providing gross proceeds of C$690,196.80 (A$767,807). Commissions of C$20,705.90 (A$23,034) were paid to the Agent in relation to these distributions

(v) Share issue – Bought Deal

On March 20, 2025, GMG completed a bought deal offering of 7,245,000 units at a price of C$0.80 per Unit for gross proceeds of C$5.796 million. Each Unit consisted of one common Share and one warrant. Each warrant entitles the holder to purchase one common Share for a period of 36 months at C$1.10.

(vi) Share options exercised

Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 24(a).

(vii) Warrants exercised

Shares issued upon the exercise of warrants detailed in note 22(e).

(viii) Restricted share units ("RSUs") exercised

Shares issued upon the exercise of RSUs detailed in note 24(e).

(b) Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Incremental costs directly attributable to the issue of ordinary shares or options are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is recognised in equity or in OCI.

Proceeds related to the issuance of units are allocated between share capital and warrants on a relative fair value basis where warrants are classified as equity instruments. For warrants classified as financial liabilities, the fair value of the warrants is determined with the residual amount allocated to share capital.

(c) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting year but not distributed at the end of the reporting year.

(d) Capital management

For the purpose of the Company's capital management, capital includes share capital, options, warrants, restricted and performance share units and all other equity reserves.

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

22. Share capital (continued)

(d) Capital management (continued)

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, where applicable.

The Company is not funded by debt, and therefore is not subject to externally imposed capital requirements that result in debt covenant ratio types of monitoring. Instead, the Company manages its capital, including shares, options, warrants, restricted and performance share units, together with the current and anticipated (reduction in tax payable) funding levels in order to achieve its stated objectives.

(e) Warrants

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

Issue date	Expiry date	Note	Exercise price	30 June 2025	30 June 2024
2 September 2021	2 September 2024	(i)	C$2.60	-	1,994,100
2 September 2021	2 September 2024	(ii)	C$2.05	-	16,180
2 September 2021	2 September 2024	(iii)	C$2.60	-	187,500
2 September 2021	2 September 2024	(iv)	C$2.14	-	5,760
9 November 2021	2 September 2024	(v)	C$2.60	-	2,335
30 November 2022	30 November 2026	(vi)	C$3.35	2,091,850	2,091,850
30 November 2022	30 November 2024	(vii)	C$2.75	-	62,755
16 August 2023	16 August 2027	(viii)	C$2.20	1,014,706	1,014,706
16 August 2023	16 August 2027	(ix)	C$1.70	121,765	121,765
7 May 2024	7 May 2028	(x)	C$0.55	3,354,000	7,392,500
7 May 2024	7 May 2028	(xi)	C$0.55	579,600	579,600
20 March 2025	20 March 2028	(xii)	C$1.10	7,245,000	-
20 March 2025	20 March 2028	(xiii)	C$0.80	507,150	-
Total				**14,914,071**	**13,469,051**

(i) *Warrants – Marketed Offering*
These warrants were issued in connection with the marketed public offering on 2 September 2021. A total of 2,817,500 warrants were originally issued, trading on the TSXV under the ticker "GMG-WT"

(ii) *Broker Warrants – Marketed Offering*
In connection with the Offering above in (i), the Company paid to the Underwriters a cash commission of $693,105 and issued to the Underwriters 169,050 ("Compensation Warrants"). Each Compensation Warrant is exercisable into a unit, with equivalent terms to an Offering Unit, at the Offering Price until September 2, 2024.

(iii) *Warrants – Private Placement*
212,500 warrants were issued in connection with the Private Placement on 2 September 2021. Each warrant is exercisable into one Ordinary Share at a price of C$2.60 per unit until September 2, 2024.

22. Share capital (continued)

(e) Warrants (continued)

(iv) Broker Warrants – Private Placement
In connection with the Private Placement disclosed in (iii) above, the Company paid to certain arms' length finders, finders' compensation comprised of an aggregate cash commission of $24,653 and an aggregate of 5,760 warrants. The warrants are exercisable into one Ordinary Share at a price of C$2.14 per unit until September 2, 2024.

(v) Broker Warrants – Compensation Warrants – second level
In connection with the initial exercising of Compensation Warrants in (ii) above, the Company recognised the share based payment expense in respect of the 84,525 warrants anticipated to be issued in full in accordance with the Offering Unit terms. At the end of the period, 8,090 of the 84,525 warrants are yet to be issued.

(vi) Warrants – Bought Deal Offering
These warrants were issued in connection with the Offering as disclosed in note 22(a)(iv).

(vii) Broker Warrants – Bought Deal Offering
In connection with the Offering disclosed in note 22(a)(iv), the Company has paid to the Underwriters a cash commission of $345,155 and issued to the Underwriters 62,755 ("Compensation Warrants"). Each Compensation Warrant is exercisable into a unit, with equivalent terms to an Offering Unit as disclosed on November 30, 2022, at the Offering Price until November 30, 2024. Subject to the exercise of these warrants, a further allocation of 62,755 warrants may be issued in accordance with the Offering Unit terms. As at June 30, 2024, all 62,755 Level 2 warrants are unissued.

(viii) Warrants – Marketed Offering
Warrants were issued in connection with the Offering as disclosed in note 22(a)(i).

(ix) Broker Warrants – Marketed Offering
In connection with the Offering disclosed in note 22(a)(i), the Company has paid to the Underwriters a cash commission equal to 6% of the gross proceeds of the Offering (C$207,000) and issued to the Underwriters 121,765 ("Compensation Warrants"). Each Compensation Warrant is exercisable into a unit, at an exercise price of C$1.70 per Unit until August 16, 2026. Subject to the exercise of these warrants, a further allocation of 60,882 warrants may be issued in accordance with the Offering Unit terms as disclosed in note 24(f)(i). As at June 30, 2024, all 60,882 Level 2 warrants are unissued.

(x) Warrants – Marketed Offering
Warrants were issued in connection with the Offering as disclosed in note 22(a)(ii).

(xi) Broker Warrants – Marketed Offering
In connection with the Offering disclosed in note 22(a)(ii), the Company has paid to the Underwriters a cash commission equal to 7% of the gross proceeds of the Offering (C$243,432) and issued to the Underwriters 579,600 ("Compensation Warrants"). Each Compensation Warrant is exercisable into a unit, at an exercise price of C$0.42 per Unit until May 7, 2028. Subject to the exercise of these warrants, a further allocation of 579,600 warrants may be issued in accordance with the Offering Unit terms as disclosed in note 24(f)(ii). As at June 30, 2024, all the Compensation Warrants had been exercised, therefore all 579,600 Level 2 warrants were issued.

(xii) Warrants – Bought Deal
Warrants were issued in connection with the Offering as disclosed in note 22(a)(v).

(xiii) Broker Warrants – Bought Deal
In connection with the Offering as disclosed in note 22(a)(v), the Company has paid to the Underwriters a cash commission equal to 7% of the gross proceeds of the Offering (C$405,720) and issued to the Underwriters 507,150 ("Compensation Warrants"). Each Compensation Warrant is exercisable into a unit, at an exercise price of C$0.80 per Unit until March 20, 2028.

22. Share Capital (continued)

(e) Warrants (continued)

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

	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	$1.60	13,469,051	$3.36	4,360,480
Issued	$1.20	7,752,150	$0.80	10,575,671
Exercised	$0.61	(4,038,500)	$0.54	(1,467,100)
Expired(i)	$2.91	(2,268,630)		
Outstanding at 30 June	**$1.50**	**14,914,071**	**$1.60**	**13,469,051**

(i) Warrants expiring on September 2, 2024, consisted of 1,994,100 traded warrants and 18,515 compensation warrants both from the September 2021 Marketed Offer and 187,500 non traded warrants, and 5,760 Finders warrants both from the September 2021 Private Placement. Warrants expiring on 30 November 2024, consisted of 62,755 compensation warrants from the November 2022 Bought Deal Offer.

23. Reserves

	2025 A$	2024 A$
Share-based payment reserve	**5,791,502**	4,392,666
Warrants reserve	**1,275,946**	1,053,011
	7,067,448	5,445,677

(a) Movements in reserves

	Share-Based Payment A$	Warrants A$	Total A$
At 30 June 2023	3,428,037	610,133	4,038,170
Stock option plan expense	317,205	-	317,205
RSUs expense	647,424	-	647,424
Warrants issued	-	442,878	442,878
At 30 June 2024	4,392,666	1,053,011	5,445,677
Stock option plan expense	354,526	-	354,526
RSUs expense	1,044,310	-	1,044,310
Warrants issued	-	222,935	222,935
At 30 June 2025	**5,791,502**	**1,275,946**	**7,067,448**

(b) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise:
- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of deferred shares granted to employees but not yet vested.

23. Reserves (continued)

(b) Nature and purpose of reserves (continued)

Warrants reserve

Warrants and broker warrants fair values are determined according to the quoted prices and number of warrants at the date of issue.

24. 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 2024		**43,928,522**	**924,234**	**3,468,432**	**-**	**1,053,011**	**2,974,796**
Shares issued – ATM	*(i)*	921,487	-	-	-	-	-
Shares issued – Bought Deal	*(ii)*	3,680,500				222,935	2,722,689
Transaction costs issued shares	*(iii)*	(894,436)	-	-	-	-	(425,739)
Stock options exercised	*(iv)*	296,600	-	-	-	-	-
Stock options vested/(forfeited)	*(v)*	-	354,526	-	-	-	-
RSU and PSU exercised	*(vi)*	-	-	-	-	-	-
RSU and PSU vested/(forfeited)	*(vii)*	-	-	1,044,310	-	-	-
Warrants Exercised	*(viii)*	2,453,037					
Warrant Premium	*(ix)*	863,160					(863,160)
FV adjustment of warrants	*(x)*	-	-	-	-	-	821,174
Transaction costs amortised	*(xi)*	-	-	-	-	-	307,549
At 30 June 2025		**51,248,870**	**1,278,760**	**4,512,742**	**-**	**1,275,946**	**5,537,309**

(i) ATM Facility funds raised - see note 22(a)(*iv)*
(ii) Funds raised from Bought Deal – see note 22(a)(v)
(iii) Transaction costs incurred as part of establishing both the ATM facility in note (*i*) and the Bought Deal in note *(ii).* Including the cost of 507,150 broker warrants issued, see note 24(g) for fair value measurement
(iv) Shares issued upon the exercise of options allocated under the Stock Option Plan detailed in note 24(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 24(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) Shares issued upon the exercise of warrants issued as part of the May 2024 Marketed Offering – see (*ii*) above.
(ix) Premium of share price at exercise over exercise price relating to shares issued in (*viii*) above.
(x) Fair value adjustment of the warrant liability outstanding due to the loss in value of the underlying share price.
(xi) Transaction costs associated with the issue of warrants are amortised over the life of the warrant.

24. 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. 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.

(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 over a 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.

24. Share-based payments (continued)

(d) Reconciliation of outstanding share options

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

Grant date	Expiry date	Exercise price	30 June 2025	30 June 2024
6 November 2018	4 November 2025	$0.36	367,245	2,222,654
18 February 2019	16 February 2026	$0.61	-	220,000
15 March 2019	13 March 2026	$0.61	75,000	75,000
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	85,000
23 December 2020	22 December 2027	$0.82	480,238	518,694
12 March 2021	10 March 2028	$0.94	29,348	29,348
1 July 2023	30 June 2026	C$1.90	100,000	100,000
1 February 2024	1 February 2028	C$1.74	1,400,000	1,400,000
Total			**3,035,483**	**5,149,348**

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

	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	$0.91	5,149,348	$0.50	4,221,233
Granted	-	-	$1.97	1,500,000
Exercised	$0.36	(819,295)	$0.60	(375,000)
Lapsed	$0.42	(328,666)	$0.93	(151,125)
Forfeited	$0.42	(965,904)	$0.82	(45,760)
Outstanding at 30 June	**$1.26**	**3,035,483**	**$0.91**	**5,149,348**
Exercisable at 30 June	**$0.95**	**2,097,483**	**$0.51**	**3,749,348**

24. Share-based payments (continued)

(e) Reconciliation of outstanding broker warrants

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

Issue date	Expiry date	Exercise price	30 June 2025	30 June 2024
2 September 2021	2 September 2024	C$2.05	-	16,180
2 September 2021	2 September 2024	C$2.14	-	5,760
9 November 2021	2 September 2024	C$2.60	-	2,335
30 November 2022	30 November 2024	C$2.75	-	62,755
16 August 2023	16 August 2026	C$1.95	121,765	121,765
14 June 2024	7 May 2028	C$0.55	579,600	579,600
20 March 2025	20 March 2028	C$0.80	507,150	
Total			**1,208,515**	**788,395**

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

	2025 WAEP	2025 Number	2024 WAEP	2024 Number
Outstanding at 1 July	$1.04	788,395	$2.93	87,030
Issued	$0.88	507,150	$0.67	1,280,965
Exercised	-	-	$0.46	(579,600)
Expired	$2.89	(87,030)		
Outstanding at 30 June	**$0.86**	**1,208,515**	**$1.04**	**788,395**

Further details in respect of broker warrants held at reporting date are provided in note 22(e).

24. 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 year, have the following expiry dates:

Grant date	Expiry date	Plan Type	30 June 2025	30 June 2024
20 October 2021 (i)	20 October 2026	RSU	10,532	10,532
14 September 2022 (ii)	14 September 2027	RSU	61,390	105,240
14 September 2022 (iii)	14 October 2027	RSU	17,540	-
20 September 2022	20 September 2027	RSU	106,027	106,027
14 October 2022	14 October 2027	RSU	4,984	4,984
20 October 2022	20 October 2027	RSU	65,737	80,121
21 October 2022	21 October 2027	RSU	6,984	6,984
13 July 2023	13 July 2028	RSU	57,098	114,196
22 January 2024	22 January 2028	RSU	384,456	502,076
12 February 2024	12 February 2028	RSU	39,021	39,021
12 February 2024	12 February 2026	RSU	161,225	161,225
7 October 2024	7 October 2027	RSU	388,830	-
14 March 2025	14 March 2027	RSU	111,789	-
14 March 2025	14 March 2029	RSU	1,459,284	-
Total			**2,874,897**	**1,130,406**

(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.

(iii) The expiry dates for 17,540 RSUs granted on 14 September 2022, with an original expiry date of 14 September 2027 were accelerated to 14 October 2025.

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

	2025 WASP (iv)	2025 Number	2024 WASP (iv)	2024 Number
RSUs				
Outstanding at 1 July	$2.28	1,130,406	$4.35	954,458
Granted	$0.84	2,002,137	$0.74	1,517,025
Exercised	$2.50	(119,528)	$3.92	(321,469)
Expired or forfeited	$1.43	(138,118)	$2.59	(1,019,608)
Outstanding at 30 June	**$1.31**	**2,874,897**	**$2.28**	**1,130,406**
Exercisable at 30 June	**$2.49**	**514,737**	**$3.40**	**147,718**

(iv) Further details of fair value measurement are included in note 24(h).

24. Share-based payments (continued)

(g) Fair values of options and warrants granted

The assessed fair value of options granted during the year ended 30 June 2025 was nil (2024: $900,937). The assessed fair value of warrants issued during the year ended 30 June 2025 was $222,935 (2024: $442,878).

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 years ended 30 June 2025 and 2024 were calculated using the exercise price, grant date and expiry date as per above with the following weighted average assumptions:

	Options	
On initial recognition	**30 June 2025**(i)	**30 June 2024**
Share price at grant date	-	$1.37
Expected volatility	-	55.01%
Risk-free interest rate	-	3.59%

(i) No Options were granted during the financial year ended 30 June 2025.

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 and 7 May 2024 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.
For the Compensation Warrants issued on 20 March 2025 the Black Scholes (BS) methodology has been used to determine the fair value.
The fair value of Compensation Warrants issued during the year ended 30 June 2025 and 2024, were calculated using the following assumptions:

	Compensation Warrants Issued 20 March 2025(iii)	**Compensation Warrants** Issued 16 August 2023(i)		**Compensation Warrants** Issued 7 May 2024(ii)	
Methodology	**BS**	**MCS**	**MCS**	**MCS**	**MCS**
On initial recognition		**Level 1**	**Level 2**	**Level 1**	**Level 2**
Share price at grant date	C$0.75	C$1.62	C$1.62	C$0.395	C$0.395
Exercise price	C$0.80	C$1.70	C$2.20	C$0.42	C$0.55
Term	3 years	3 years	3 years	4 years	4 years
Risk-free rate	3.75%	4.420%	4.420%	3.774%	3.774%
Dividend yield	-	-	-	-	-
Volatility (rounded)	81%	75%	75%	75%	75%

24. Share-based payments (continued)

(g) Fair values of options and warrants granted (continued)

(i) 121,765 broker warrants were issued on 16 August 2023 in respect of the Marketed Offering completed, as detailed in Note 22(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.

(ii) 579,600 broker warrants were issued on 7 May 2024 in respect of the Marketed Offering completed, as detailed in Note 22(a)(ii). 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.

(iii) 507,150 broker warrants were issued on 20 March 2025 in respect of the Bought Deal Offering completed as detailed in Note 22(a)(v)

(h) Fair values of RSUs and PSUs granted

The assessed fair value of RSUs granted during the year ended 30 June 2025 was $1,680,226 (2024: $2,326,433) and is based on the Company's share price on the date of grant. No PSUs were issued during the year ended 30 June 2025 and 2024.

The RSUs vest in one to three tranches with vesting conditions based on time over a one to three-year period. The PSUs vest in one to 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 years ended 30 June 2025 and 2024, were calculated at the grant date based on the following weighted average assumptions:

	RSUs		**PSUs**	
On initial recognition	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2025**
Share price at grant date	$0.67 - $0.88 (i)	$1.41 - $2.25 (ii)	-	-

(i) The fair value of RSUs granted during the year ended 30 June 2025, was based on the share price on 14 March 2025, and 7 October 2025 in accordance with employment agreement terms and the Share Incentive Plan.
(ii) The fair value of RSUs granted during the year ended 30 June 2024, was based on the share price on 28 April 2023, 5 May 2023, 13 July 2023, 22 January 2024 and 12 February 2024 in accordance with employment agreement terms and the Share Incentive Plan.

(i) Share-based payments accounting policy

Share-based compensation benefits are provided to employees via a stock option plan and the Share Incentive Plan. Shares and warrants may be provided to service providers as share based payments.

24. Share-based payments (continued)

(i) Share-based payments accounting policy (continued)

Options and warrants

The fair value of options granted under the stock option plan, and warrants issued, is recognised as a share based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted and warrants issued:

- 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, where applicable. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where warrants are issued without vesting conditions attached, the total expense is recognised upon issue.

Restricted share units ("RSUs") and performance share units ("PSUs")

The Company grants to directors, executive officers, employees and consultants, RSUs and PSUs in such numbers and for such terms as determined by the board. RSUs and PSUs granted under the Company's Share Incentive Plan, are exercisable into common shares for no additional consideration, after the vesting conditions specified within the terms of each participants' agreement are met.

RSUs are measured at fair value on the date of grant and the corresponding share-based payment is recognised in profit or loss, over the vesting period, as applicable.

In addition to service conditions, RSUs and PSUs may have performance-based vesting conditions. Market conditions, such as a target share price upon which vesting is conditioned, is included in the fair value assessment of the share-based payment at grant date.

Vesting conditions, other than market conditions, are included in the measurement of the transaction amount by adjusting the number of equity instruments included, so that ultimately, the cumulative value of the share-based payment shall be based on the number of equity instruments that eventually vest.

Shares

The fair value of shares issued as share-based compensation for goods or services rendered, is measured based on the value of those goods or services provided, expensed at the time of share issue. No share based payments were granted during the year ended 30 June 2025. For the year ended 30 June 2024, share based payments settled via the issuance of shares during the year included shares issued for the purchase of IP, Trademark and sole distribution rights for THERMAL-XR®. (refer note 22).

25. Financial 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. No financial assets and financial liabilities have been offset and presented in the balance sheet. The Company has derivative financial liabilities that are recorded at fair value through profit and loss ("**FVTPL**"). The remaining categories of financial assets and financial liabilities are reported at amortised cost:

25. Financial risk management (continued)

	2025 A$	2024 A$
Financial assets		
Cash and cash equivalents	**7,708,021**	3,982,205
Financial assets at amortised cost		
Trade and other receivables	**116,974**	133,664
Research and development grants receivables	**1,997,992**	2,847,866
	2,114,966	2,981,530
	9,822,987	6,963,735
Financial liabilities		
Liabilities at amortised cost		
Trade and other payables	**(720,343)**	(242,861)
Lease liabilities	**(773,993)**	(1,226,449)
	(1,494,336)	(1,469,310)
Liabilities at FVTPL [(i)]		
Traded warrants	**(396,983)**	(211,051)
Non-traded warrants	**(6,069,266)**	(3,574,495)
	(6,466,249)	(3,785,546)

(i) The fair value of traded and non-traded warrants is measured on the basis described in note 19.

The activities undertaken by the Company do not expose it to any material credit, liquidity or market risk.

Risk	Exposure arising from	Measurement	Management
Market risk – interest rate	No sensitivity analysis has been conducted on the basis that the only financial instrument held by the Company that would be impacted by a change in interest rates is cash, and a+/-1% change would result in an immaterial impact on the loss for the year.	Not applicable	Cash held by reputable bank.
Credit risk	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.	Not applicable	No collateral is held as security and no credit enhancements relate to financial assets held by the Company.
Liquidity risk	The fair value of payables is assumed to approximate the value of the original transaction.	Fair value	Not applicable

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Company's policy to require customers to make payment in advance for goods and services supplied unless otherwise agreed in writing. Credit financing facilities are available through third party providers which minimises credit risk associated with customers seeking credit-based arrangements. All sales contracts are assessed locally to determine the credit worthiness of the customer before entering contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted. The Company's cash and deposits are primarily held with the Commonwealth Bank which meet the minimum rating requirement.

25. Financial risk management (continued)

Impairment

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table details the remaining contractual maturity for non-derivative financial liabilities.

	Within 1 Year	Between 1 - 5 years	More than 5 years	Total Contractual Cash Flows	Carrying Amount
30 June 2025	$	$	$	$	$
Trade and other payables	1,133,323	-	-	1,133,323	1,133,323
Lease liabilities	398,601	439,340	-	837,941	773,993
30 June 2024					
Trade and other payables	1,865,739	-	-	1,865,739	1,865,739
Lease liabilities	534,462	829,928	-	1,364,390	1,226,449

26. Key management personnel disclosures

(a) Directors' and executive officers' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company, and other key management personnel of the Company are:

In Australian dollars (A$)		Short term		Post-employment		Share-based payments		Portion performance
		Salary & fees (i)	**Total**	**Superannuation (ii)**	**Other long term (i)**	**Options and RSUs(iii)**	**TOTAL**	**related**
Directors								
Non-executive directors								
Andrew Small	**2025**	**55,218**	**55,218**	**8,433**	-	**47,885**	**111,537**	-
	2024	50,417	50,417	3,553	-	24,384	78,354	-
Robert Galyen	**2025**	**55,000**	**55,000**	-	-	**230,338**	**285,338**	-
	2024	55,000	55,000	-	-	121,110	176,110	-
John Perkowski, Chairperson	**2025**	**96,667**	**96,667**	-	-	**260,443**	**357,110**	-
	2024	87,500	87,500	-	-	135,518	223,018	-
Sub-total non-executive directors' remuneration	**2025**	**206,885**	**206,885**	**8,433**	**-**	**538,666**	**753,984**	**-**
	2024	319,168	319,168	3,553	-	302,664	625,385	-
Executive directors								
Craig Nicol, Founder, Managing Director & CEO	**2025**	**311,200**	**311,200**	**35,650**	**7,928**	**153,723**	**508,501**	**-**
	2024	311,200	311,200	33,444	46,471	157,237	548,352	-
Total directors' and executives' remuneration	**2025**	**518,085**	**518,085**	**44,083**	**7,928**	**692,389**	**1,262,485**	**-**
	2024	653,801	653,801	39,564	48,266	472,458	1,214,089	-

(i) In accordance with IAS 19 *Employee Benefits*, annual leave provision is classified as an other long term employee benefit.
(ii) Superannuation is only applicable for the period in which the directors and non-executive directors are paid as employees, rather than in a consulting capacity.
(iii) The fair value of the options is calculated at the date of grant using the Black Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

27. Related parties

	2025	2024
	A$	A$
(a) Key management personnel compensation		
Short-term employee benefits	**518,085**	653,801
Post-employment benefits	**44,083**	39,564
Other long-term benefits	**7,928**	48,266
Share-based payments	**692,389**	472,458
Total key management personnel compensation	**1,262,485**	1,214,089

Details of the key management personnel compensation is included in note 26(a).

On 14 March 2025, the Company granted 174,570 RSUs to Craig Nicol which vest evenly over three years from the grant date.

On 14 March 2025, the Company granted 53,032 RSUs to John Perkowski, 27,784 RSUs to Robert Galyen and 30,973 RSUs to Andrew Small, which vest in one year from the grant date.

There were no loans to key management personnel and their related parties for the reporting years ended 30 June 2025 and 30 June 2024. Transactions with key management personnel and their related parties for the reporting years ended 30 June 2025 and 30 June 2024, are disclosed in note 27(b).

	2025	2024
	A$	A$
(b) Transactions with other related parties		
The following transactions occurred with related parties:		
Purchase of services		
Share issue costs paid to director as a share-based payment	**-**	-
Consulting services	**20,385**	85,826
Amounts owing to related parties at 30 June		
Galyen Energy, LLC	**59,108**	38,723

Robert Galyen is a director and shareholder of Galyen Energy, LLC which provided battery consulting services of $20,385 in the year ended 30 June 2025. Total amount owing as at 30 June 2025 to Galyen Energy LLC includes amount owed as at 30 June 2024.

Compensation in the form of directors' fees for all non-executive directors are paid either directly to the directors, or their director-related entities, as disclosed in note 26(a).

(c) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

28. Reconciliation of cash flows from operating activities

	2025 A$	2024 A$
Loss for the year	**(8,573,661)**	(7,400,878)
Adjustments for:		
Depreciation and amortisation	**1,826,907**	1,977,430
Share-based payments – share plan	**1,398,836**	964,629
Non-cash expenses transferred from Capital Work in Progress	**208,820**	-
Transaction costs – amortisation	**307,549**	182,863
Loss on disposal of property, plant and equipment	**47,067**	30,045
Net finance costs	**(46,330)**	164,820
Non-cash insurance expenses	**-**	184,932
Change in fair value of warrants	**821,174**	(1,550,058)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	**(618,435)**	(191,623)
Increase in contract assets	**-**	14,728
Decrease in inventories	**(213,599)**	(131,691)
Increase/(decrease) in other current assets	**260,195**	(215,403)
Decrease in trade and other payables	**749,137**	1,194,653
Decrease/(increase) in provisions and employee benefits liabilities	**66,329**	(3,568)
Increase in contract liabilities	**(15,181)**	(104,900)
Net interest paid	**(48,361)**	(104,460)
Net cash outflow from operating activities	**(3,829,553)**	(4,988,481)

(a) Non-cash investing and financing activities

Share-based payments charged to share issue costs:		
Warrants issued	**222,935**	442,878
Share plan expense	**-**	-
	222,935	442,878

(b) Cash and non-cash movements in liabilities arising from financing activities

		Non-Cash		Cash	
	Opening balance A$	**Additions A$**	**Other adjustments A$**	**Lease payments A$**	**Closing balance A$**
Borrowings					
Lease liabilities					
At 30 June 2024	1,305,603	324,887	-	(404,041)	1,226,449
At 30 June 2025	**1,226,449**	**-**	**5,767**	**(458,224)**	**773,992**

		Non-Cash		Cash	
	Opening balance A$	**Fair Value Adjustment A$**	**Premium booked on exercise A$**	**Proceeds from Issue A$**	**Closing balance A$**
Warrant Liability					
At 30 June 2024	3,035,752	(1,550,058)	(74,450)	2,374,302	3,785,546
At 30 June 2025	**3,785,546**	**821,174**	**(863,160)**	**2,722,689**	**6,466,249**

29. Commitments

(a) Leases accounting policy

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

29. Commitments (continued)

(a) Leases accounting policy (continued)

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise. Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The inclusion of leases within this election, is reassessed at each reporting date according to the current terms of the leases and taking into consideration the reasonable certainty of any assumptions which form part of that assessment.

30. Contingencies

The Company had no contingent liabilities as at 30 June 2025.

31. Auditors' remuneration

The auditor of Graphene Manufacturing Group Ltd is BDO Audit Pty Ltd.

	2025 **A$**	2024 A$
Audit and review of financial statements – current year (i)	**179,225**	169,829
Audit and review of financial statements – prior years (ii)	**2,412**	13,538
Other assurance services – current year (iii)	**23,435**	58,814
Other assurance services – prior years (iv)	**3,484**	1,000
	208,556	243,181

(i) Audit and review services in the year ended 30 June 2025 increased compared to the prior year ended 30 June 2024.
(ii) Additional audit and review in respect of prior years ended 30 June 2024.
(iii) Other assurance services consisted of reviews of additional reports produced by the Company for capital raising activities, including the Base Shelf and Short Form Prospectus.
(iv) Additional assurance services in respect of prior years ended 30 June 2024.

32. Subsequent events

On 11 July 2025, the Company announced that it entered into an equity distribution agreement (the "Distribution Agreement") with Cantor Fitzgerald Canada Corporation (the "Agent"). Pursuant to the Distribution Agreement, the Company will be entitled, at its discretion and from time-to-time during the term of the Distribution Agreement, to sell, through the Agent, such number of ordinary shares of the Company that would result in aggregate gross proceeds to the Company of up to C$20 million.

On 4 September 2025, GMG announced that it completed its previously announced bought deal offering of 7,666,667 units at a price of $0.90 per unit for aggregate gross proceeds of C$6,900,000, which includes the exercise in full of the underwriter's over-allotment option for 1,000,000 units.

33. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise stated.

(a) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to nor recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.
- When receivables and payables are stated with the amount of GST included.

33. Material accounting policies (continued)

(b) Goods and Services Tax (GST) (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Graphene Manufacturing Group Ltd

Opinion

We have audited the consolidated financial statements of

Graphene Manufacturing Group Ltd (the "Company"), which comprise the consolidated statement of financial position as at 30 June 2025 and 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 30 June 2025 and 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations (collectively IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the consolidated financial statements, which indicates that the Company incurred a net loss of $8,573,660 during the year ended June 30, 2025. As stated in Note 2(a), these events and/or conditions indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Warrants and Derivative Liabilities

Key audit matter	How the matter was addressed in our audit
The Company has issued numerous tranches of warrant units in previous and current periods which are denominated in CAD. Refer to note 19 and note 22(e) for more details. As the warrants are denominated in a currency different to the Company's functional and presentation currency, they fail the fixed for fixed test, in that a variable number of shares are to be issued. Therefore, the warrants are a complex financial instrument, including the recognition of a derivative liability recognised at fair value through profit or loss ("FVTPL"). This valuation is complex and incorporates the use of assumptions, and therefore required significant audit attention.	Our audit procedures included, but were not limited to, the following: • Obtained the warrant agreements to identify key issues and exercise terms; • Obtained management's calculation of the total instrument values, including the derivative liability valuation at FVTPL and the residual balance held in equity; • Recalculated the fair value of the derivative liabilities on initial recognition, and the fair value movement at year-end; and • Reviewed disclosures within the consolidated financial statements relating to these instruments.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian Generally Accepted Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of theses consolidated financial statements.

As part of an audit in accordance with the Canadian Generally Accepted Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Nigel Batters.

BDO Audit Pty Ltd

/s/ Nigel Batters

N I Batters
Director

Brisbane, 30 September 2025