Graphene Manufacturing Group

Management's Discussion and Analysis
For the years ended June 30, 2025 and 2024
(in Australian dollars)

This Management's discussion and analysis ("MD&A") provides a review of Graphene Manufacturing Group Ltd's ("GMG" or the "Company") operations, performance and financial position for the years ended June 30, 2025 and 2024. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended June 30, 2025 and 2024. The purpose of this document is to provide information on GMG's activities. The information contained herein is dated as of September 30, 2025.

Further information about GMG, including the Company's Annual Information Form ("AIF") expected to be dated on or around October 17, 2025, that does not form part of, nor is incorporated within this MD&A, is available on GMG's website and on SEDAR+ (www.sedarplus.ca) (the official site of the Canadian Securities Administrators, which is publicly available), including all news releases.

The period from April 1, 2025 to June 30, 2025 has been referred to as Q4FY25 and the period from April 1, 2024 to June 30, 2024 has been referred to as Q4FY24. The financial year ended June 30, 2025 has been referred to as FY25 and the financial year ended June 30, 2024 has been referred to as FY24. The period from July 1, 2025 to September 30, 2025 has been referred to as Q1FY26. The period from October 1, 2025 to December 31, 2025 has been referred to as Q2FY26.

The financial statements of GMG and extracts of those financial statements provided in this MD&A have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards" or "IFRS"). The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements from period to period, including the comparative figures. In FY25, the Company adopted certain IFRS amendments effective January 1, 2024, and is currently assessing future amendments from 2026 and onwards. None of the IFRS amendments adopted by the Company had any material impact on the financial reporting of the Company during the reporting period for FY25. Please see the "Future Changes in Accounting Policies" section for further details. References to the symbol AUD or $ or A$ means the Australian dollar, the official currency of Australia. References to the symbol CAD or C$ mean the Canadian dollar. References to "K" indicate thousands. Except as otherwise set out herein, all amounts expressed herein are in Australian dollars, the functional and presentation currency of the Company. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section which follows.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward looking statements" that reflect the Company's expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified using words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", and "objective" and similar expressions or variations of such words. The forward-looking statements contained in this MD&A include, without limitation, statements regarding the Company's ongoing research and development of its products including the G+AI Battery pouch cell, the Company's commercialisation strategy of G®LUBRICANT, the G+AI Batteries and GMG's other products, GMG's belief that THERMAL-XR® ENHANCE has potential in the HVAC aftermarket, the acceleration of the BTRL of the Company's Graphene Aluminium-Ion technology, ongoing testing of SUPA G® with various battery companies and the results of such testings, the ability of the Company to continue as a going concern, the potential approval of the PMN application and associated timelines, the G®LUBRICANT patent application, the use and application of SUPA G® and G®LUBRICANT products and the Company's expectations regarding its potential performance and effects of such products, the intended use of proceeds from the March 2025 Offering and August 2025 Offering, the Company's four critical business objectives, the expectation of ongoing improvement of graphene quality from the Company's graphene production process, the work undertaken by the Company towards bolstering production capacity, the construction of the Gen 2.0 Plant, expected production enhancements including increase production capacity as a result of the construction of the Gen 2.0 Plant, and construction plans of the Gen 2.0 Plant, the Company's plan to pursue large scale commercial production, and GMG's belief that focusing on developing and strengthening its product value chain partnerships will de-risk and accelerate GMG's energy savings and G+AI Battery technology success, the amount of proceeds that may be raised by the exercise of the warrants and options of the Company, the Company's expectations regarding its qualification for the Australian research and development tax incentive regime, the Company's expectation regarding its ability to maintain sufficient liquidity to fund its working capital, manage cash resources and future financings through the base shelf prospectus. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, or that estimates, or projections will be sustained.

In developing the forward-looking statements in the MD&A, the Company has applied several material assumptions, including, without limitation, assumptions that the Company will proceed with its current product research and development and commercialisation strategy as anticipated, that THERMAL-XR® ENHANCE will have potential in the HVAC aftermarket and the potential and application of the Company's other products, including SUPA G® and G®LUBRICANT, that the BTRL of the Company's Graphene Aluminium-Ion technology will advance in 2025 as anticipated, that the Company will continue as a going concern, that the PMN application will be approved on the projected timelines, that the G®LUBRICANT patent will be approved, that the Company will commence large scale commercial production, that the testing of SUPA G® will yield favourable results, that the use of proceeds from the March 2025 Offering and August 2025 Offering will be substantially the same as those disclosed, proceeds raised by exercise of the warrants and options will be in line with forecasts, the Company's qualifications under the Australian research and development tax incentive regime, that the Company will continue to focus on its four critical business objectives as anticipated, that there will be ongoing improvement of graphene quality from the Company's graphene production process, that the Gen 2.0 Plant will be constructed as planned, that the Gen 2.0 Plant will deliver the expected production enhancements, that focusing on developing and strengthening its product value chain partnerships will de-risk and accelerate the Company's energy savings and G+AI Battery technology success, and the availability of financing on reasonable terms, the Company's ability to maintain sufficient liquidity, manage its cash resources and obtain future financings and general business and economic conditions.

Many risks, uncertainties and other factors could cause the actual results of GMG to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to the following: that the Company will not proceed with its current commercialisation strategy as anticipated, that THERMAL-XR® ENHANCE will not have potential in the HVAC aftermarket, that the PMN application and G®LUBRICANT patent will not be approved, that the potential and performance of the Company's products, including SUPA G® and G®LUBRICANT, will be different than expected, that the Company will not continue to focus on its four critical business objectives as anticipated, that there will not be ongoing improvement of graphene quality from the Company's graphene production process, that the BTRL of the Company's Graphene Aluminium-Ion technology will not advance in 2025 as expected, that the Company will not construct the Gen2.0 Plant as planned, that the Gen 2.0 Plant will not deliver production gains as anticipated, that the Company will not commence large scale commercial production as planned, that the testing of SUPA G® will not lead to favourable results and/or generate any sales, that focusing on developing and strengthening its product value chain partnerships will not de-risk and accelerate the Company's energy savings and G+AI Battery technology success, inability of the Company to obtain future research and development tax incentives, that the use of proceeds from the March 2025 Offering and August 2025 Offering will be different than disclosed, inability to obtain future financing or raise capital from the exercise of warrants or options, insufficient liquidity or significant negative impacts to the Company's cash flow, overall economic conditions and growth or contraction of global markets in which the Company operates, technical de-risking and market acceptance for GMG's products and solutions, negative cash flow of the Company, stock market volatility, failure to commercialist products, the Company's graphene-enhanced products and solutions not achieving the expected performance benefits which could negatively impact adoption by prospective customers, the Company's ability to produce graphene or graphene-enhanced products may not be in sufficient volumes to meet customer demand, or it may take longer than expected to achieve those rates, the Company's ability to carry out current planned manufacturing, production, and sales and marketing programs for its graphene and graphene-enhanced products and solutions with its current financial resources, the introduction of competing technologies/products, environmental and regulation requirements, competitive pressures, change in market conditions and other factors that may cause the actual results, performance or achievements to differ materially from those expressed or implied in these forward-looking statements.

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

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BUSINESS OVERVIEW

Company Brief

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

GMG is listed on the TSX Venture Exchange ("**TSX-V**") under the ticker "GMG" and is quoted on the Frankfurt Stock Exchange under the trading symbol "0GF". On 27 February 2024, GMG began trading on the OTCQX® market under the symbol "GMGMF". GMG qualified to trade on the OTCQX® Best Market, having been upgraded from the Pink® market. This upgrade provides increased transparency in trading for GMG's U.S. investors through its higher levels of reporting and governance. Certain warrants to purchase common shares of GMG trade on the TSX-V under the ticker "GMG.WT.A".

GMG Graphene

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

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

Energy Savings

Within energy savings, GMG has focused on THERMAL-XR®, a graphene enhanced coating platform that enhances heat transfer and corrosion protection. Initial commercial applications are in the heating, ventilation, air conditioning and refrigeration ("HVAC-R") sector. Other industry sector applications are being pursued. GMG recently successfully patented THERMAL-XR® ENHANCE in Australia for 20 years and is progressing the patent in numerous other countries.

G®LUBRICANT, a graphene enhanced lubricant additive that seeks to reduce fuel consumption and carbon emissions by reducing internal friction in engines is also being demonstrated. After many years of performance testing G®LUBRICANT, the Company has produced University of Queensland ("**UQ**") verified results showing increases in fuel efficiency of up to 8.4% in a diesel engine. The Company has also produced results using the same testing equipment, systems and processes showing a 10% increase in energy efficiency and a 33% reduction in exhaust particulate matter emissions from a diesel engine. On the back of those encouraging results, GMG has commenced both website sales and direct sales to end customers in a number of countries around the world, including Australia, the United Kingdom, Europe, China, Canada and the United States. The patent application for G®LUBRICANT is progressing through to country level – where GMG is currently applying in 20 countries for the in-country patent.

Since the recent Australian Government approval for GMG to produce and sell THERMAL-XR® at scale in early 2023, the Company is driving sales activities and is in the process of bolstering related production capacity. Additionally, the Company has identified a number of markets outside the HVAC-R segment, where it also sees expanded opportunities for application of the THERMAL-XR® platform – most notably the electronics sector.

Energy Storage

GMG and UQ are working to progress further research and development ("**R&D**") and commercialisation of graphene aluminium-ion batteries ("**Graphene Aluminium-Ion Batteries**" or "**G+AI Batteries**"). Additionally, since May 2023 GMG and Rio Tinto have been working together under a Joint Development Agreement with the goal of accelerating the development and application of GMG's Graphene Aluminium-Ion batteries for use in the mining and minerals industry (refer to page 13 for further details). The funding component of the Joint Development Agreement was set at A$6 million over a two-year period, while the remaining provisions of the Joint Development Agreement are still valid and in effect. The Company is currently optimising the battery and is pleased overall with its progress and its growing ability to develop and manufacture battery prototypes in-house. During the year the Company signed a service contract with the Battery Innovation Center of Indiana ("**BIC**") in the United States of America to support the next phase of development of the Graphene Aluminium-Ion Battery. BIC is a collaborative initiative designed to incorporate leadership from renowned universities, government agencies, and commercial enterprises. BIC's mission is to accelerate innovation in the field of battery technology by providing access to the entire spectrum of R&D to commercialization, including low volume production, in a single 40,000 square foot facility, located in Newberry, an hour south of Bloomington, Indiana.

As part of the Company's G+Al Battery development program it is beginning to launch its 4th product – SUPA G®. SUPA G® is a graphene slurry which has been developed by GMG over the last 3 years for GMG's own Graphene Aluminium-Ion Battery, which has unique properties of high electrical conductivity, low charge transfer resistance and high density compared to other carbon battery additives and materials used in lithium-ion batteries. SUPA G® can be used as a cathode additive (1%) and has the potential to be used as an anode alternative to Graphite (which is largely export controlled from China) after further development work.

Corporate and Governance

As at June 30, 2025, GMG had a cash position of $7,708K and no debt other than lease liabilities. The net loss for the year was $8,574K, including the change in fair value of warrants. As outlined in more detail below, the adjustments included in net results, required by IFRS to account for certain warrants on issuance, are a non-cash item and largely result from movements in GMG's share price during the period.

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

For Q4FY25, GMG had an adjusted loss of $987K. Please note that adjusted loss is not a standardized IFRS financial measure under the financial reporting framework used to prepare GMG's financial statements and might not be comparable to similar financial measures disclosed by other issuers. Refer to page 18 for details for non-IFRS adjustments.

GMG is a founding member of the Australian Advanced Material and Battery Council ("**AMBC**") that was officially launched at Queensland Parliament House in October 2022. Craig Nicol, GMG's CEO and Managing Director, is the council's Chair.

On November 19, 2024 GMG announced that the Singapore Green Building Council has approved THERMAL-XR® to be certified as a Singapore Green Building Product (SGBP) under the category of Mechanical – ACMV – Coil Coating. It is the first thermal air conditioning coating to be approved as a SGBP.

On February 25, 2025 GMG announced the results of the multi-year performance testing of G®LUBRICANT, a transformative graphene liquid concentrate additive designed to enhance the performance of diesel and gasoline (petrol) engines. This product has the potential to reshape the future of the global liquid fuels industry and offers an innovative solution that optimizes efficiency and power for stationary or mobile engines. GMG submitted a patent application on the G®LUBRICANT product as soon as it was possible, and this is progressing through the usual process to be approved for the main target markets.

On March 3, 2025 GMG provided a progress update on the Graphene Aluminium-Ion Battery and announced that it had signed a service contract with the BIC in the United States of America to support the next phase of development of the Graphene Aluminium-Ion Battery. By collaborating with BIC, GMG can take advantage of BIC's technological capabilities and manufacturing facilities and avoid the capital cost of building a pilot plant, that can cost more than A$10 million dollars, to produce sample cells in advance of mass production. Under its service agreement with BIC, GMG will pay for services rendered and retain all intellectual property of the development work. The service agreement with BIC will enable GMG to optimize BIC's cell design and battery manufacturing equipment during its scale up of battery production, thereby delaying capital expenditures for manufacturing capacity until battery development is further derisked.

On March 13, 2025 GMG announced that GMG, C&W Services Singapore and ACMES Aircon & Electrical Engineering Pte Ltd., GMG's Singapore Thermal-XR distributor, have successfully completed energy savings case studies with a Singapore bank. The energy savings was seen on average between 10% to 20%. Following the successful case study, the bank is now exploring the potential to scale the application of Thermal-XR Enhance across more branches.

On March 21, 2025 GMG announced that it completed its previously announced bought deal offering of 7,245,000 units at a price of C$0.80 per unit for aggregate gross proceeds to the Company of C$5,796,000, which includes the exercise in full of the underwriters' over-allotment option for 945,000 units (the "March 2025 Offering").

On May 21, 2025 GMG announced that the board of directors of GMG had approved the investment of $900k for the early works of an expected 10 tonne per annum Gen 2.0 Graphene Manufacturing Technology plant (the "**Gen 2.0 Plant**") for an estimated $2.3 million total capital cost. The Gen 2.0 Plant will be built at the existing natural gas to graphene production plant at its manufacturing facility in Richlands, Queensland, Australia. The early works include the procurement of long lead items and commencement of engineering and design works.

On July 7, 2025 GMG announced that G®LUBRICANT has commenced both website sales and direct sales to end customers in a number of countries and regions around the world, including Australia, the United Kingdom, Europe, China, Canada and the United States.

On July 11, 2025 GMG announced that it entered into an equity distribution agreement dated July 11, 2025 (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 (the "Ordinary Shares") that would result in aggregate gross proceeds to the Company of up to C$20 million (the "Offering" or "ATM Facility").

On July 14, 2025 GMG announced that the patent for the Company's Graphene Aluminium Ion Battery has been granted in Australia and GMG is progressing its patenting process in various other countries. The University of Queensland (UQ) holds the patent, and GMG has a worldwide exclusive commercialisation license. Furthermore, GMG has signed a Collaborative Research Agreement with UQ – Australian Institute for Bioengineering and Nanotechnology (AIBN) to continue its collaboration on the Graphene Aluminium Ion Battery. UQ is also a recipient of AU$880,000 of Australian Government grant funding to further develop the Graphene Aluminium Ion Battery.

On September 4, 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 (the "**August 2025 Offering**").

Business Objectives

GMG is focused on four critical business objectives:

- **PRODUCE GRAPHENE & IMPROVE/SCALE PRODUCTION PROCESS.**
- **BUILD REVENUE FROM ENERGY SAVINGS PRODUCTS**
- **DEVELOP NEXT-GENERATION BATTERY**
- **DEVELOP SUPPLY CHAIN, PARTNER & PROJECT EXECUTION CAPABILITY**

1: Produce Graphene & Improve/Scale Production Process

GMG expects ongoing improvement of graphene quality from the GMG graphene production process, with increasing confidence of an economically sustainable path to scale. In December 2023, the Company commissioned its cutting-edge natural gas to graphene plant in its facility at Richlands, Australia providing additional graphene supply for the ongoing development of Company's G+AI Battery, as well as the Company's energy saving products.

This new plant is built in a modular fashion which can allow more production units to be installed as the sales of the Company's products grows. The Company is now working on optimising its graphene production to be able to produce graphene more efficiently and cost effectively than ever before while maintaining high levels of quality. The Company has recently announced the approval to invest in new Gen 2.0 Graphene Manufacturing Technology plant (the "Gen 2.0 Plant") which will be built at the existing facility and increase production capacity up to 10 tonne per annum. The Gen 2.0 Plant is expected to be online by end of June 2026. In addition to the increase in production capacity, the Gen 2.0 Plant is expected to deliver substantially lower costs of production and an increase in graphene quality.

2: Build Revenue from Energy Savings Products

THERMAL-XR®

THERMAL-XR® COATING SYSTEM is a unique method of improving the conductivity of corroded heat exchange surfaces and maintaining the performance of new units at peak levels. The process coats and protects heat exchange surfaces while improving and rebuilding the lost corroded thermal conductivity and increasing the heat transfer rate by leveraging the physics of GMG Graphene resulting in an efficiency improvement and a reduction in energy use.

THERMAL-XR® can also protect both RTPF coils (round tube plate fin) and MCHC coils (microchannel) from accelerated corrosion damage, thereby extending the life of the coil and reducing energy consumption.

THERMAL-XR® was awarded 'Product of the Year' during the AIRAH 2024 Awards that took place on Thursday, November 21, 2024 in Melbourne, Australia. The AIRAH Awards celebrate outstanding achievements from across Australia's HVAC&R building services industry. AIRAH, the Australian Institute of Refrigeration, Air Conditioning and Heating, is the peak body representing the HVAC&R industry in Australia. Officially incorporated by guarantee on March 29, 1920, AIRAH celebrated its Centenary anniversary in 2020.

During the year, the Singapore Green Building Council approved THERMAL-XR® to be certified as a SGBP under the category of Mechanical – ACMV – Coil Coating. It is the first thermal air conditioning coating to be approved as a SGBP. The SGBP certification scheme is one of the key standards and benchmarks for green building products in the building and construction industry. Products and materials certified by the SGBP are highly recognised under the Green Mark Scheme, Singapore's national green building rating tool administered by the Building and Construction Authority (BCA), which allows certified products to accrue points that count towards a project's Green Mark rating.

As previously announced, GMG and Nu Calgon Wholesaler, Inc. have been working with an external consultant to prepare and submit a premanufacture notice application ("**PMN**") in conjunction with its application to import and sell in the United States. The PMN application has been submitted, and approval is expected to take less than 12 months.

Following the growing market success of THERMAL-XR® for HVAC purposes the Company is increasing efforts to demonstrate heat management benefits for other applications. THERMAL-XR® sales and third-party service projects in Southeast Asia have occurred – with applications in the data centre cooling sector representing a significant opportunity as according to the International Energy Agency, which represents up to 1.3% of global electricity demand. Accordingly, the Company has commenced first discussions regarding projects with a number of data centre operators.

The Company is also in discussions with various mining, energy and gas producers in Australia, North America and Asia about the potential for application of the THERMAL-XR® platform to provide increased heat transfer and corrosion resistance for operations, including gas processing heat exchangers, notably liquefied natural gas plants.

G®LUBRICANT

G®LUBRICANT is a concentrate of GMG Graphene and lubricating oil that is designed for ENERGY SAVINGS and EMISSION SAVINGS and wear prevention. The concentrate can be added to an existing fully formulated lubricant or tailored by Graphene Manufacturing Group as an addition to the client's choice of fluid. G®LUBRICANT protects the friction surfaces and reduces the friction coefficient by forming a protective layer between metal interfaces.

Over the past four years, GMG has conducted environmentally controlled testing of G®LUBRICANT in internal combustion engines monitored and verified by UQ. GMG's test results have been corroborated by similar savings realized by customers over a number of years of field testing. G®LUBRICANT has been shown to increase fuel efficiency by up to 8.4% in a diesel engine. The amount of graphene in the final lubricant once G®LUBRICANT is mixed in is only ~ 1:10,000, with the balance of the concentrate consisting of lubricating base oil. As a result, G®LUBRICANT can be used safely in any internal combustion engine.

The patent application for G®LUBRICANT is progressing through to country level – where GMG is currently applying in 20 countries for the in-country patent.

Further Research and Development assessment is in progress.

	G®LUBRICANT
Status of R&D Project compared to the development plan	• GMG's initial round of internal diesel engine fuel testing has recently been completed and has been validated by UQ. G®LUBRICANT has been shown to increase fuel efficiency by up to 8.4% in a diesel engine. • GMG will continue to internally optimise its testing of the product on its diesel engines in varying conditions and concentrations. • GMG is in the process of preparing packaging and marketing materials for G®LUBRICANT, and expects to begin a direct marketing campaign, targeting fleet owners and initially commencing in Australia and then expanding into other markets.

Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. It is likely to involve minimal internal labour costs for the remainder of the R&D Project. • Total R&D expenditure for FY25 was \$489K, consisting predominantly of internal labour, consultants, testing and quality controls.

SUPA G®

SUPA G® is a graphene slurry which has been developed by GMG over the last 3 years for GMG's own Graphene Aluminium-Ion Battery which has unique properties of high electrical conductivity, low charge transfer resistance and high density compared to other carbon battery additives and materials used in lithium-ion batteries.

SUPA G® can be used to enhance the performance of lithium-ion batteries. This breakthrough product has the potential to reshape the future of energy storage, offering battery manufacturers an innovative solution that optimizes efficiency, power, and longevity.

Within days of launching SUPA G® the Company received several unsolicited approaches from major battery companies to test SUPA G®. The Company is now working with these companies to assist them in testing the new product.

Further Research and Development assessment is in progress.

	SUPA G®
Status of R&D Project compared to the development plan	• GMG has begun sending out samples of SUPA G® to large battery manufacturers and BIC Indiana for testing in various battery chemistries. • GMG continues to optimise the graphene slurry for its own G+Al battery and third parties.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. • Total R&D expenditure for FY25 was \$232K, consisting predominantly of internal labour, graphene, consumables, testing and quality controls.

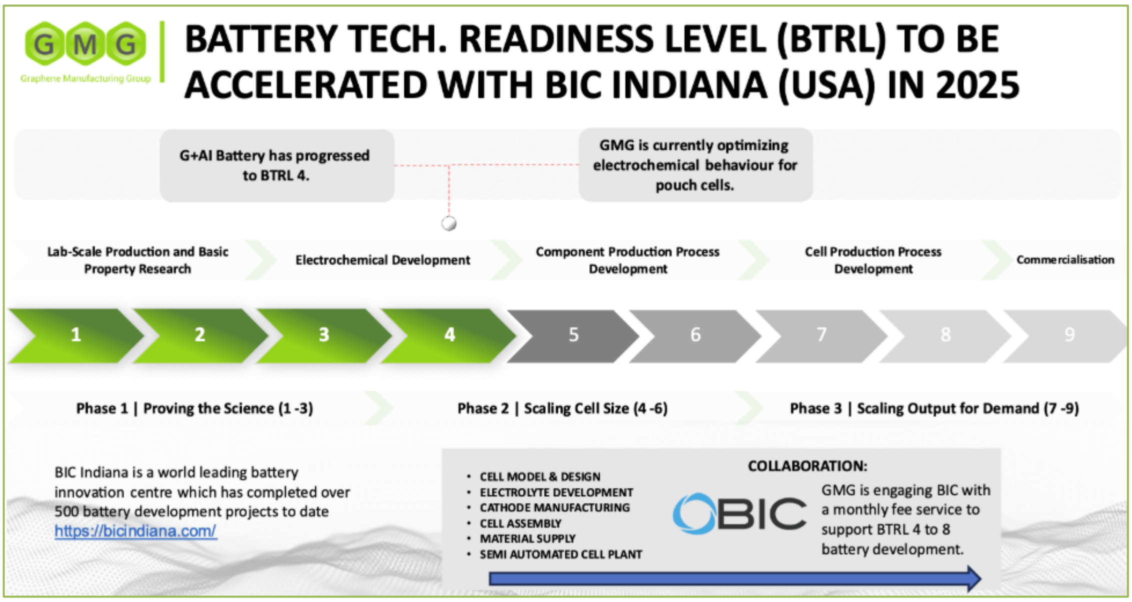
3: Develop Next-Generation Battery

The patent for the Company's Graphene Aluminium-Ion Battery was granted during the financial year in Australia and GMG is progressing its patenting process in various other countries. UQ holds the patent, and GMG has a worldwide exclusive commercialisation license.

The Company is currently optimising the G+Al Battery pouch cell electrochemistry – which is a standard battery development process step (please see "Battery Technology Readiness Level" section below). The Company has developed significant knowledge regarding the electrochemistry of the pouch cells since achieving the targeted 1 Ah cell capacity in February 2024. The challenges that the G+Al Battery are showing through this phase of its maturation are very similar to other battery chemistries that have been developed into mass production – including lithium-ion batteries.

During the year the Company signed a service contract with the Battery Innovation Center of Indiana (**"BIC"**) in the United States of America to support the next phase of development of the Graphene Aluminium-Ion Battery. BIC is a collaborative initiative designed to incorporate leadership from renowned universities, government agencies, and commercial enterprises. BIC's mission is to accelerate innovation in the field of battery technology by providing access to the entire spectrum of R&D to commercialization, including low volume production, in a single 40,000 square foot facility, located in Newberry, an hour south of Bloomington, Indiana.

The battery technology readiness level ("**BTRL**") of the Graphene Aluminium-Ion technology has progressed to Level 4 (see figure below). GMG is currently optimizing electrochemical behaviour for pouch cells via ongoing laboratory experimentation. Through collaboration with the BIC, it is anticipated that the battery technology readiness will progress to BTRL 7 and 8, since the equipment and process needed to make the Graphene Aluminium-Ion batteries is the same as those employed to make lithium-ion batteries.



Source: "The Battery Component Readiness Level (BC-RL) Framework: A technology-specific development framework", Matthew Greenwood et al

Following successful customer trials, GMG expects to pursue large scale commercial production.

Further Research and Development assessment is in progress.

	G+Al Batteries
Status of R&D Project compared to the development plan	• The G+Al Battery R&D Project remains at BTRL 4. • GMG will not progress past BTRL 4 until the electrochemistry of the pouch cell is finalized. • GMG expects to finalise the electrochemistry of its pouch cell in 2025 through R&D battery sprints and

	support from BIC Indiana prior to scaling up its cell testing and commercialisation stage.
Expenditure for the period	• GMG's internal costs will be allocated to the respective R&D Project. • Total R&D expenditure for FY25 was $1,455K, consisting predominantly of internal labour, consultants, battery development consumables, testing and quality controls and decline in assets.

Next Steps Toward Commercialisation & Market Applications

The Company is building its commercial market roadmap to prioritise a wide range of potential applications for a completed GMG Graphene Aluminium-Ion Battery. These capture its unique ultra-high power-density and nominal energy density characteristics.

A range of global companies have confidentially expressed their interest in working with GMG including in the following sectors:

- Diesel engine replacement (high load and power requirements)
- Energy storage (in front of, or behind the meter, safety)
- Personal electronics (fast charging and long life)
- Aviation (including vertical take-off and landing)
- Electric Vehicles
- Rail
- Power tools (fast charging and long life)

<u>4: Develop Supply Chain, Partners & Project Execution Capability</u>

GMG continues to focus on developing and strengthening its product value chain partnerships. The Company's ability to form long-lasting strategic partnerships is a key success factor, supporting its other production and product commercialisation Business Objectives.

GMG believes this approach will de-risk, position, and accelerate GMG's energy savings and G+AI Battery technology success.

Ongoing engagement between our current partners continued throughout the quarter. Additionally, non-disclosure agreements have been signed with several international, high profile potential customers across a wide range of industry segments to explore opportunities to collaborate, understand their application requirements and priorities for the subsequent development and commercial production of GMG's battery prototypes.

SUSTAINABILITY AND RISK

"No Harm to People or Environment" remains at the core of GMG's values. GMG also has the opportunity to "improve" through application of our energy saving products. GMG takes a holistic view of sustainability factors with a vision to enrich our environment and society. The United Nations 17

Sustainable Development Goals ("SDGs") were identified as the benchmark for goal alignment while focussing on improving performance in key areas.

GMG is committed to focus on priority SDGs where the Company can best contribute. These are currently identified as:

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

These goals form part of the sustainability improvement plan and are aligned with goals in GMG's business plan. GMG is committed to continued focus on environmentally sustainable governance practices to ensure ongoing improvement within its business activities. Through the application and use of GMG's products and services, the Company will continue to focus on its carbon footprint and carbon footprint reductions through the application of energy saving products and services with our customers.

FINANCIAL HIGHLIGHTS

Income Statement

	12 month period ended June 30		Variation	
$'000 unless otherwise stated	**2025**	**2024**	**$'000**	**%**
Revenue from operations	238	295	*(57)*	*(19%)*
Other income	4,659	5,899	*(1,240)*	*(21%)*
Employee benefit expenses	(4,163)	(6,063)	*1,900*	*(31%)*
Professional and consulting fees	(2,633)	(3,228)	*595*	*(18%)*
Depreciation and amortisation expense	(1,827)	(1,977)	*150*	*(8%)*
Travel expenses	(409)	(273)	*(136)*	*50%*
Raw material and production inputs	(178)	(264)	*86*	*(33%)*
Gain / (loss) on change in fair value of warrants	(821)	1,550	*(2,371)*	*(153%)*
Occupancy expenses	(321)	(371)	*50*	*(13%)*
Factory expenses	(179)	(477)	*298*	*(62%)*
Share based payments expense	(1,399)	(965)	*(434)*	*45%*
Other expenses	(1,391)	(1,298)	*(93)*	*7%*
Finance expenses	(150)	(230)	*80*	*(35%)*
Loss before income tax	**(8,574)**	**(7,401)**	***(1,173)***	***16%***
Income tax expense	-	-	-	-
Loss for the period	**(8,574)**	**(7,401)**	***(1,173)***	***16%***
Basic and diluted loss per share ($)	(0.0871)	(0.0865)	*(0.00)*	*1%*
Non-IFRS financial measures [(1)]				
EBITDA	(5,776)	(6,745)	*969*	*(14%)*
Adjusted loss before income tax	(7,753)	(8,951)	*1,198*	*(13%)*
Adjusted basic and diluted loss per share ($)	(0.0788)	(0.1046)	*0.03*	*(25%)*

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

Balance Sheet

$'000	Year ended June 30, 2025	Year ended June 30, 2024
Cash and cash equivalents	7,708	3,982
Trade receivables, other receivables and contract assets	117	134
Research and development grants receivable	1,998	2,848
Inventories	1,271	493
Other current assets	347	608
Property, plant and equipment	4,753	5,796
Intangible assets	1,026	1,378
Total assets	**17,220**	**15,237**
Trade payables, other payables and contract liabilities	1,139	1,887
Lease liabilities	355	459
Borrowings	-	125
Financial liabilities	5,537	2,975
Employee benefit liabilities	249	186
Provisions	6	-
Long term liabilities	1,025	1,066
Total liabilities	**8,312**	**6,697**
Total equity	**8,908**	**8,540**

Summary of Cash Flows

$'000	For the year ended June 30, 2025	2024	Variation $'000	%
Net cash used in operating activities	(3,830)	(4,988)	*1,158*	*23%*
Net cash used in investing activities	(887)	(2,705)	*1,818*	*67%*
Net cash from financing activities	8,345	7,088	*1,257*	*18%*
Net increase / (decrease) in cash and cash equivalents	**3,628**	**(605)**	*4,233*	*700%*

Summary of Historical and Quarterly Financial Information for the years ending and as at 30 June

$'000 unless otherwise stated	2025	2024	2023
Revenue and other income	4,897	6,194	3,395
Loss for the year from continuing operations	(8,574)	(7,401)	(9,324)
Basic and diluted loss per share ($)	(0.0871)	(0.0865)	(0.1155)
Total assets	17,220	15,237	15,957
Non-current financial liabilities	-	-	-
Dividends declared per share	-	-	-

IFRS

$'000 unless otherwise stated		**Revenue**	**Other income**	**Profit / (loss)**	**Basic and diluted profit / (loss) per share ($)** (1)	**Notes (IFRS)**
Q4-2025	June 30, 2025	83	2,416	(3,261)	(0.0325)	1
Q3-2025	March 31, 2025	50	766	(1,755)	(0.0175)	2
Q2-2025	December 31, 2024	46	722	(2,216)	(0.0229)	3
Q1-2025	September 30, 2024	59	755	(1,341)	(0.0140)	4
Q4-2024	June 30, 2024	83	3,600	(1,238)	(0.0138)	5
Q3-2024	March 31, 2024	53	781	(2,235)	(0.0264)	6
Q2-2024	December 31, 2023	55	751	(2,874)	(0.0340)	7
Q1-2024	September 30, 2023	104	767	(1,053)		8

NON-IFRS

$'000 unless otherwise stated		**Profit / (loss)**	**Less: Adjustment items** (1)	**Adjusted Profit / (loss)**	**Adjusted basic and diluted profit / (loss) per share ($)**
Q4-2025	June 30, 2025	(3,261)	2,274	(987)	(0.0098)
Q3-2025	March 31, 2025	(1,755)	(378)	(2,133)	(0.0213)
Q2-2025	December 31, 2024	(2,216)	(33)	(2,249)	(0.0232)
Q1-2025	September 30, 2024	(1,341)	(1,042)	(2,383)	(0.0248)
Q4-2024	June 30, 2024	(1,238)	373	(865)	(0.0096)
Q3-2024	March 31, 2024	(2,235)	(647)	(2,882)	(0.0341)
Q2-2024	December 31, 2023	(2,874)	(333)	(3,207)	(0.0380)
Q1-2024	September 30, 2023	(1,053)	(2,181)	(3,234)	(0.0389)

(1) Refer to Non-IFRS financial measures for further information. Adjustment items relate to the change in fair value of warrants.

Notes (IFRS):

1. Q4-2025: Revenue during the quarter included $73K for THERMAL XR® sales, $9K for G®LUBRICANT sales, $1,998K of refundable R&D tax incentive and recognition of income of $359K under the joint development agreement, offset by $2,882K of operating expenses and a loss from change in fair value of warrants of $2,274K.
2. Q3-2025: The loss of $1,755K in Q3FY25 was largely driven by $2,510K of operating expenses, offset by $378K gain in fair value of warrants, recognition of $719K of income under the joint development agreement, foreign exchange gain of $45K as well as $50K of THERMAL XR® and G®LUBRICANT sales.
3. Q2-2025: The loss of $2,216K in Q2FY25 was primarily $2,583K of operating expenses, offset by $647K of income recognised from joint development agreement, $74K of foreign exchange gains, $46K of coating jobs and $33K gain on the fair value of the warrants outstanding.
4. Q1-2025: The $1,341K loss in Q1FY25 was mainly due to $2,715K of operating expenses, offset by $1,042K gain in fair value of warrants and recognition of $750K of income under the joint development agreement.
5. Q4-2024: The loss of $1,238K in Q4FY24 was driven by $2,725K of operating expenses and $1,611K in fair value adjustments of warrants to reflect the share price increase during the quarter, offset by $2,848K for the refundable FY24 R&D tax offset, recognition of $750K of income under the joint development agreement, as well as $81K of THERMAL XR® sales.
6. Q3-2024: The loss of $2,235K was primarily a result of an increase in depreciation and amortisation costs for the battery development centre and THERMAL XR® blending plant coupled with an increase in once off costs for staff redundancies as a result of the Company's initiative to reduce ongoing operational expenditure and further consulting and contracting costs for commissioning and calibrating the graphene plant expansion, offset by a $647k gain on the fair value of warrants outstanding, recognition of $750K of income under the joint development agreement and $50K of domestic THERMAL XR® sales.

7. Q2-2024: The loss of $2,874K was primarily due to the increase in consulting and contracting costs incurred leading to the commissioning of the graphene plant expansion project in December 2023, coupled with an increase in depreciation expense for the new battery development centre assets and THERMAL XR® blending plant, offset by a $333k gain on the fair value of the warrants outstanding and $750k of income recognised from joint development agreements.
8. Q1-2024: The loss of $1,053K in Q1FY24 was primarily $3,696K incurred in operating expenses due to increased consulting and staffing costs leading up to the commissioning of the THERMAL-XR Blending plant and graphene plant expansion projects, offset by growing operational revenue, $750k of income recognised from joint development agreements and $2,181K gain in the Fair value of warrants outstanding.

Fourth Quarter Results

$'000 unless otherwise stated	**Q4FY25**	**Q4FY24**	**Variation $'000**	**%**
Revenue from operations	83	83	-	-
Other income	2,416	3,600	*(1,184)*	*(33%)*
Total operating expenses	(2,882)	(2,725)	*(157)*	*6%*
Loss from change in fair value of warrants	(2,274)	(1,611)	*(663)*	*41%*
Depreciation and amortisation	(603)	(586)	*(17)*	*3%*
Loss for the period	(3,259)	(1,238)	*(2,021)*	*163%*
Basic and diluted loss per share ($)	(0.0325)	(0.0138)		

Total income in Q4FY25 consisted primarily of other income from the FY25 refundable R&D tax offset of $1,998K and the remaining recognition of $359K joint development income.

Significant items which drove the loss for Q4FY25 in comparison to the profit for Q4FY24 included:

- Increase in loss from the change in fair value of warrants of $2,274K in Q4FY25 compared to a loss of $1,611K in Q4FY24 (see further details in 'Fair value of warrants' below);
- The gross refundable R&D tax offset of $1,998K for FY25 is lower than the $2,848K recognised for FY24, due to the reduction in employee numbers across the R&D activities; and
- Remaining $359K of the Rio Tinto joint development income, contract end date of May 2025, was recognised in Q4FY25 in comparison to Q4FY24 where $750K was recognised for the full quarter.

Further details of the Q4FY25 results and their impacts on the FY25 results are provided in the next 'Operations' section.

OPERATIONS

Non-IFRS financial measures

This MD&A refers to Earnings Before Interest, Depreciation, and Amortisation (EBITDA), Adjusted Profit and Loss before income tax for twelve month periods and adjusted basic and diluted loss per share that are measures with no standardised meaning under IFRS. They are non-IFRS measures and may not be comparable to similar measures presented by other companies. Their measurement and presentation is consistently prepared and is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management considers this measure appropriate as it reflects the underlying operational performance of the business.

EBITDA

EBITDA is used by management and investors to assess the Company's core operational profitability. EBITDA for the period is calculated by the Company as deducting operating expenses from revenue.

	12 month period ended June 30	
$'000	**2025**	**2024**
Revenue from operations	238	295
Other income	4,659	5,899
Less operating expenses:		
Employee expenses	(4,163)	(6,063)
Share based payments expense	(1,399)	(965)
Plant expenses	(357)	(741)
Professional and consulting fees	(2,633)	(3,228)
Occupancy expenses	(321)	(371)
Overheads expenses	(1,800)	(1,571)
EBITDA	**(5,776)**	**(6,745)**

Adjusted loss for the period and adjusted loss per share

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

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

$'000 unless otherwise stated	12 month period ended June 30 2025	 2024
Loss for the year	(8,574)	(7,401)
Less:		
Change in fair value of warrants	821	(1,550)
Total adjustment items	821	(1,550)
Adjusted loss for the year	**(7,753)**	**(8,951)**
Loss per share (1)		
Basic and diluted ($) (2)	(0.0871)	(0.0865)
Adjusted basic and diluted ($) (3)	(0.0788)	(0.1046)
Weighted average number of ordinary shares - basic and diluted	98,400,161	85,577,874

(1) Due to the loss recognised for the years, all outstanding stock options, warrants, broker warrants, restricted share units and performance share units were excluded from the calculation of diluted loss per share due to their anti-dilutive effect.

(2) Calculated using loss for the period over the weighted average number of ordinary shares as per IFRS.

(3) Calculated using adjusted loss for the period over the weighted average number of ordinary shares (non-IFRS measure).

Revenue and other income

$'000	12 month period ended June 30 2025	2024	Variation $'000	%
Revenue from operations	238	295	*(57)*	*(19%)*
Other income	4,659	5,899	*(1,240)*	*(21%)*

Revenue from operations were lower at $238K in FY25 compared to $295K in FY24, primarily comprising of THERMAL-XR® products and coating services supplied to domestic clients in various sectors and G®LUBRICANT web sales. Revenue decreased due to lower sales volumes as a result of reduced customer demand and delayed product approvals.

Foreign regulatory approvals are being sought to further bolster our international THERMAL-XR® revenue streams with an unfortunate delay with the company's EPA application postponing sales into the United States market.

Other income was mainly comprised of $1,998K of refundable R&D tax offset and $2,475K of joint development income recognised.

Operating costs

The Company has continued to focus on reducing ongoing operational expenditure resulting in an overall decrease in operating cost. Total operating expenses decreased significantly by $1,900K in FY25 compared to FY24. Management continues to prudently manage the pace of growth as well as monitor inflationary pressures and control operating expenses where feasible.

Shown in the table that follows, are total operating expenses, which exclude finance costs and depreciation and amortization.

Operating costs

$'000	12 month period ended June 30 2025	2024	Variation $'000	%
Employee expenses	4,163	6,063	*(1,900)*	*(31%)*
Share based payments expense	1,399	965	*434*	*45%*
Plant expenses	357	741	*(384)*	*(52%)*
Professional and consulting fees	2,633	3,228	*(595)*	*(18%)*
Occupancy expenses	321	371	*(50)*	*(13%)*
Overheads expenses	1,800	1,571	*229*	*15%*
Total operating expenses	**10,673**	**12,939**	***(2,266)***	***(18%)***

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

Employee expenses

Employee expenses consist of salaries and employee related overheads (primarily superannuation and payroll tax).

Overall employee expenses decreased from $6,063K in FY24 to $4,163K in FY25. This is primarily due to the reduction in staff from the blending of the projects and operations teams as part of the aim to reduce the Company's ongoing operational costs.

Share based payments expense

Share based payments includes share payments for all employees, directors, certain contractors and commercial transactions, such as shares issued for capital raising costs and shares issued for the purchase of IP, Trademark & sole distribution rights for Thermal-XR®.

The total amount to be expensed as employee share-based payments is determined by reference to the fair value of any options granted under the employee share option plan, and share units granted under the Share Incentive Plan:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

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.

Overall share-based payments expense were increased from $965K in FY24 to $1,399K in FY25 primarily due to the negative impact from cancelling of options and share units upon employee terminations in FY24.

Plant expenses

This includes raw materials and production inputs, general warehouse expenses, Health, safety and environment and quality control ("**HSEQ**"), machinery parts and consumables, repairs and maintenance ("**R&M**") and other costs.

Plant expenses, excluding raw materials and production inputs, were $179K in FY25 and $477K spend in FY24. Savings occurred within machinery consumables, repairs & maintenance, and HSE costs.

Costs for raw materials and production inputs decreased from $264K in FY24 to $178K in FY25.

Professional and consulting fees

- Consultants and contracting expenses decreased from $1,786K in FY24 to $977K in FY25. This decline is largely due to the decline in costs to engineering consultants and contractors no longer directly required following the commissioning of the first phase of the Graphene Plant expansion project; and
- Investor Relations expenses increased last year from $577K in FY24 to $831K in FY25 primarily due to investor meetings.

Occupancy

Occupancy expenses relate to the rental outgoings and electricity costs at the production facilities located at Richlands, Queensland.

The Company's Richlands Headquarters and warehouse lease meets the recognition criteria as a right-of-use ("**ROU**") asset under IFRS 16. The ROU asset and corresponding lease liability are recognised on the balance sheet with lease payments split between lease liability principal repayments and interest expense and therefore do not appear under occupancy expenses. Depreciation of the leased asset is recorded on a straight-line basis.

Overall occupancy expenses decreased from $371K to $321K from FY24 to FY25, primarily due to the rent savings from no longer holding the lease at the previous production facilities of the Company located at Sumner, Queensland.

Overheads

Insurance, IT, travel, sponsorships, other R&D related expenses, and various other expenses have been classified as 'Overheads'. While expenses such as IT related expenses, travel and marketing are expected to increase as the business grows, others such as licensing and registration, website, other R&D, filing fees and warrant transaction costs will be uncorrelated to the number of employees, product offerings or number of customers. The following are various operational sub-items that constitute 'Overheads', excluding the expensing of transaction costs, for which the change from FY24 to FY25 has been greater than $20,000:

- Insurance decreased from $346K in FY24 to $294K in FY25, due to savings from an updated policy cover for Directors & Officers liability insurance, offset with an increase to business insurance as a result of the nature of work carried out within the warehouse;
- Advertising costs of $57K in FY25 related to the launching of G®LUBRICANT, compared to no spend in FY24;
- International and domestic travel expenses increased from $273K in FY24 to $409K in FY25 due to increased travel costs associated with investor and customer engagements and research & development projects;
- Marketing expenses decreased from $126K in FY24 to $95K in FY25, in alignment with cost reduction measures that were implemented; and
- Testing and quality control expenses decreased from $195K in FY24 to $172K in FY25 as the company scaled back its external verification services to perform more testing and quality control in house;

Fair value of warrants

The $821K loss in FY25 resulting from the fair valuation adjustment recognised on the warrant liability was primarily driven by a reduction in the market trading price of traded warrants of $197K, and GMG valued warrants of $635K, primarily driven by the decrease in GMG's share price across the 12 months.

The share purchase warrants impacted by this adjustment are certain warrants that are recognised by the Company as a derivative liability due to their Canadian dollar denominated, fixed exercise price being different to the Company's functional currency which is Australian dollars. IFRS requires such instruments to be treated as a derivative liability and not equity, until the warrants are exercised or expire. The fair value of the warrants is determined using the Black Scholes option pricing model at the period-end date, or the market trading price in respect of GMG's traded warrants.

There are no cash obligations for the Company relating to this liability. Changes in fair value will continue to be reported in subsequent periods until the warrants are exercised or expire at which time the derivative liability ceases.

A number of factors influence the warrant liability valuation including share price, interest rates and a volatility assumption. For example, share price increases may result in an expense recorded in the profit and loss in conjunction with any increase in the fair value of the warrant liability, while share price decreases, warrant exercises or a reduced time to expiry with the passage of time would result in a gain and decrease in the fair value of the warrant liability.

For warrants exercised, the cumulative difference between the fair value of the warrant liability recognised at grant date, and the fair value based on the GMG share price at exercise date, which is applied to profit or loss, is then extinguished as a liability, with the offsetting entry applied to equity.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents amounted to $7,708K at June 2025, an increase of $3,726K from a year earlier. Operating cash outflows together with $887K spend on acquisitions of plant, equipment and intellectual property rights, were offset primarily by gross proceeds of $6.4 million raised from the Bought deal in March 2025, $2,848K of R&D tax incentive received, $2,750k proceeds from the exercise of warrants and options, $1.5m in Joint Development proceeds and $921k from the ATM Facility. Further information regarding the share capital movements is disclosed in the financial statements for the years ended June 30, 2025 and 2024.

Trade receivables and other receivables of $117K as at June 30, 2025, is primarily $90K of trade receivables from sales of THERMAL-XR® and G®LUBRICANT and $27K of GST receivables at the end of the quarter.

Inventories comprise both goods held for sale plus critical spares for manufacturing plant. Inventories held for sale increased by $125K in FY25 to $609K as at June 30, 2025. This increase was partly driven by the inclusion of labour and factory overheads in inventory costing, a change introduced in FY24, because inventory is valued using the average cost method, and the effect of this change is still flowing through FY25 results. There was also a 13% increase in Graphene powder stock held and a $28k increase in the value of raw materials and packaging necessitated for new small pack product development.

The value of THERMAL-XR® and related products remained relatively constant compared to FY24, however within this category, in house manufactured product increased whilst inventory purchased by OzKem Pty Ltd decreased due to sales.

Critical manufacturing spares in inventory increased by $654k due to transferring of items purchased initially for a second graphene manufacturing station from capital work in progress to inventory.

Other current assets of $347K is prepayments, primarily $202K for insurance, $44K for leased premises costs including related outgoings, $24K prepaid investor relation costs, $13K filing fees, $39K for international travel expenses and $12K for IT expenses costs.

Trade and other payables relate to expenses in the ordinary course of business, including accounts payable, wages payable, PAYG withholding tax payable, superannuation payable, and other accrued expenses. The balance of $1,133K at June 30, 2025 consists primarily of $620K of trade payable, $413K of accrued costs and $100K of superannuation payable.

The financial liability relates to certain share purchase warrants issued with an exercise price denominated in Canadian dollars (as described in detail in the previous section "Fair value of warrants").

Liquidity and capital resources

GMG has generated limited revenue to date. Cash expenses mainly relate to R&D activities and other operational expenses. Capital raised has been mainly used to fund the development of the Company's proprietary graphene powder production technology, graphene enhanced products and solutions, and plant and equipment and expenses for developing, testing, manufacturing and marketing these products. Please see the breakdown of the Company's R&D expenditures under the "Business Objectives" section. Development of G+AI Battery technology, production and commercialisation planning has been an increasing focus area for GMG's employees and intended use of current cash resources.

The table below contains information about the Company's contractual obligations that affect short and long term liquidity and capital needs. The table also includes information about payments due under specified contractual obligations and is aggregated by type of contractual obligation.

Contractual Obligations	**Payments Due by Period**			
	Total ($)	**Less than 1 year ($)**	**1-5 years ($)**	**After 5 years ($)**
Debt	-	-	-	-
Finance Lease Obligations	-	-	-	-
Operating Leases	837,941	398,601	439,340	-
Purchase Obligations	-	-	-	-
Other Obligations	-	-	-	-
Total Contractual Obligations	837,941	398,601	439,340	-

Timing for commercialisation of G+AI Batteries will depend on the further successful development of a commercial G+AI pouch prototype including the process technology required to produce the necessary commercial scale grade graphene powder. GMG continues to work on various scientific and engineering methods to optimise capacity, energy and power density, other standard battery performance criteria and overall design of pouch cell products. With this progress and current plans the Company aims to progress from the current pouch cell viability prototype to early pouch cell commercial prototype stages and subsequent stages of cell development(s).

Revenue in the near term is targeted to be generated from THERMAL-XR®. Growth in customer demand for this and other product offerings, and timing for commercialisation of G+AI Batteries, will influence the future funding requirements for GMG. A large part of the strategy involves identifying and recruiting distribution channel partners and providing them the marketing, product and technical support necessary to grow revenues in their regions. Since the recent Australian Government approval for GMG to produce and sell THERMAL-XR® at scale, the Company has driven sales activities and is in the process of bolstering related production capacity.

In FY25, the Company incurred a loss of $8,574K after income tax and net cash outflows from operating activities of $3,830K. As at June 30, 2025, the Company had net current assets of $4,154K (June 30, 2024: $2,432K).

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

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

Whilst acknowledging these uncertainties, the Directors have concluded that the going concern basis of preparation of the MD&A is appropriate considering the following circumstances:

- As at June 30, 2025, the Company had cash on hand of $7,708K, which is anticipated to be sufficient to meet the ongoing corporate costs and expected project expenditure in the short 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[1];
- 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;
- The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately;
- The Company continues to engage with potential energy saving products customers with the aim to increase sales; and
- To the extent required, the Company has capacity under the TSXV Listing Rules to raise further funds through the issue or placement of securities and currently has the ATM facility and a Base Shelf Prospectus readily available on SEDAR for this purpose. As an example, in March 2025 C$5.8m (gross) was raised via a Bought Deal.

[1] Assuming a C$/A$ exchange rate of 1.09957

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the MD&A. This MD&A 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 Company be unable to continue as a going concern.

Use of Financing Proceeds

The capital raised in March 2025 had funds allocated as per the below table.

Use of Proceeds	Estimated Expenditure A$	Expenditures (April 1, 2025 - June 30, 2025) A$	Variance A$	Comments
Research and development costs to progress pouch cell G+AI Battery to enable scaled production with the Company's employees and service charges with the BIC Indiana.	1,375,000	335,408	1,039,592	Spend to date predominantly includes employee costs for the battery team approx. 70% and testing with the BIC of 20%.
Capital expenditure for sales expansion of Graphene Production and G® Lubricant Blend Plant	1,925,000	476,588	1,448,412	The Gen 2.0 Plant early works in motion on approval of spend in May 2025.
Ongoing corporate activities and commercial development of new and established product channels for energy savings products	596,420	240,162	356,258	Spend to date includes approx 30% of sales team staffing costs and approx. 50% sales contractors.
	3,896,420	**1,052,158**	**2,844,262**	

In addition to the capital raise, GMG has utilised the ATM Facility and net proceeds from this have been used to fund ongoing business operations and working capital.

Financial instruments and risk management

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

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. Some financial assets may not be able to be monetised in a timely manner. Based on current cash resources, the company's outstanding warrants and options, and the recently completed capital raising, Management considers liquidity risk to be low for the 2025 financial year. While the company does not have any credit facilities from banks, GMG ensures it maintains enough cash, to fulfil its near-term liabilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk, however, at present, this risk is relatively low as revenue is limited and most expenses are denominated in Australian dollars. However, in the past, the Company has sourced funding from investors and will increasingly source capital equipment from overseas. Because of the short-term nature of these foreign currency exposures to date and low level of associated risk, the Company has not considered it necessary to enter into any currency hedging transactions. More recently the Company has become exposed to currency risk relating to the financial liability required by IFRS to be recognised in relation to certain warrants with exercise prices denominated in Canadian dollars. As there is no cash obligation associated with this liability, the Company considers the associated currency risk to be low.

Off-balance sheet arrangements

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Outstanding shares

As at the date of this report, the Company has:

- 117,767,201 ordinary shares issued and outstanding;
- 2,903,483 options outstanding with expiry dates ranging between November 4, 2025 and March 10, 2028, with exercise prices between A$0.36 and A$2.09. If all the options were exercised, 2,903,483 shares would be issued for proceeds of A$3,659,159. Of these options 1,374,135 are in the money and if exercised proceeds would be A$744,138[1];
- 21,810,804 warrants outstanding with expiry dates ranging between August 16, 2026 and September 3, 2028, with exercise prices between C$0.55 and C$3.35. If all the warrants were exercised, 21,810,804 shares would be issued for proceeds of A$33,070,412. Of the outstanding

[1] Assuming a C$/A$ exchange rate of 1.09957.

warrants, 2,627,000 warrants are “in the money” and if exercised proceeds would be A$1,588,714;
- 2,655,598 restricted share units outstanding with a nil exercise price and expiry dates ranging between October 14, 2025 and March 14, 2029.

RELATED PARTY TRANSACTIONS

For a detailed description of all related party transactions, please refer to the Note 27 “Related parties” in the financial statements for the years ended June 30, 2025 and 2024.

RISKS AND UNCERTAINTIES

Global Economic Factors
Global events such the conflict in Ukraine, geopolitical tension in the Middle East and the escalation of United States trade restrictions and tariff regime targeting critical supply chains have led to significant global economic volatility, including an inflationary environment and rapid increases in the costs of labour, consumables and equipment. As a result of this higher capital and operating cost environment, the Company will potentially face increased costs in connection with its business and operations. This could, in turn, impede the Company’s ability to develop its graphene manufacturing projects and related technologies, or to achieve estimated production, revenue or cost levels, or to receive an adequate return on invested capital, any which could have a material adverse effect on its business, results of operations and financial condition.

Performance and Scalability
In order to achieve its business objectives, the Company will have to successfully develop and scale its graphene production and internally developed or co-developed products and solutions, while ensuring quality and reliability. As a consequence, there is a risk that the Company may not continue to maintain or continue to demonstrate product quality, or that different product qualities may be identified and be required for different applications and/or product development as part of the Company’s ongoing research and development. For example, energy savings resulting from the Company's THERMAL XR® customer offering may not continue to provide customers with substantial energy savings in the future, or different types of graphene, graphene characteristics, or other electrochemical agents may be required to successfully develop the pouch cell prototype currently being researched.

In addition, there is a risk that the Company may or may not ultimately be able to produce a prototype, and may not be able to develop a scalable production process or seek a suitable licensee. For example, the groundwork done on the G+AI Batteries in partnership with UQ has potentially identified superior performance results such as high energy density in early coin cell pre-prototypes. Despite these results and the research with UQ, GMG may be unable to develop this into a viable G+AI Battery pouch cell prototype at commercial scale. Thus, even if a high-performance technology is developed, there may be challenges associated with electrochemical development, the material sourcing and component production process and the scaling production of cathodes or cathode material and commercialising the product. Even if GMG develops a high-quality product, which can be produced on a large scale, the Company may not be able to satisfy the specification requirements of prospective customers. For example, if GMG successfully develops a G+AI battery, or cathode or cell which is a component of such a battery, it may not satisfy certain requirements of the electric vehicle industry or other target industries.

The occurrence of any of the foregoing circumstances could have a material adverse effect on its business, results of operations and financial condition.

Product Development, Competition and Technological Change

Given that the Company does not have a sustained history of successful use of the Company's graphene powder and graphene-enhanced products in commercial applications, there can be no assurance that broad successful commercial applications may be technically feasible. A significant portion of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments at our customers or third parties, like universities and national laboratories, and results are accordingly subject to the well-known risk that laboratory data is not always representative in commercial applications.

Additionally, the industries in which the Company operates are characterized by rapid technological change and frequent new product introductions. Part of the Company's business strategy is to monitor such change and take steps to remain technologically current, but there is no assurance that such strategy will be successful. If the Company is not able to adapt to new advances in materials sciences, or if unforeseen technologies or materials emerge that are not compatible with the Company's products and services or that could replace its products and services, the Company's revenues, business results of operations and financial condition would likely be adversely affected.

Technology May Not Be Effectively Commercialized

Most of the Company's products and solutions are currently in the research and development and commercialization phases, at various stages of progression. Accordingly, there is a risk that the Company's technology and the Company's products will not perform as expected (e.g. lubricants, coatings, and G+Al Batteries) and therefore, the Company may encounter delays to development or commercialization or may run the risk that the technologies will never be successfully developed or commercialized. As a result, the Company may never receive revenues or an economic return on its investments in research and development activities.

Financial and Accounting Risks

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation. Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Liquidity and future financing risk

The Company will likely operate at a loss until its business becomes established. The business may require additional financing in order to fund future operations, expansion, acquisition and investment plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional Ordinary Shares from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

The Company's financial condition would be adversely impacted if its intangible assets become impaired.
Intangibles are evaluated quarterly and are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively the Company taken as a whole, might exceed its fair value. If the Company determines that the value of its intangible assets is less than the amounts reflected on its balance sheet, it will be required to reflect an impairment of its intangible assets in the period in which such determination is made. An impairment of its intangible assets would result in the Company's recognition of an expense in the amount of the impairment in the relevant period, which would also result in the reduction of its intangible assets and a corresponding reduction in its net income in the Statement of Income and Other Income in the relevant period.

Tax risk and accounting requirements
The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; land transfer tax; payroll tax; and equivalent taxes imposed by the taxing authorities in other jurisdictions, as relevant. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability. The Company is also subject to numerous accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, the manner in which it conducts its business or the marketability of any of its products.

In the future, the geographic scope of the Company's business may expand, and such expansion will require the Company to comply with the tax laws and regulations of multiple jurisdictions. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to inadvertently fail to comply. In the event the Company was to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on the business, results of operations and financial condition of the Company.

Forward-Looking Statements May Prove Inaccurate
Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, assumptions and uncertainties are found in this Prospectus under the heading "Cautionary Note Regarding Forward-Looking Information".

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The key reported numbers requiring the use of estimates and critical judgments that may potentially have a significant impact on the Company's earnings and financial position are as follows:

The useful life of property and equipment and the recognition and amortization of intangible assets

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

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

Revenue Recognition from sales and services

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 Company 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.

Changes to estimates in relation to recognition methodology can result in variation in the amounts of, and timing of revenue recognised from these contracts.

The Basis of measurement of Financial Liabilities

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.

Any changes to the valuation methodology and variables underlying this methodology can result in significant variations in the amounts charged to the statement of comprehensive income in specific periods.

The recognition and measurement of 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.

Any changes in the underlying obligation or our estimate of the costs associated with this obligation can result in unexpected variations in the amounts charged to the statement of comprehensive income in specific periods.

FUTURE CHANGES IN ACCOUNTING POLICIES

In FY25 the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Company 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);
- *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1 Presentation of Financial Statements);
- *Non-current Liabilities with Covenants* (Amendments to IAS 1 Presentation of Financial Statements); and
- *Supplier Finance Arrangements* (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company 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)

Other standards

The following amendments are effective for the period beginning 1 January 2026 and are not expected to have a material impact on the Company's financial statements:

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