

For Personal Use Only



Advanced Energy Minerals Limited

(formerly Gulf Minerals Ltd)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER

2024

Chairperson's Letter

Dear Fellow Shareholder,

I am writing to provide you with an update on the significant progress our company has made during the past year.

On 26 June, 2024, Advanced Energy Minerals Ltd (AEM), purchased the 40% interest of Vivent Initiatives Ltd in Advanced Energy Minerals Inc (AEM Inc.) by issuing securities in AEM. This has resulted in AEM having full control of AEM Inc. and the high purity alumina business, and with this hasset the path for AEM to be the company to undertake an IPO. At the same time, we distributed the interests in the Kendall River Kaolin Project (MDL469) to the company shareholders.

During the year we made significant progress with both our capital works programme at Cap-Chat and also in product market development I refer you to the Review of Operations for more information on these matters.

Although we made significant progress with both our expansion and product marketing, procedural challenges with the first IQ loan drawdown and difficult conditions in the pre-IPO capital markets caused us delays compared to plans. Despite those challenges, we were able to

successfully raise over \$13m CAD during the year (Pre Transaction Costs) and a total of \$22.9m CAD (Pre Transaction Costs) as at 23rd April 2025 to fund our activities and, we are now commissioning the tunnel kiln which delivers 2,000tpa calcining capacity and delivers a commercially sized plant.

Concurrent with the capital works program, we have progressed our plans for IPO and are now well advanced with our prospectus, supporting independent reports and due diligence process now almost complete. It is our intention to undertake our IPO during the next couple of months subject to market conditions. We are working with Ord Minnett and Canaccord Genuity to deliver this outcome but if market conditions are nor suitable, with documentation then complete, we will be in a position to undertake it later in the year.

I would like to thank both shareholders and investors for your continued support. Much progress has been made and delivering on our key objectives is just round the corner. I would also like to thank our management team led by our Managing Director, Mick Adams, for delivering those outcomes through these challenging times.


Richard Seville
Executive Chairperson
2 May 2025

Corporate Information

Directors

Richard Seville, Executive Chairperson
Michael Adams, Managing Director and Chief Executive Officer
Timothy Fletcher, Non-Executive Director
Steve Petersohn, Non-Executive Director
Richard Evans Non-Executive Director (Appointed 26 June, 2024)
Nassif Obeid Non-Executive Director (Appointed 26 June, 2024)
Anthony Giannamaria Non-Executive Director (Appointed 26 June, 2024)

Company Secretary

Alexis Clark

Principal & Registered office

3 Amy Close, Wyong NSW 2259, Australia
Email: aclark@aemhpa.com

Website

www.aemhpa.com

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000, Australia
Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000
Email: web.queries@computershare.com
Website: www.investorcentre.com

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street, Perth, WA 6000

Banker

ANZ Banking Corporation Limited

Lawyers

Thomson Geer

AEM International Offices

Advanced Energy Minerals Inc.
AEM Canada Group Inc. & AEM Technologies Inc.
7220 Rue Frederick-Banting,
Saint-Laurent, QC H4S 2A1
Email: info@aemcanada.com

Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as "the Group") consisting of Advanced Energy Minerals Limited ("AEM") (formerly Gulf Minerals Limited), referred to hereafter as the "company" or "parent entity") and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The names and details of the Group's directors in office during the year ended 31 December 2024 and until the date of this report are as follows. The Directors have been in office since the start of the financial year unless otherwise stated.

Current directors

Richard Seville	Executive Chairperson
Michael Adams	Managing Director and Chief Executive Officer
Timothy Fletcher	Non-Executive Director
Steven Petersohn	Non-Executive Director
Richard Evans	Non-Executive Director (Appointed 26 June, 2024)
Nassif Obeid	Non-Executive Director (Appointed 26 June, 2024)
Anthony Giannaria	Non-Executive Director (Appointed 26 June, 2024)
Hans Bohi,	Non-executive Director (Resigned 26 May, 2024)
Gregory Baker	Non-executive Director (Resigned 26 May, 2024)
John Fletcher	Non-Executive Director (Resigned 26 May, 2024)
Peter Thomson	Executive Director (Resigned 26 May, 2024)

Principal activities

AEM's principal activities are:

Advanced Energy Minerals Inc (100%) (100%)

Advanced Energy Minerals Inc is the – holding company for our high purity alumina (HPA) operating companies and has two subsidiaries: 1) AEM Canada Inc ("ACG") which owns and operates the chemical plant in Cap-Chat, Quebec, Canada, for the production of HPA which is used in the synthetic sapphire/LED industry, advanced ceramics, battery applications, semi-conductors and other associated products and 2) AEM Technologies Inc ("AET") with research and development facilities at Montreal, Quebec Canada.

Following the company restructuring on 1 January 2023, ACG and AET were transferred to AEM Inc. which AEM Ltd now has full control following the restructure on May 6th 2024 when AEM Ltd acquired the remaining 40% interest previously held by ViVent Initiatives. Accordingly, the Company determined there had been a regaining of control and AEM Inc. is therefore fully consolidated in the accounts of AEM Ltd from the date of control (May 6th 2024) for the year ended 31 December 2024. ACG and AET are part of the consolidated group in this financial year.

Kendal River Kaolin Project (100%) ("KRK") – Establishment of Cape York Kaolin Ltd – Dividend in Kind

During the year the company completed the process of separating its HPA and Kaolin businesses into separate corporate entities. This involved spinning out MDL469 and exploration permit applications into a new company, Cape York Kaolin Ltd, while AEM retained the HPA business. The separation aims to maximize shareholder value and facilitate future listings for each business.

In March 2024, the Company incorporated Cape York Kaolin Limited (CYK, 100% subsidiary) and Kendall River Kaolin Pty Ltd (KRK, 100% subsidiary of CYK). Shareholders received shares in Cape York Kaolin through an in specie unfranked dividend.

On 26th August 2024 an in -specie distribution of the Kaolin assets held by AEM Ltd were distributed to a new entity – Cape York Kaolin (CKY Ltd). Shareholders in AEM Ltd received 1 share in CYK Ltd for every share held. MDL469 was

owned 100% by AEM Ltd and the licence was officially transferred to CKY on January 6th 2025. Whilst ML100200 is also owned beneficially 100% by AEM Ltd through AEMIG following the acquisition of the 40% interest held by Vivent Initiatives Limited in AEMIG.

Dividends

There were no cash dividends paid or recommended during the year ended 31 December 2024 (2023: No dividends were paid or recommended).

Review of Operations

Overview

AEM Inc - HPA

Operations at the Cap-Chat Plant: activity focussed on advancing the Stage 1 Expansion to significantly increase the plant's production capacity while maintaining the existing plant in production to provide HPA as samples for both customer engagement and product qualification purposes, and in larger quantities for initial commercial orders. By the end of the year, the building works required for the expansion, in particular to house our new 50 m long tunnel kiln, were nearly complete, most of the key equipment had been delivered to site, and much of it had been installed. Our expectation and objective were to achieve a plant with a capacity of at least 2,000 tpa in beneficial use by the end of April 2025, with the remaining works necessary to raise the plant's capacity to an eventual 3,000 tpa to be undertaken later to match growing customer demand for product.



Sales & Marketing: we made significant progress in building our prospective customer base to move toward the objective of securing major commercial orders in 2024 in line with the commissioning of the plant, particularly in Asia in the semi-conductor and synthetic sapphire market segments. This progress validated our decision in late 2023 to pivot our marketing focus to Asia and at the year end showed considerable promise of major orders arising through 2025. We recruited a new business development manager for Europe, which allowed our SVP for Sales and Marketing to devote more of his time to Asia, and as the year closed were in the process of recruiting a second business development manager for Asia to focus on the Japanese and Korean markets and leave our current business development manager for the region to focus on Taiwan and China.

Research & Development: we continued to focus our efforts on improving our existing products and developing new products that serve our customers' needs better, making good progress towards achieving products with improved morphology and nano-scale particle sizes. Our laboratory operations in Montreal were independently certified as compliant with ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO18001 (Health & Safety Management), putting it on a par with the Cap-Chat plant, which already holds these certifications.

Stage 2 Expansion Pre-feasibility Study: we began pre-feasibility engineering work to define and cost a Stage 2 expansion at Cap-Chat to double the plant's capacity to a total of 6,000 tpa. This work was well advanced by the year end and due to be finalised in Q22025.

Mining Exploration Assets

During the year the company completed the process of separating its HPA and Kaolin businesses into separate corporate entities. This involved spinning out the kaolin assets into a new company, Cape York Kaolin Ltd, while AEM retained the HPA business. The separation aims to maximize shareholder value and facilitate future listings for each business.

In March 2024, the Company incorporated Cape York Kaolin Limited (CYK, 100% subsidiary) and Kendall River Kaolin Pty Ltd (KRK, 100% subsidiary of CYK). Shareholders received shares in Cape York Kaolin through an in specie unfranked dividend. AEM retains ownership of a small mining lease, ML100200, which was granted to AHA on 12 May 2020 expiring on 31 May 2040.

Tenement table

Company	Tenement Number	Area (hectares)	Date of Grant or Lodgement	Date of Expiry	Location	Details
AHA	ML100200	10	12-May-20	31-May-40	Cape York, QLD	
AEM	EPM27007	33,203	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
AEM	EPM27008	31,544	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
AEM	EPM27009	31,187	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
AEM	EPM27010	33,172	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
AEM	EPM27011	33,162	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
AEM	EPM27012	19,891	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD	Applications withdrawn
EPM Total Area		182,159				



Significant Change in State of Affairs

Change of company name

On 6 June 2024 the ASIC approved the change of company name back to Advanced Energy Minerals Limited (formerly Gulf Minerals Limited).

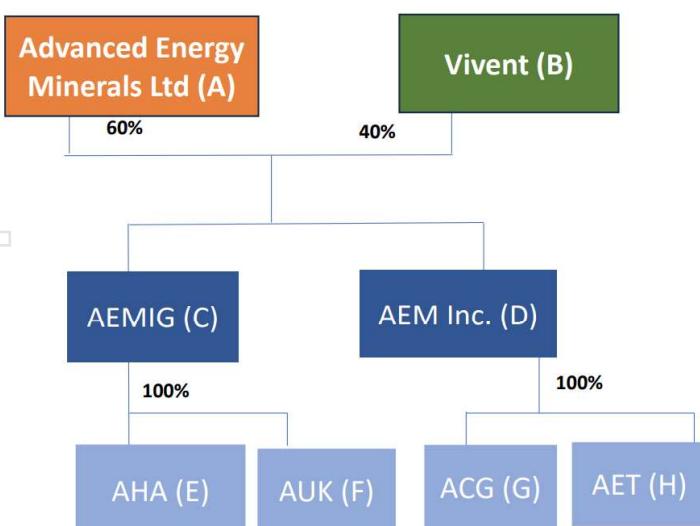
Restructuring of interests in AEM Inc

On May 6th 2024 AEM completed the acquisition of the 40% interest in AEM Inc (Canadian subsidiary) held by Vivent Initiative to achieve 100% ownership of AEM Inc. (44,055,033 shares held in AEM Inc). The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller. In exchange for the acquisition AEM issued shares and convertible notes in AEM to the shareholders in Vivent for a total of 44,815,647 Shares and 76,591,390 Nil Coupon Convertible Notes in AEM.

AEM had previously accounted for its investment in AEM Inc using the equity method, as it was considered an associate under AASB 128 since AEM had significant influence but not control given the existence of a detailed shareholder agreement. With the acquisition of the remaining 40% shares, AEM now holds 100% ownership and fully controls the activities and decisions of AEM Inc, necessitating a transition to full consolidation under AASB 10. In November 2022, AEM and ViVent received an independent fair market value estimation report on the HPA operation in Canada from MNP¹ as part of the process to create a Canadian holding company to replace the Cypriot holding company. The valuation indicated a fair market value of C\$93.6m excluding shareholder loans which totalled C\$16.4m for a total transaction value of C\$110.1m. The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller.

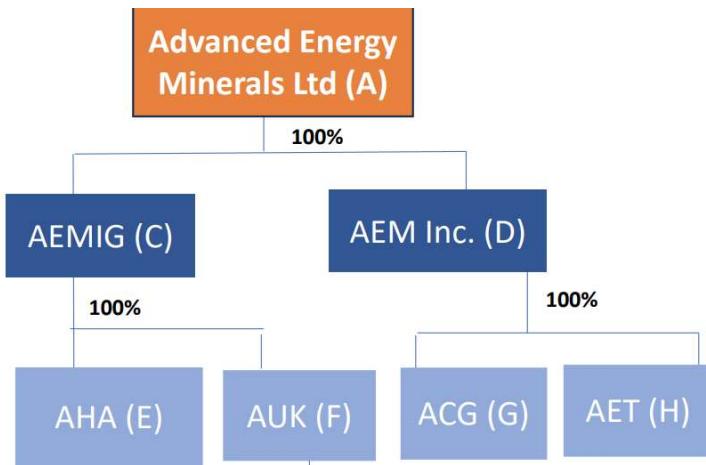
The pre-restructuring and post-restructuring corporate structures are as follows:

Pre-restructuring



¹ MNP (previously known as Meyers Norris Penny) is one of the largest full-service chartered professional accountancy and business advisory firms in Canada.

Post-restructuring



Funding

AEM Inc. pre-IPO debenture raise – 2024 Debenture

In September 2024, AEM Inc. commenced a ~C\$20 million Pre-IPO financing round to provide further funding for the capital works programme at the Cap Chat chemical plant in Quebec and working capital.

The terms of the pre-IPO debentures were as follows:

Amount: C\$13.8m (as at 31 December 2024)

Term: 31 December 2025

Conversion: Automatic at Qualified Public Listing (QPL)

Interest: 10% fixed annual rate, additional 10% after 31 May 2025 if QPL not completed

Conversion price: the lesser of the following values:

- (i) the QPL Offer Price less the Allowed Discount* and
- (ii) the Valuation Cap Price : \$150m CAD

*"Allowed Discount" means: (1) 25% of the QPL Offer Price if the QPL occurs prior to or on June 30, 2025; (2) 30% of the QPL Offer Price if the QPL occurs after June 30, 2024 but prior to or on December 31, 2025./ but prior to or on the Maturity Date.

IQ and DEC Loans

During the year ended 31 December 2024 the company secured loans with various Canadian government entities. The details are as follows:

Investissement Quebec - \$7m (CAD)

In April 2024, AEM Inc secured a \$7,000,000 CAD loan from Investissement Quebec (IQ), to be disbursed in three tranches based on eligible expenses paid. The loan has an interest rate of 7.5% per annum, compounded monthly. If the Company is not in default, it will have a 24-month moratorium on interest repayment and a 36-month moratorium on capital repayment from the first disbursement. After this period, the loan will be repaid in 84 monthly installments of \$83,333 CAD, starting the month after the moratorium ends. The Company will pay IQ a royalty of 1.55% capped at total IRR of 15% based on the consolidated annual sales of AET and AEM Inc. The loan is secured by a principal mortgage of \$7,000,000 CAD, plus an additional 20% mortgage on all current and future movable and immovable property of the Company and

its guarantors, including intellectual property rights and patents. As at 31 December 2024 the loan balance included capitalised interest was \$4,057,549 AUD.

Development Economique Canada - \$2m (CAD)

In February 2024, the Company secured a \$2,000,000 CAD loan from Development Economique Canada (DEC), disbursed in two installments. The loan is interest-free and will be repaid over 72 equal monthly installments, starting 36 months after the Project End Date. Before the second installment, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000 CAD, plus an additional 20% mortgage on all current and future real estate, including lot 6 247 914 in Sainte-Anne-des-Monts, and any buildings or attachments. Additionally, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000 CAD, plus an additional 20% mortgage on all current and future movable property, tangible and intangible, including intellectual property, insurance benefits, and proceeds from rental or sale of these properties. As at 31 December 2024 the loan balance was \$2,017,485 AUD.

There are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years, other than as outlined below:

Matters subsequent to balance date

Convertible Debenture

AEM continued its capital raising under the 2024 Pre – IPO convertible debenture raising an additional \$9.2m CAD (pre capital raising fees). The additional funds raised will be used to complete the capital works programme and fund working capital for the business.

IPO Preparations

AEM continued preparations for the forthcoming listing of the company on the ASX in 2025. A draft prospectus and accompanying independent expert reports are well advanced. Co-Lead managers are being appointed and markets permitting a listing is planned for mid to late 2025.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

The names and details of the Group's directors in office during the year ended 31 December 2024 and until the date of this report are as follows:

Directors	Qualifications, experience and special responsibilities
Mr Richard Seville Chairperson	BSc.(Mining Geology), M.Eng.(Rock Engineering) Richard comes with a highly successful track record in the junior to mid-cap resources space with over 25 years as Managing Director or Executive Director of various ASX, TSX or AIM listed companies. This included 12 years as MD/CEO of lithium producer Allkem (ASX:AKE) which he took from at IPO in 2007 to a significant producer of lithium chemicals and party of the battery supply chain. Richard is very familiar with equity markets, particularly in the junior and mid-cap space, and has lead raisings of approximately AUD500 million over the past 25 years. Richard served as an NED of Allkem until January 2024, and Oz Minerals (ASX:OZL) until May 2023. He was previously the non-executive Chairperson of ASX listed potash developer Aarimin.
Michael Adams Managing Director & CEO	MA in Engineering and MBA Mr. Adams has nearly 40 years of business experience in the development and financing of major projects and new business initiatives. He joined Somerley in 2009, having previously worked for several multinational corporations and advisory firms. A Chartered Engineer, Mr. Adams is a past Chairman of the Shanghai Chapter of the European Union Chamber of Commerce in China and holds a master's degree in Engineering from Cambridge University and an MBA from INSEAD.
Timothy Fletcher Non-Executive Director	B.Sc. (Estate Management) Tim's expertise in overseeing commercial property development covering various international locations including Mexico, London, Hong Kong and China. Tim is also an advisor for Mainland China & Australia in the area of mining and minerals.
Steven Petersohn Non-Executive Director	B.A. Over 40 years of international experience in trading and distribution, investment banking and fund management. Based in Hong Kong and New York, Steven currently holds directorships in a boutique business and management consultancy firm and a SGX listed premium automotive dealership group.
Richard Evans (2) Non-Executive Director	Honorary Doctorate of Science and an Honorary Doctorate of Technology Chairman and CEO of British Aerospace from 1997 to 2004. Non-Exec Director NatWest Plc, 1998 – 2000. With his roots in engineering and manufacturing, Dick became CEO of one of the UK's top companies. He has decades of high-level executive experience, deep international contacts and great skill in government affairs. He has closed numerous M&A deals.
Nassif Obeid (2) Non-Executive Director	Bachelor of Science, Master of Science. Business executive with 25 years of experience, predominantly in financing, developing and building real estate projects. Since 2020, he has had a close involvement in developing AEM's business plans for the Cap-Chat plant.
Anthony Giammaria (2) Non-Executive Director	Bachelor of Law. Based in Montreal, Quebec, Canada, over 20 years commercial and corporate law experience focused on corporate finance, restructuring and securities, advising microcap and mid-sized companies. He has a deep understanding of Canada's legal landscape and has advised AEM since 2022, playing a key role in the restructuring of the group in preparation for IPO.
Gregory Baker (1) Non-Executive Director	B.Bus. Greg has over 30-years of experience in financial services and investment management. He has worked in Sydney, Hong Kong, Ireland and Singapore. He now manages investment portfolios from Sydney, Australia.

Hans K. Bohi (1) Non-Executive Director	BSc (Agr Eng)
	Hans Bohi is a Suisse national who manages a century old family business. Hans is experienced in remote area development and construction. During his tenure, the family business has expanded its hydro power production and electric utility operations, while also re-developing abandoned factories and commercial real estate in Switzerland. In recent times, the family business has expanded its agricultural and forestry real estate from Switzerland to the USA and to Australia. The expansion strategy is targeting agriculture, timberland and renewable energy.
John Fletcher (1) Non-Executive Director	CBE
	John Fletcher served on the main board of Trafalgar House Public Co., Ltd. as Director and Chairman and subsequently Chairman and President of Kvaerner's worldwide engineering and construction operations. With over 40 years of experience, John has extensive high-level connections and international exposures overseeing major projects including construction, property, energy and finance. John is currently a director and substantial shareholder of the Hong Kong and Beijing based investment bank, Somerley Group Limited.
Peter Thomson (1) Executive Director	BA Hons, MBA
	30+ years of Business Development experience in Engineering & Construction, Power & Water Industries, spread across the UK, Hong Kong/China, Japan, South Africa and Australia. Now based in Perth, WA, and MD of Glenfield Asia Pacific Ltd, manages a services business providing valve related technical sales support for Dams, Reservoirs and Hydro sectors across the Asia Pacific Region.
Company Secretary	Qualifications, experience and special responsibilities
Alexis Clark (3)	B.Com, B Ec, CA, CFA Over 20 years international finance experience. Previously a Co-Founder/CEO of an ASX listed Energy company and finance professional with significant experience in a number of leading companies. With strong leadership and industry experience in financial markets, financial modelling, and transactional experience.

(1) Resigned May 26th 2024
 (2) Appointed June 26th 2024
 (3) Appointed May 3rd 2024

Meetings of Directors

The number of management meetings and meetings of the Company's Board of Directors held during the year ended 31 December 2024, and the number of meetings attended:

Director	Directors' meetings	
	Eligible to attend	Attended
Richard Seville	8	7
Michael Adams	8	8
Gregory Baker	1	1
Hans K. Bohi	1	1
John Fletcher	1	1
Tim Fletcher	8	8
Steven Petersohn	8	8
Peter Thomson	1	1
Richard Evans	7	6
Nassif Obeid	7	7
Anthony Giannaria	7	7

The Directors consider given the size and complexity of the Company's operations at the current stage, it is in the best interest of the Company for audit and remuneration matters to be directly considered and decided by the Board of Directors.

Shares under option

Unissued ordinary shares of Gulf under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under Option
30-Nov-23	30-Nov-25	0.25	883,587

Shares issued on the exercise of options

During the year ended 31 December 2024 and up to the date of this report, ordinary shares of AEM issued on the exercise of options granted are as follows:

Grant date	Expiry date	Exercise Date	Exercise price	Number of shares issued
14-January-2022	13-January-2025	28-May-2024	0.18	4,000,000
13-July-2022	12-July-2024	09-February-2024	0.25	240,000
13-July-2022	12-July-2024	27-May-2024	0.25	10,640,000
13-July-2022	12-July-2024	12-July-2024	0.25	760,000

Indemnification and Insurance of Directors, Officers and Auditors

The Company has executed agreements with the Directors and Officers of the Company indemnifying them against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officer of a Group Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company has paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for the current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed for confidentiality reasons.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year, HLB Mann Judd, the Company's auditor did not provide any other services in addition to their statutory audits. Non-audit fees amount was therefore \$Nil (2023: \$Nil). Details of remuneration paid to the auditor can be found within the financial statements at note 32.

Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the year ended 31 December 2024 has been received and can be found on page 49 of the annual report.



Richard Seville

Executive Chairperson
Dated 2 May 2025

Consolidated Statement of profit or loss and other comprehensive loss

For the year ended 31 December 2024

	Note	12 months to 31-Dec 2024	12 months to 31-Dec 2023
Revenue	5	187,861	-
Other income	6	82,791	520,284
Gain on Consolidation	9	63,070,964	
		63,341,616	520,284
Expenses			
Write off MDL assets	16	-	(5,432,633)
Interest in associates impairment		-	(1,205,926)
Raw materials and consumables used		(833,284)	-
Employee benefits expense		(6,555,115)	(1,044,196)
Depreciation and amortisation		(967,143)	(878)
Patent maintenance		(88,632)	-
Production expenses	7	(833,271)	-
Other expenses	7	(3,649,204)	(654,911)
Finance costs	7	(3,541,876)	(20,877)
Foreign Exchange Gain/(Loss)		-	615,665
Total expenses		(16,468,525)	(7,743,756)
Profit/(Loss) before Tax		46,873,091	(7,223,472)
Income tax (expense)/ benefit	8	2,106,272	-
Net Profit/(Loss) for the Year		48,979,363	(7,223,472)
Other Comprehensive Profit/(Loss)			
Exchange difference on translation of foreign operations		(255,637)	24,924
Total Comprehensive Profit/(Loss) for the Period		48,723,726	(7,198,548)
Profit/(Loss) for the Period Attributable to:			
Owners of Advanced Energy Minerals Ltd		48,723,726	(7,401,681)
Non-controlling interest		-	178,203
Total Comprehensive Profit/(Loss) Attributable to:		48,723,726	(7,223,472)
Owners of Advanced Energy Minerals Ltd		48,723,726	(7,376,757)
Non-controlling interest		-	178,203
Total Comprehensive Profit/(Loss)		48,723,726	(7,198,548)

The consolidated statement of profit or loss and other comprehensive loss is to be read in conjunction with the accompanying notes.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024.

Consolidated Statement of financial position

As at 31 December 2024

	Note	31 December, 2024	31 December, 2023
Current Assets		\$	\$
Cash and cash equivalents	10	2,927,098	89,437
Trade and other receivables	11	1,143,188	19,235
Inventories	12	429,435	-
Held-for-sale - MDL469 exploration assets	15	-	520,000
Current Assets - others	13	7,509,054	94,948
Total Current Assets		12,008,775	723,620
Non-Current Assets			
Property, plant, and equipment	14	106,497,354	1,438
Exploration and evaluation asset	16	730,000	730,000
Intangibles	17	780,321	-
Goodwill	18	52,197,712	-
Mining Lease		-	138,039
Total Non-Current Assets		160,205,387	869,477
Total Assets		172,214,162	1,593,097
Current Liabilities			
Trade and other payables	19	2,957,724	263,985
Debentures	20	26,349,815	-
Embedded Derivative	20	15,563,379	-
Other liabilities	22	1,244,911	137,757
Employee benefits	23	138,272	90,305
Total Current Liabilities		46,254,101	492,047
Non- Current Liabilities			
IQ & DEC Loan & Ford Loan	21	6,173,698	-
Deferred Tax Liability	24	16,202,732	-
Total Non-Current Liabilities		22,376,430	-
Total Liabilities		68,630,531	492,047
Net Assets		103,583,631	1,101,050
Equity			
Issued capital	25	76,064,244	23,013,054
Reserves	26	2,103,030	1,472,790
Retained Earnings/(Accumulated Losses)	27	25,416,357	(23,563,007)
Non-controlling interest		-	178,213
Total Equity		103,583,631	1,101,050

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024.

Consolidated Statement of cash flows

For the year ended 31 December 2024

	Note	12 months to 31-Dec 2024	12 months to 31-Dec 2023
Cash flows from operating activities		\$	\$
Cash flows used in operating activities:			
Loss from continuing operations		46,873,091	(7,223,472)
Adjustments for:			
Depreciation		967,143	(878)
Non-cash net financial expenses		2,514,303	-
Gain on disposal of property, plant and equipment		-	6,091,973
Gain on Consolidation of Vivent Interest		(63,070,964)	-
Sales taxes and other receivables		14,368	(9,149)
Inventory		182,049	-
Prepaid expenses and others		225,392	315
Accounts payable and accrued liabilities		1,243,117	(117,181)
Net cash used in operating activities		(11,051,502)	(1,258,393)
Cash flows from financing activities:			
Issue of Shares in AEM Ltd		3,520,000	-
Cash acquired on control of AEM		303,211	-
Proceeds from long-term debt		76,831	1,496,627
Repayment of long-term debt		6,614,316	-
Proceeds from the Issue of Debentures		14,159,075	-
Net cash from financing activities		24,673,432	1,496,627
Cash flows used in investing activities:			
Proceeds from sale of property, plant and equipment		578	-
Additions to Long Lead Items		(4,520,859)	-
Additions to property, plant and equipment		(6,338,981)	-
Additions to intangible assets		74,992	-
Payments for Exploration and evaluation assets		-	(227,518)
Net cash used in investing activities		(10,784,269)	(227,518)
Net increase in cash		2,837,661	10,716
Loss of control - ACG cash		-	(198,040)
Cash, beginning of period	10	89,438	276,761
Cash, end of period		2,927,098	89,438

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024.

Consolidated Statement of changes in equity

For the year ended 31 December 2024

	Issued Capital	Earnings/(Accumulated Losses)	Retained Earnings/(Accumulated Losses)	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Non Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 31 December 2022	21,016,427	(16,161,326)	934,895	133,510	608,392	6,531,898	
(Loss) for the year	-	(7,401,681)	-	-	178,209	(7,223,472)	
Other comprehensive income for the year	-	-	-	24,924	-	24,924	
Total comprehensive income for the year	-	(7,401,681)	-	24,924	178,209	(7,198,547)	
Shares issued during the year (net of costs)	1,871,627	-	-	-	-	1,871,627	
Loss of control (Note 13)	-	-	-	379,461	(608,388)	(228,927)	
Performance shares vesting net of buy-back	125,000	-	-	-	-	125,000	
Balance at 31 December 2023	23,013,054	(23,563,007)	934,895	537,895	178,213	1,101,051	
Profit (Loss) for the year	-	48,979,363	-	-	-	48,979,363	
Other comprehensive income for the year	-	-	-	(255,637)	-	(255,637)	
Total comprehensive income for the year	-	48,979,363	-	255,637	-	48,723,726	
Transaction with owners, directly in equity	40,605,601	-	-	-	-	40,605,601	
Shares issued during the year (net of costs)	12,445,590	-	-	-	-	12,445,590	
Convertible Note Issued to Vivent	-	-	-	885,877	(178,213)	707,664	
Loss of control/Regaining of Control							
Balance at 31 December 2024	76,064,244	25,416,356	934,895	1,168,135	-	103,583,632	

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024.

Notes to consolidated financial statements For the period ended 31 December 2024

Note 1. Significant Changes in the Current Reporting Year

The financial position and performance of the Group was particularly affected by the following events and transactions during the year ended to 31 December 2024:

- Gulf Minerals Ltd changed its name to Advanced Energy Minerals Ltd on June 6 2024

AEM Acquisition of Remaining 40% interest in AEM Inc

- Further to the Restructuring announced in 2023, AEM completed the acquisition of the remaining 40% interest in AEM Inc on May 6th 2024. AEM acquired the remaining 40% interest in AEM Inc from Vivent to achieve 100% ownership (44,055,033 shares held in AEM Inc). Total AEM Inc. common share ownership pre the transaction was AEM 66,082,550 (60%) and Vivent 44,055,033 (40%).
- The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller. In exchange for the acquisition AEM issued shares and convertible notes in AEM to the shareholders in Vivent as follows: 44,815,647 Shares, 76,591,390 Nil Coupon Convertible Notes. (Note: 45,477,417 Convertible Notes were converted to Shares on 14/8/24 and 16/8/24).
- AEM has previously accounted for its investment in AEM Inc using the equity method, as it was considered an associate under AASB 128 since AEM had significant influence but not control. With the acquisition of the remaining 40% shares, AEM now holds 100% ownership, necessitating a transition to full consolidation under

AASB 10. This transaction must occur at fair value and as a result of this transaction, AEM has recognized a gain on acquisition of \$63m of the Vivent interest.

- This transition involves several key steps: Initial Consolidation Considerations Upon acquiring control,
 - AEM must consolidate AEMI's into its financial statements. Under AASB 10, control is achieved when the investor:
 - has power over the relevant activities of the investee
 - is exposed, or has rights, to variable returns from its involvement with the investee and
 - has the ability to affect those returns through its power over the investee.
 - Given that AEM now owns 100% of the voting share capital and the previous shareholder agreement between AEM and Vivent is no longer valid then they control AEM Inc.
 - Accounting Treatment at Acquisition Date
 - Upon acquiring control of the investee, AEM must apply the acquisition method of accounting as outlined in AASB 3 which involves specific steps to ensure that the assets, liabilities, and equity of the acquiree are properly recognised and measured.
 - The following detailed considerations and treatments are required:
 - i. identify the acquirer
 - In this instance, it is clear that AEM as the legal acquirer is also the accounting acquiree.
 - ii. determine the acquisition date
 - The acquisition date is the date on which control is obtained which is the date of the Share Sale and Purchase Agreement, being 6 May 2024.
 - iii recognise and measure the identifiable assets acquired, liabilities assumed and any non controlling interests in the acquiree.
 - AEM must recognise and measure, at fair value, the identifiable assets acquired and liabilities assumed. This includes both tangible and intangible assets, such as property, plant, and equipment, inventory, receivables, payables, and any identifiable intangible assets like patents or trademarks.
 - iv. determine consideration
 - This fair value exercise may require the use of a valuer to ensure that the assets and liabilities are appropriately recorded in the consolidated financial statements, particularly if there are identifiable intangible assets which were not previously recognised by AEMI. The consideration transferred is measured at fair value which is calculated as the sum of the acquisition-date fair values of the: assets transferred by AEM the liabilities incurred by AEM to the former owners of AEM Inc and the equity interests issued by AEM.
 - The consideration for the remaining 40% was in two forms being consideration shares and consideration notes. : 44,815,647 Shares, 76, 591,390 Nil Coupon Convertible Notes. (Note: 45,477,417 Convertible Notes were converted to Shares on 14/8/24 and 16/8/24).
 - The notes are used where the issue of shares would cause a breach of s606 of the Corporations Act 2001. Based on independent advice and review of the terms and conditions , these notes are in substance, deferred shares. and should be classified as equity with their value determined on the same basis as the shares which were issued.
 - The fair value of the shares issued needs to be determined in accordance with AASB 13, a valuer may be required to obtain this valuation. Costs directly attributable to the acquisition, such as legal, accounting, and advisory fees, are recognised as expenses in

the periods in which the costs are incurred and the services are received rather than forming part of consideration.

- As part of the transaction, AEM and Vivent received an independent fair market value estimation report on the HPA operation in Canada from MNP¹. The valuation indicated a fair market value of C\$93.6m excluding shareholder loans which totalled C\$16.4m for a total transaction value of C\$110.1m. The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller.
- As a result of the above transactions, AEM has recognized a gain on acquisition of \$63m of the Vivent interest. Upon acquiring control of the investee, AEM must apply the acquisition method of accounting as outlined in AASB 3 which involves specific steps to ensure that the assets, liabilities, and equity of the acquiree are properly recognised and measured.
- The Transaction has been accounted for as a business combination. On May 6th 2024 AEM Ltd acquired the remaining 40% of the shares of AEM Inc for the total consideration transferred of \$121m AUD. This is a high purity alumina business and the goodwill of \$52m AUD represents the expected synergies from the acquisition and control of the remaining 40% of the business.
- Details of the acquisition are as follows:

	Fair Value (AUD\$)
Cash	303,211
Receivables	226,025
Inventory	642,338
Long-term deposits	2,863,893
Property, plant and equipment	109,013,561
Intangible Assets	844,388
Accounts payable and accrued liabilities	(1,421,204)
Intercompany Loan	(302,745)
Demand loan	(412,671)
Short-term portion of LT Loan	(23,064)
Long-term Debt	(682,685)
Embedded Derivative	(9,269,313)
Debentures	(13,781,555)
Deferred Tax Liability	(18,309,004)
Net Identifiable Assets	69,691,176
Goodwill Acquired	52,197,712
Net Assets Acquired	121,888,888
Acquisition Date Fair Value of the total consideration transferred	<u>121,888,888</u>
Representing:	
Fair Value of Shares/Convertible Notes Issue and 60% held interest	<u>121,888,888</u>

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 2. Corporate Information and Material Accounting Policies

Corporate information

Advanced Energy Minerals Limited. (the "Company", "AEM", the "Group") is an un-listed public company incorporated in 2000 in New South Wales, Australia with its Principal Place of Business & Registered office at 3 Amy Close, Wyong NSW 2259, Australia. The Company name was changed to Advanced Energy Minerals Limited from Gulf Minerals Limited on June 6 2024.

Basis of preparation

These are the consolidated financial statements and notes of the Company and controlled entities (collectively the Group). Advanced Energy Minerals Ltd is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue on [2 May 2025] by the Directors of the Company.

The nature of the operations and principal activities of the Group are described in the Director's Report.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Statement of compliance

These financial statements are simplified disclosures financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and other authoritative pronouncements of the Corporations Act 2001. The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

Going concern

For the year ended 31 December 2024, the Group had incurred a net profit after tax (Including the Gain on Acquisition of the interest in Vivent) of \$46,873,091 (2023: \$7,223,472), a net cash inflow of \$2,837,662 (2023: \$10,716 net cash inflow), was in a net asset position of \$103,583,631 (including Goodwill and Asset Revaluation) (2023: \$1,101,050) and a cash and cash equivalents position of \$2,927,098 (2023: \$89,437) as at 31 December 2024.

The financial statements have been prepared on a going concern basis, meaning on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing for its working capital. The Company has not generated significant revenue or cash flow from its HPA business or exploration and evaluation assets. The Company's sources of funding to this point have been the issuance of equity securities, debt and government grants.

The continued viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent on the Group being successful in:

- Continued support of its shareholders; and
- Securing funding when and if it is required.

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be successful in these endeavours and the Group will be able to continue to meet its debts as and when they fall due based on its ability over the previous months to secure financing such as the following funding developments subsequent to 31 December 2024:

- AEM has continued to raise capital under the 2024 Convertible Debenture with an additional CAD \$9.2m of funds raised from Jan 1 2025 until 23 April 2024.
- AEM has a planned IPO in late Q2/early Q3 2025 which will provide additional funds and at a minimum 2yrs working capital for the business. The Convertible Debentures outstanding automatically convert into shares in AEM Ltd in the event of an IPO.

The Company has no other committed sources of future financing as of the date of these financial statements other than the one mentioned above.

If the going concern assumption were not appropriate for these financial statements, adjustments to the carrying value of assets and liabilities, reported expenses and statement of financial position classifications would be necessary. Such adjustments could be material and may occur in the near term.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, in which case it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Significant accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes model taking into account the terms and conditions upon which the instruments were granted.

Note 3. Principles of consolidation

Subsidiaries

The Group financial statements consolidate those of the Company and all its subsidiaries. The Company controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the activities of the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Advanced Energy Minerals Ltd is Australian dollars.

The financial report is presented in Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Group companies and foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recorded in a reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable.

Note 4. New accounting standardsNew and revised accounting standards affecting amounts reported and/or disclosures in the financial statements

The Group has consistently applied the accounting policies to all periods presented in the financial statements.

The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2024 but determined that their application to the financial statements is either not relevant or not material.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. The Group's assessment of the impact of these new standards and interpretations is that they would not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 5. Revenue

	Consolidated	
	12 months to 31-Dec 2024	12 months to 31-Dec 2023
Revenue	\$	
Revenue:	187,861	-
	187,861	-

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024. , the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024. Revenue represents sales income from sale of HPA to customers.

Note 6. Other income

	Consolidated	
	12 months to 31-Dec 2024	12 months to 31-Dec 2023
Other income	\$	
Interest income	-	9
Other income (Grant income)	75,868	-
Other income (Other)	6,923	65
Brokerage fee income from related entity	-	510,057
Reimbursement income from related entity	-	10,153
	82,791	520,284

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024.

Note 7. Other Expenses & Finance cost

		Consolidated	
		12 months to 31-Dec 2024	12 months to 31-Dec 2023
		\$	\$
Production expenses	a	833,271	-
Finance costs	b	3,541,876	20,877
Other expenses	c		
Professional & Consulting fees		2,233,124	502,048
Audit fees		76,186	31,000
Other		1,339,894	121,862
Total other expenses		3,649,204	654,911

- a) Production expenses include cost not directly attributable to the acquisition of new fixed assets or the development of new technologies. The production expenses include repair and maintenance of the HPA production plant, energy, chemicals & waste, and transportation costs related to the cost of Plant management and inefficiency due to the low production volume during 2024.
- b) Finance costs include Interest on Convertible Debentures capitalised into the Debenture, Fair Value losses on the Embedded Derivative and other financing transaction costs.
- c) Other Expenses include Professional & Consulting Insurance, General Administration and Marketing Costs.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc.

Accordingly, from the date of acquisition, the Company has recognized 100% of the revenues, expenses, related assets, liabilities and controlling interests of the HPA business operations.

Note 8. Income tax

		Consolidated	
		12 months to 31-Dec 24	12 months to 31-Dec 2023
		\$	\$
Numerical reconciliation of income tax expense and tax at the statutory rate			
Profit before income tax expense		48,723,726	(7,223,472)
Tax at the statutory tax rate of 30%		(14,617,118)	2,167,041
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		16,890,827	(1,562,093)
Deferred tax asset not brought to account		(1,009,946)	(175,456)
Tax Benefit from Prior Year		2,106,272	-
Income tax (expense)/benefit		2,106,272	-

RECOGNITION & MEASUREMENT

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on a basis of the tax laws enacted or substantively enacted at the end of the year in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

JUDGEMENTS AND ESTIMATES

Judgement is required in determining whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future years allowing to utilise the recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future years.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Note 9. Gain on Consolidation

	Consolidated	
	12 months to 31-Dec-24	12 months to 31-Dec 2023
Gain on Consolidation	\$ 63,070,964	\$ -
	63,070,964	-

Upon acquiring control of the investee, AEM must apply the acquisition method of accounting as outlined in AASB 3 which involves specific steps to ensure that the assets, liabilities, and equity of the acquiree are properly recognised and measured.

The first step is the Revaluation of the previously held 60% interest in parent entity. The previous carrying amount of 60% investment held was \$nil. The Fair value of identifiable net assets acquired (being 100% of the identifiable net

assets acquired is \$121m AUD. 60% of this is recognized as a Gain on Acquisition offset by pre acquisition losses and share capital results in a Net Gain of \$63m.

Upon Consolidation/Acquisition of the 40% remaining interest the Identifiable net assets was recognized to bring the value of identifiable assets acquired to \$121m AUD. Please see Note 1 and Note 19 Business Combinations for further details.

Note 10. Cash & cash equivalents

	Consolidated	
	31 December, 2024	31 December, 2023
Cash at bank and in hand	2,927,098	89,437
	2,927,098	89,437

RECOGNITION & MEASUREMENT

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 with an original maturity not exceeding three months, 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. If greater than three months, principal amounts can be redeemed in full, with interest payable at the same cash rate from inception as per the agreement with each bank.

Note 11. Trade & other receivables

	Consolidated	
	31 December, 2024	31 December, 2023
Current	\$	\$
Trade Debtors	-	2,408
GST/Sales Tax Receivable	691,280	16,827
CYK Loan Recievable	451,908	-
	1,143,188	19,235

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less expected credit losses. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Note 12. Inventories

	Consolidated	
	31 December, 2024	31 December, 2023
At Cost		
Finished products	122,339	-
Intermediate product	217,128	-
Raw materials	89,968	-
	429,435	-

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related assets, liabilities and controlling interests of the HPA business operations. Inventories consist of various grades of HPA product in different stages of production measured at cost.

RECOGNITION & MEASUREMENT

Consumable supplies are physically measured or estimated and stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the year in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product. Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost.

Note 13. Current assets – other

	Consolidated	
	31 December, 2024	31 December, 2023
Current	\$	\$
Prepaid Expenses	7,509,054	94,948
	7,509,054	94,948

The HPA business is currently undertaking a capital expansion project to increase the capacity of the HPA plant to 3000 tpa. A number of items are being acquired on a long lead item basis/prepaid deposits. Once the items are installed in the plant and ready for use they will be transferred to Plant and Equipment from Prepaid Deposits/Expenses.

Significant restrictions

There are no significant restrictions [2023: none].

RECOGNITION & MEASUREMENT**Associates**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Material Judgements

In relation to financial year end 31 December 2023, despite the Group controlling 60% of the share capital of the associates, it has been determined that due to a shareholders agreement in place control does not exist as the Group does not have the ability to affect returns through its power over the investees.

Note 14. Property, Plant and Equipment

	Consolidated	
	31 December,	31 December,
	2024	2023
	\$	\$
Land and buildings	1,054,755	-
Less: accumulated depreciation	(442,056)	-
	<u>612,699</u>	<u>-</u>
Assets under construction, at cost	10,392,353	-
Laboratory Equipment - at cost	914,265	-
Less: accumulated depreciation	(436,488)	-
	<u>477,777</u>	<u>-</u>
Furnitures and IT – at cost	140,744	18,112
Less: accumulated depreciation	(129,507)	(16,674)
	<u>11,237</u>	<u>1,438</u>
Plant and equipment – at cost	9,825,154	-
Fair Value on Acquisition of Vivent Interest	88,000,181	-
Less: accumulated depreciation	(2,905,020)	-
	<u>94,920,315</u>	<u>-</u>
Vehicles – at cost	90,763	-
Less: accumulated depreciation	(7,791)	-
	<u>82,972</u>	<u>-</u>
	106,497,354	1,438

Asset Revaluation to Fair Market Value reflects the recognition of the fair market value of the HPA business assets after eliminating AEM Inc share capital. Please refer Note 19 on Goodwill.

Reconciliations of the carrying amount at the beginning and end of the current financial year are set out below:

2024

Reconciliation of plant and equipment	Land and buildings	Leasehold improvements	Plant and equipment	Furnitures and IT equipment	Assets under construction	Vehicles	Total
Carrying amount at the beginning of the period	-	-	-	1,438	-	-	1,438
Re-consolidation of HPA Operations	943,921	-	104,557,425	39,271	3,382,181	90,763	109,013,561
Additions (1)	-	-	-	-	(1,322,379)	-	(1,322,379)
Amortization (2)	(331,222)	-	(820,123)	(36,130)	0	(7,791)	(1,195,266)
Disposals	-	-	-	-	-	-	-
Foreign currency translation movement	-	-	-	-	-	-	-
Carrying amount at the end of the year	612,699	-	103,737,301	4,580	3,382,181	82,972	106,497,354

(1) Items under long lead deposit moved to Prepayments.

(2) \$228,123 relates to lease payments re Montreal Head Office classified as a Right of Use asset. \$967,143 is Depreciation on Plant & Equipment.

2023

Reconciliation of plant and equipment	Land and buildings	Leasehold improvements	Plant and equipment	Furnitures and IT equipment	Assets under construction	Vehicles	Total
Carrying amount at the beginning of the period	348,619	3,361	7,626,051	29,763	172	132,319	8,140,285
Additions	-	-	-	-	-	-	-
Amortization	-	-	-	(16,674)	-	-	(16,674)
Disposals	-	-	-	-	-	-	-
Deconsolidation of HPA operations	(348,619)	(3,361)	(7,626,051)	(11,651)	(172)	(132,319)	(8,122,173)
Foreign currency translation movement	-	-	-	-	-	-	-
Carrying amount at the end of the year	-	-	-	1,438	-	-	1,438

RECOGNITION & MEASUREMENT***Property, plant, and equipment***

Buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. Property, plant and equipment directly engaged in mining operations are depreciated over the shorter of expected economic life or over the remaining life of the mine on a units-of-production basis. Assets which are depreciated on a basis other than units-of-production method are typically depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	15 years
Furniture & Fixtures and IT Equipment	3 to 15 years
Leashold Improvements	over the term of the leases
Plant & Equipment	5 to 25 years
Laboratory Equipment	10 years
Vehicles	5 years

RECOGNITION & MEASUREMENT***Property, plant, and equipment (continued)*****Impairment and derecognition**

Tangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount the cash generating unit can be sold to a knowledgeable and willing market participant in an arm's length transaction, less the disposal costs. In estimating fair value less costs of disposal, discounted cash flow methodology is utilised, and a post-tax discount rate is used.

For the purposes of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generated units).

Note 15. Asset held-for-sale

	Consolidated	
	31 December,	31 December,
	2024	2023
Asset held-for-sale	\$	\$
MDL 469 EEA acquired from Kendall Resources	-	416,000
MDL 469 EEA expenditures excluding HPA and ML100200 related costs	-	104,000
	-	520,000

On August 26th 2024 the CYK dividend/in specie distribution occurred and the transfer MDL 469 to CYK was officially recorded on January 6th 2025. The dividend was \$270k and the remaining amount attributable to Asset Held for Sale was transferred to a loan to CKY.. As part of the restructuring plan approved post 31 December 2023 , AEM Management performed a detailed analysis on the \$6,077,622 book value of MDL Exploration and Evaluation Assets with the aim to isolate all the expenditures within the \$6,077,622 that were associated HPA activities and contributed to securing the ML100200 mining license.

It was identified that \$1,696,862 were associated HPA activities and contributed to securing the ML100200 mining license (this amount excludes the HPA/ML100200 related costs that were already transferred to AEM HPA (Australia) Pty Ltd (AHA) in March 2020 prior to the joint ownership of AHA with A.E.M.I. Group Ltd).

The Gulf also resolved to allocate the \$1,000,000 original purchase consideration to the costs associated with attaining ML100200 at 58.4%. This allocation ratio is referenced from the ratio applied Murray Brooker in his Independent Valuation Report dated 5 March 2024 when the aggregate value of kaolin assets was divided into Gulf MDL and AHA ML components in the proportion of MDL \$520,000: ML \$730,000.

The remaining evaluation expenditures incurred by Gulf are therefore assessed to be solely related to the acquisition and development of MDL469 was \$3,796,760. Comparing this amount with the Independent Valuation assessment at \$520,000 (i.e. the proposed sale price of MDL to CYK – refer to Note), there is an impairment of \$3,276,760. This amount was written off as expenses and the \$520,000 book value was reclassified as held-for-sale asset. For the year ended 31 December 2024 the value was held by management to be in line with the value determined by Murray Brooker in his Independent Valuation Report dated 5 March 2024.

RECOGNITION & MEASUREMENT

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 16. Exploration and evaluation expenditure

		Consolidated	
		31 December, 2024	31 December, 2023
		\$	\$
Exploration and evaluation expenditure (EEA) at cost:			
Gulf Minerals MDL 469 EEA	a	-	5,077,622
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		-	(1,696,862)
Write off of MDL469 EEA		-	(3,276,760)
Gulf Minerals MDL 469 EEA reclassified as held for sale		-	(104,000)
Carrying amount of MDL469 EEA at the end of the year		-	-
MDL 469 EEA acquired from Kendall Resources	b	-	1,000,000
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		-	(584,000)
Gulf Minerals MDL 469 EEA acquired from Kendall reclassified as held for sale		-	(416,000)
Carrying amount of MDL469 acquired from Kendall at the end of the year		-	-
MLA100200 and HPA application related EEA	c	730,000	605,010
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		-	1,696,862
Write off ML100200		-	(2,155,872)
MDL 469 acquired from Kendall reclassified as ML100200 EEA		-	584,000
Carrying amount of and HPA application related EEA at the end of the year		730,000	730,000
		730,000	730,000

- (a) Actual accumulated expenditures by the Company on MDL469 exploration and evaluation from the date of acquisition.
- (b) Exploration and evaluation assets acquired from Kendall Resources in 2008 at \$1,000,000 (4,000,000 ordinary shares at \$0.25 per share).
- (c) ML100200 value written down to the Independent Valuation Report value of \$730,000 (Note 15) and expenditures during the year.

Reconciliation of exploration and evaluation expenditure	31 December, 2024	31 December, 2023
Carrying amount at beginning of the year	730,000	6,455,114
Exploration expenditure during the year	-	227,518
Gulf Minerals MDL 469 EEA reclassified as held for sale	-	(520,000)
Write off of MDL469 EEA	-	(3,276,760)
Write off ML100200	-	(2,155,872)
Carrying amount at the end of the year	730,000	730,000

JUDGEMENTS AND ESTIMATES

Management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

MDL469 was acquired from Kendall Resources Limited in 2008. Under the principles of AASB 2, the acquisition price was determined to be \$1,000,000 based on the issue of 4,000,000 AEM shares at \$0.25. Prior to acquisition, it was noted that Kendall Resources Limited had spent approximately \$5,060,176 in developing the project.

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. There is no information up to the date of this report which would result in an impairment trigger due to potential loss of tenements.

Note 17. Intangibles

	Consolidated	
	31 December, 2024	31 December, 2023
Intangibles assets	\$	\$
Trade Name & Domain Name	64,210	-
Patents, at cost	1,052,940	-
Less: accumulated amortisation	(336,828)	-
	780,322	-

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related assets, liabilities and controlling interests of the HPA business operations. Inventories consist of various grades of HPA product in different stages of production. There are 93 Patents in total and Patents are amortized on a per day rate which is determined based on Initial amount paid for the Patent, the Issue date and Expiration date of the Patents.

Note 18. Goodwill

	Consolidated	31 December, 2024	31 December, 2023
Fair Value of Consideration		\$ 121,888,889	\$ -
Less Fair Value of Assets Acquired (Net)		<u>(69,691,177)</u>	
Goodwill on Acquisition		52,197,712	

Further to the Restructuring announced in 2023, AEM completed the acquisition of the remaining 40% interest in AEM Inc on May 6th 2024. AEM acquired the remaining 40% interest in AEM Inc from Vivent to achieve 100% ownership (44,055,033 shares held in AEM Inc). Total AEM Inc. common share ownership pre the transaction was AEM 66,082,550 (60%) and Vivent 44,055,033 (40%).

The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller. In exchange for the acquisition AEM issued shares and convertible notes in AEM to the shareholders in Vivent as follows: 44,815,647 Shares, 76,591,390 Convertible Notes.

The Transaction has been accounted for as a business combination. On May 6th 2024 AEM Ltd acquired the remaining 40% of the shares of AEM Inc for the total consideration transferred of \$121,888,889. This is a high purity alumina business and the goodwill of \$52,197,712 represents the expected synergies from the acquisition and control of the remaining 40% of the business. Please refer Note 1 for further details on the transaction.

Note 19. Trade and other payables

	Consolidated	31 December, 2024	31 December, 2023
Current		\$ 2,957,724	\$ 263,985
Trade Payables and accruals		2,957,724	263,985

RECOGNITION & MEASUREMENT

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are outstanding. 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.

Note 20. Convertible Debentures

Throughout the year ended December 31, 2023 and December 31, 2024, AEM Inc issued convertible debentures for total proceeds of \$20,329,858 (CAD) and \$13,699,474 (CAD) respectively. The Convertible Debenture balances as at 31 December 2023 are acquired upon AEM acquiring 100% control of AEM Inc.

The debentures accrue interest at a rate of 10% per annum until fully repaid or converted. The total amount of the principal and any accrued interest are repayable on maturity of May 31, 2025 (2023 Debentures) December 31, 2025 (2024 Debentures), or at any time prior to maturity if the Company sells substantially all its assets.

The debentures are mandatorily convertible into Class D common shares of the Company at any time on or prior to the maturity date if the Company successfully lists for trading its shares on a reputable stock exchange pursuant to any type of transaction. On the occurrence of a Qualified Public Listing ("QPL") the face value of the Convertible Notes and the PIK Interest will automatically convert into the shares of the IPO Entity on the QPL Conversion Date at the lesser of a price that is discounted to the IPO offer price by:

- 25% if the IPO occurs prior to or on 31 May 2025 – 2023 Debentures
- 25% if the IPO occurs prior to or on 30 June 2025 – 2024 Debentures,
- 30% if the IPO occurs after 30 June 2025 but before the Maturity Date – 2024 Debentures,

or a price based on the Valuation Cap. 2023 Debentures Valuation Cap = \$100m CAD, 2024 Debentures Valuation Cap = \$150m CAD.

During 2024 the 2023 Debentures were amended to convert into shares of AEM Ltd upon QPL instead of AEM Inc, the Canadian subsidiary.

The conversion ratio is based on the date of the QPL. The conversion option is classified as a derivative financial liability measured at fair value through profit or loss. The fair value of the embedded derivative component is assessed at each reporting date. Changes in the fair value of the derivative are recognized in profit or loss.

The host liability is classified as a non-current liability. Transaction costs incurred on the issuance of the convertible debentures have been allocated proportionately between the host liability and the embedded derivative, with the portion on the host liability being capitalized as a contra-liability and amortized throughout the life of the debentures and the portion on the embedded derivative being expensed as incurred.

The table below present the change in fair value during the year and the key assumptions used by management:

Valuation of 2023 Convertible Debentures (1)	2023	
Face Value of Convertible Debenture issued in 2023	22,840,462	
Initial recognition of derivative liability	(9,492,527)	
Initial recognition of transaction costs	(509,736)	
Interest Accrued 2023	1,138,069	
Carrying value - 2023 convertible debt as at December 31 2023	13,976,267	
Interest Accrued 2024	2,492,975	
Transaction Cost Amortization	361,360	
Carrying value - 2023 convertible debt as at December 31 2024	16,830,602	
Valuation of 2024 Convertible Debentures	2024	
Face Value of Convertible Debenture issued in 2024	15,354,712	
Initial recognition of derivative liability	(5,686,773)	
Initial recognition of transaction costs	(333,955)	
Interest Accrued	185,230	
Carrying value - convertible debt as at December 31, 2024	9,519,213	
Total Carrying value - convertible debt as at December 31, 2024	26,349,815	
Derivative Liability Valuation (Level 3 fair value)	2024	2023 (1)
Opening Balance (Acquired on Vivent acquisition)	8,485,512	-
Initial recognition of derivative liability	5,686,773	9,492,527
Change in fair value	1,578,626	(689,666)
Transaction Costs Capitalised	(187,531)	(317,350)
Transaction Costs Amortisation	-	-
Carrying value - derivative liability as at December 31	15,563,379	8,485,512

(1) The 2023 Balances were acquired on gaining control of Vivent

Note 21. Loans – Non Current

	Consolidated	
	31 December, 2024	31 December, 2023
IQ & DEC Loan	6,075,033	-
Ford Loan	98,664	-
	6,173,698	-

Investissement Quebec – CAD \$7m limit

In April 2024, AEM Inc secured a CAD \$7,000,000 loan from Investissement Quebec (IQ), to be disbursed in three tranches based on eligible expenses paid. The loan has an interest rate of 7.5% per annum, compounded monthly. If the Company is not in default, it will have a 24-month moratorium on interest repayment and a 36-month moratorium on capital repayment from the first disbursement. After this period, the loan will be repaid in 84 monthly installments of CAD \$83,333, starting the month after the moratorium ends. The Company will pay IQ a royalty of 1.55% capped at an effective 15% IRR based on the consolidated annual sales of AET and AEM Inc. The loan is secured by a principal mortgage of CAD \$7,000,000, plus an additional 20% mortgage on all current and future movable and immovable property of the Company and its guarantors, including intellectual property rights and patents. As at 31 December 2024 the loan balance included capitalised interest was \$4,057,549 AUD.

Development Economique Canada – CAD \$2m limit

In February 2024, the Company secured a CAD \$2,000,000 loan from Development Economique Canada (DEC), disbursed in two installments. The loan is interest-free and will be repaid over 72 equal monthly installments, starting 36 months after the Project End Date. Before the second installment, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000, plus an additional 20% mortgage on all current and future real estate, including lot 6 247 914 in Sainte-Anne-des-Monts, and any buildings or attachments. Additionally, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000, plus an additional 20% mortgage on all current and future movable property, tangible and intangible, including intellectual property, insurance benefits, and proceeds from rental or sale of these properties. As at 31 December 2024 the loan balance was \$2,017,485 AUD.

Ford Loan

In the period ended December 31, 2024, \$98,664 of the loan is related to the Ford Lightning Truck loan. The Loan has a 5.49% interest rate and is repayable over 156 monthly payments and the loan commenced on October 5, 2022.

Note 22. Other Current liabilities

	Consolidated	
	31 December, 2024	31 December, 2023
Current	\$	\$
Associate payables	a -	28,000
Other Loans	b 23,390	109,757
3CI Loan	c 652,320	-
Lease Liability - Right of Use Asset	d 569,201	-
	<hr/> 1,244,911	<hr/> 137,757

- (a) Associates payables - During the year ended 31 December 2023, Gulf and Vivent entered into a loan agreement to fund the AEM HPA (Australia) in 60%40% proportion. The loan is non-interest -bearing and repayable by 31 May 2025. As of 31 December 2023, \$28,000 had been advanced by Vivent. This loan was repaid during 2024.
- (b) Other Loans -In 2024 this represents the Short Term portion of the Ford Loan. As of 31 December 2023, ACG had made payments on behalf of AUK.
- (c) 3CI Loan- In November 2024, AEM Canada Group Inc., a subsidiary, secured loans amounting to CAD \$582,000 (ADU \$652,320) for working capital and general corporate purposes. The loans carry an interest rate of 10% per annum, compounded monthly, and are set to mature 12 months from the disbursement date. Advanced Energy Minerals Inc., AEM Technologies Inc., and Advanced Energy Minerals Ltd. serve as guarantors for these loan agreements. The loans are backed by

a general and continuing collateral security agreement, a priority agreement among other lenders, and a first-ranking security interest in favor of the lenders, which includes the borrowers' present and future C3I tax credits.

(d) Lease Liability re Right of Use Asset – relates to Rental Lease agreement with Montreal Head Office.

Note 23. Current liabilities - employee benefits

	Consolidated	
	31 December, 2024	31 December, 2023
	\$	\$
Employee Entitlements	118,897	80,955
Superannuation Payable	19,375	9,350
	138,272	90,305

RECOGNITION & MEASUREMENT

Employee benefits

(a) Short-term obligations

Liabilities for employee benefits that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(b) Other long-term employee benefit obligations

The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Expected future benefit payments are discounted using market yields at the end of the year on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(c) Retirement benefit obligations

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(d) Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Note 24. Deferred tax

	Consolidated	
	31 December, 2024	31 December, 2023
Potential deferred tax asset comprises temporary differences attributable to:	\$	\$
Unused tax losses for which no deferred tax asset has been recognized	14,535,160	6,669,199
Provisions & Other Items	191,595	-
Unused tax credits for which no deferred tax asset has been recognized	1,098,742	-
	<u>15,825,497</u>	<u>6,669,199</u>
Potential tax benefit not recognised at 30% (2023: 30%)	4,747,649	2,000,760

The benefit of these tax losses will only be realised if the Group derives further assessable income of a nature and amount sufficient to enable the benefit from deductions to be realised; the Group continues to comply with the conditions for deductibility imposed by the law; and no changes in tax legislation adversely affects the Group's ability in realising the benefit from the deductions.

	Consolidated	
	31 December, 2024	31 December, 2023
Net Deferred tax liabilities Recognised	\$	\$
Unused tax losses for which a deferred tax asset has been recognized (at acquisition)	(24,985,864)	-
Unused tax losses for which a deferred tax asset has been recognized (Current year)	(10,981,057)	-
Fair Value Property Plant & Equipment	97,109,305	-
Net Deferred Tax Liability	<u>61,142,384</u>	-
Deferred tax liabilities at 26.5%	<u>16,202,732</u>	-

Deferred tax liabilities have not been recognised in respect of these items. The Group has sufficient carry forward losses to be able to offset any deferred tax liabilities arising.

Note 25. Issued Capital

Issued and paid-up share capital

	2024 Shares	2023 Shares	Consolidated	
			2024 \$	2023 \$
Ordinary shares - fully paid	305,178,874	163,927,232	76,064,244	23,013,054

Movement in ordinary shares & convertible notes

Details	Note	Date	Shares	Issue price \$	\$
Balance		2023-01-01	163,927,232		23,013,054
Issue of shares at \$0.25 (Options exercise)			11,640,000	0.25	2,910,000
Issue of shares at \$0.18 (Options exercise)			4,000,000	0.18	720,000
Issue of shares at \$0.20 (Share based payment for salaries)			4,131,877	0.20	826,375
Issue of shares at \$0.44			72,727	0.44	32,000
Issue of shares at \$0.40 (1)			90,293,064	0.40	36,117,226
Issue of Convertible Notes to Vivent, equity in nature	1		31,113,974	0.40	12,445,590
Balance		2024-12-31	305,178,874		76,064,244

(1) Includes 45,477,417 Convertible Notes converted to Shares on 14/8/24 and 16/8/24

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and

the company does not have a limited amount of authorised capital. Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

RECOGNITION & MEASUREMENT

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 26. Reserves

	Consolidated	
	31 December,	31 December,
	2024	2023
Reserves	\$	\$
Foreign currency translation reserve	1,168,135	537,895
Share based payment reserve	934,895	934,895
	2,103,030	1,472,790

Movements in each class of reserve during the current financial year are set out below:

	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Total
			\$
Balance at 31 Dec 2022	934,895	133,510	1,068,405
Share based payment	-	-	-
Foreign currency translation	-	404,385	404,385
Balance at 31 Dec 2023	934,895	537,895	1,472,790
Share based payment	-	-	-
Foreign currency translation	-	630,240	630,240
Balance at 31 Dec 2024	934,895	1,168,135	2,103,030

RECOGNITION & MEASUREMENT

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity along with the Company's movement in its associate's foreign currency translation reserve.

Share based payment reserve

The Share based payment reserve records items recognized as expenses on valuation of share-based payments.

Note 27. Retained Earnings/(Accumulated losses)

	Consolidated	
	31 December,	31 December,
	2024	2023
	\$	\$
Accumulated losses at the beginning of the period	(23,563,007)	(16,161,326)
Profit (Losses) for the period	48,979,363	(7,401,681)
Retained Earnings/(Accumulated losses) at the end of the period	25,416,356	(23,563,007)

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations.

Note 28. Subsidiaries

Name of subsidiary	Note	Country of incorporation Residence	Date of incorporation	Proportion of ownership interest	
				2024	2023
AEM HPA (Malaysia) Sdn Bhd (1)		Malaysia	2018-10-16	0%	100%
AEM HPA (Australia) Pty Ltd		Australia	2018-08-21	100%	60%
A.E.M.I. Group Limited		Cyprus	2020-05-20	100%	60%
Advance Energy Minerals (UK) Limited		UK	2020-07-26	100%	60%
AEM Canada Group Inc.	a	Quebec, Canada	2020-03-02	100%	60%
AEM Technologies Inc.	a	Quebec, Canada	2020-10-19	100%	60%
Advanced Energy Minerals Inc.	a	Quebec, Canada	2022-12-22	100%	60%

(1) AEM HPA (Malaysia) Sdn Bhd business was closed in 2023 and application of striking off from the Companies Commission of Malaysia [CCM] was granted on 13 May 2024

a. From 1 January 2023, AEM Canada Group Inc. and AET Technologies Inc. became 100% subsidiaries of AEM Inc. From May 6th 2024 AEM Inc became a 100% subsidiary of AEM following the acquisition of the 40% interest held by Vivent Initiatives. Accordingly AEM has full power to govern the financial and operating policies of AEM Inc. (and its subsidiaries) and the Company determined they had retained control and AEM Inc. and its subsidiaries assets, liabilities and controlling interests are fully recognized. These entities were previously equity accounted for in the year ended 31 December 2023.

Note 29. Parent Entity information

	Note	2024	2023
		\$	\$
Assets			
Current assets		3,228,406	615,765
Non-current assets		115,147,051	3,352,094
Total assets		118,375,457	3,967,859
Liabilities			
Current liabilities		171,901	119,660
Non-current liabilities		-	57,837
Total liabilities		171,901	177,497
Equity			
Issued capital		76,064,244	23,013,054
Reserves		934,895	934,895
Retained Earnings/(Accumulated losses)		41,204,417	(20,333,026)
Total equity		118,203,556	3,614,923
Profit/(Loss) for the year		61,537,442	(14,891,374)
Other comprehensive income		-	-
Total comprehensive (loss) / income		61,537,442	(14,891,374)

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments

The parent entity had capital commitments for property, plant and equipment related to plant upgrade in Canada of \$4,438,190 AUD as at 31 December 2024 and nil as at 31 December 2023.

No dividends were received from subsidiaries in 2024 (2023: nil).

RECOGNITION & MEASUREMENT

The financial information for the parent entity, Advanced Energy Minerals Limited has been prepared on the same basis as the consolidated financial statements.

Note 30. Key management personnel disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	12 months 31 December, 2024	12 months 31 December, 2023
	\$	\$
Aggregate compensation	2,444,882	1,007,055
	2,444,882	1,007,055
 Cash		
Cash	958,355	574,479
Equity Based Compensation	1,486,527	432,576
Total	2,444,882	1,007,055

Note 31. Related Party disclosures

Parent entity – Advanced Energy Minerals Limited is the parent entity.

Subsidiaries - Interests in subsidiaries are set out in note 28.

Key management personnel - Disclosures relating to key management personnel are set out in note 30.

Transactions with related parties - The following transactions occurred with related parties:

	12 months 31 December, 2024	12 months 31 December, 2023
	\$	\$
Payment for goods and services:		
Payment for Services from AG AVOCAT CONSEIL INC.	a 188,385	-
Payment for services from Tewa Pty Ltd	b - 103,511	103,511
Total	188,385	103,511

a) AG Avocats is a related party to Anthony Giannaria

b) Tewa Pty Ltd is a related party to Peter Thomson.

These transactions are all conducted on an arm's length basis for rendering of professional services.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 December, 2024	31 December, 2023
	\$	\$
Current payables		
Loans to/from related parties		
Loan from Vivent Initiatives Limited	a	28,000
Total	-	28,000

(a) Loan from ViVent Initiative Limited to AEM HPA (Australia) Pty Ltd was repaid during the year.

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the company, its network firms and unrelated firms.

	Consolidated	
	31 December, 2024	31 December, 2023
	\$	\$
Audit services - HLB Mann Judd		
Audit or review of the financial statements	76,186	31,000
Total	76,186	31,000

Note 33. Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Note 34. Commitments and Contingencies

(a) Operating lease commitments

There were no Operating Lease Commitments.

(b) Exploration commitments

	Consolidated	
	31 December, 2024	31 December, 2023
	\$	\$
Within one year	-	472,214
After one year but no more than five years	-	2,912,231
Total	-	3,384,445

Exploration Permit Mineral leases (EPM's), Mining Development Leases (MDL's) and Mining Leases (ML's) are granted on conditions of the responsible company meeting certain expenditure and performance conditions. The period of renewal for MDL469 is until 30 November 2026.

Other than described above, the Company does not have any commitments or contingent liabilities as at the reporting date.

Note 35. Share-based payments

Set out below are summaries of options on issue during the year. These options were exercised on 28 May 2024

2024							Balance at the end of the period
Grant Date	Expiry Date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/Forfeited/Other	the period
2024-01-22	2025-01-25	0.18	4,000,000		(4,000,000)		-
Weighted average exercise price \$0.18							

2023							Balance at the end of the period
Grant date	Expiry date	Exercise Price \$	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	the period
20-Feb-21	20-Feb-23	0.15	4,500,000	-	-	(4,500,000)	-
14-Jan-22	13-Jan-25	0.18	5,000,000	-	(1,000,000)	-	4,000,000
			9,500,000	-	(1,000,000)	(4,500,000)	4,000,000
Weighted average exercise price \$ 0.17							
Weighted average exercise price \$ 0.17							
Weighted average exercise price \$ 0.18							

Set out below are the options balance at the end of the financial year:

Grant Date	Expiry Date	2024 Number	2023 Number
14-Jan-22	13-Jan-25	-	4,000,000
14-Jul-22	13-Jul-24	-	11,641,458
30-Nov-23	30-Nov-25	883,587	883,587

Movements of share-based payment reserve during the current financial year are set out below:

	Consolidated	
	31 December, 2024	31 December, 2023
	\$	\$
Opening balance	934,895	934,895
Balance at 31 December	934,895	934,895

Note 36. Events after the reporting period**Convertible Debenture**

AEM continued its capital raising under the 2024 Pre – IPO convertible debenture raising an additional \$9.2m CAD (pre capital raising fee's). The additional funds raised will be used to complete the capital works programme and for working capital.

IPO Preparations

AEM continued preparations for the forthcoming listing of the company on the ASX in 2025. A draft prospectus is being prepared and accompanying independent expert reports. Co-Lead managers are being appointed and markets permitting a listing is planned for mid to late 2025.

Other than the above, there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Advanced Energy Minerals Limited
Consolidated Entity Disclosure Statement
As at 31 December 2024

Entity Name	Entity Type	Place Formed/Country of Incorporation	Ownership Interest	Tax Residency
Advanced Energy Minerals Inc	Corporation	Canada	100%	Canada
AEM Canada Group Inc	Corporation	Canada	100%	Canada
AEM Technologies Inc	Corporation	Canada	100%	Canada
AEMIG Limited	Corporation	Cyprus	100%	Cyprus
AEM (HPA) Australia Pty Ltd	Corporation	Australia	100%	Australia
Advanced Energy Minerals UK	Corporation	United Kingdom	100%	UK
Advanced Energy Minerals Limited	Corporation	Australia	Parent	Australia

Directors' Declaration

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are or may become due and payable.
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board of Directors



Richard Seville

Chairperson

2 May 2025



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Advanced Energy Minerals Limited (formerly Gulf Minerals Limited) for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

Perth, Western Australia
2 May 2025

N G Neill
Partner

hblb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hblbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.



INDEPENDENT AUDITOR'S REPORT

To the Members of Advanced Energy Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advanced Energy Minerals Limited ("the Company") and its controlled entities ("the Group") (formerly Gulf Minerals Limited), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the Group disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

hblb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hblbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the Group disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the Group disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the Group disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the Group disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian 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 this financial report.

As part of an audit in accordance with the Australian 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 financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 our audit.

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
2 May 2025

Norman Glazebrook

N G Neill
Partner

Additional Information

The following relevant interests in shares and performance rights of the Company were held directly and beneficially by the directors as at the date of this report:

	Note	Fully paid ordinary shares	Options	Performance rights - vested	Performance rights - unvested
Non-Executive Directors					
Richard Evans		24,281,408			
Nassif Obeid		12,140,704			
Anthony Giammaria		120,000			
Executive Directors					
Richard Seville	a	26,521,323	-	-	-
Michael Adams	b	1,394,556	-	-	1,905,700
Tim Fletcher	c	3,500,000	-	-	291,205
Steven Petersohn	d	9,766,065	-	-	882,045

- (a) John Fletcher, Tim Fletcher, Simon Fletcher, Begrard Resourced Limited and Cleveland Investment Global Limited.
- (b) Richard Seville is a shareholder of Richard Seville and Associates Pty Ltd and Ockleston Nominees Pty Ltd.
- (c) Michael Adams is associated with MGW Adams Limited.
- (d) Steven Petersohn and his spouse.