

ChemX Materials Limited

ABN 88 644 982 123

Annual Financial Statements - 30 June 2025

Directors	Dr. Nigel Purves Francis Douglas KC Robert Whitton
Company secretary	Louisa Ho
Registered office	Level 2, 350 Kent Street Sydney NSW 2000
Principal place of business	Level 2, 350 Kent Street Sydney NSW 2000
Share register	Computershare Investor Services Pty Limited Level 17 221 St Georges Terrace Perth WA 6000 Phone: 1300 850 505
Auditor	William Buck Audit (VIC) Pty Ltd Level 20, 181 William Street Melbourne Vic 3000
Solicitors	Steinepreis Paganin Level 14 QV1 Building 250 St Georges Terrace Perth WA 6000
Stock exchange listing	ChemX Materials Limited shares are listed on the Australian Securities Exchange (ASX code: CMX) Trading in ChemX Materials Limited securities has been suspended since 19 December 2024.
Website	www.chemxmaterials.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of ChemX Materials Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

The Company is now reporting as a single entity as during the financial year it ceased to control its only subsidiary (Hipura Pty Ltd).

Directors

The following persons were Directors of ChemX Materials Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr. Nigel Purves - Director (*appointed by shareholder election 18 July 2025*)
Francis Douglas - Director (*appointed by shareholder election 18 July 2025*)
Robert Whitton - Director (*appointed by shareholder election 18 July 2025*)
Stephen Strubel - Non-Executive Director (*resigned 21 July 2025*)
Warrick Hazeldine – Independent Non-Executive Chair (*resigned 27 May 2025*)
Alwyn Vorster - Independent Non-Executive Director (*resigned 31 December 2024*)

Principal activities

The principal activity during the reporting period was the development of its propriety High Purity Alumina ® (HiPurA) technology and mining exploration.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$7,047,676 (30 June 2024: \$4,485,548).

Effective 31 October 2024, for general working capital purposes, the Company entered into six-month unsecured loan agreements with an entity associated with Non-Executive Director, Stephen Strubel, SRSHGS Pty Ltd, of \$25,000 and R J & A Investments Pty Ltd, currently a substantial shareholder in the Company of \$75,000. The interest rate payable was equal to the cash rate last published by the Reserve Bank of Australia on the day prior to the Advance Date.

On 14 November 2024, the Company received its FY24 Research and Development (R&D) Tax Incentive refund of \$661,890 from the Australian Taxation Office (ATO).

CMX had previously secured an advance facility of \$441,935 from Radium Capital against the expected refund (ASX announcement dated 6 September 2024). The refund received has been used to fully extinguish the facility. After repayment of all associated fees and charges, the Company retained a net surplus of \$207,381, which was applied towards working capital to support the operations of the Company.

During the quarter ended 31 December 2024, CMX executed a Deed of Variation with Mercer Street Global Opportunity Fund, LLC (Mercer), a US-based investment fund managed by Mercer Street Capital Partners, to amend the terms of the Convertible Securities Agreement originally entered into on 4 August 2023. The amended agreement provided CMX with increased flexibility as the Company advanced the final commissioning of its High Purity Alumina (HPA) Pilot Plant and progressed key commercialisation activities.

The amendments related to the 2,640,000 convertible notes on issue and remained subject to shareholder and ASX approval, expected to be sought prior to 28 February 2025. Key terms of the variation included a reduction in the floor price for conversion of convertible notes from \$0.06 to \$0.02, and an extension of the maturity date for both the Tranche 1 (1,175,000 notes) and Tranche 2 (2,640,000 notes) convertible notes to 30 March 2026. As part of the variation, CMX agreed to make a payment of \$25,000 by 31 December 2024 for the repayment of 25,000 Tranche 1 convertible notes, and a further payment of \$400,000 by 28 February 2025 for the repayment of 400,000 Tranche 1 convertible notes. Mercer also approved CMX's request to raise up to A\$500,000 in additional funding to support working capital and repayment obligations associated with the amended agreement.

On 17 December 2024, CMX requested a trading halt pending the release of a material announcement. Following this, on 19 December 2024, CMX was suspended from quotation at the Company's request under ASX Listing Rule 17.2. The suspension was implemented pending the release of an announcement relating to funding arrangements and a management restructure.

The suspension was extended as CMX was not yet in a position to provide an update to the market on its ongoing funding and management restructure.

On 2 January 2025, the Board resolved that a voluntary administration was in the best interests of the creditors and shareholders. The Company appointed Mr Clifford Rocke and Mr Jimmy Trpceviski from WA Insolvency Solutions as Joint and Several Administrators of the Company (**Administrators**).

On 2 January 2025, the Board of the wholly owned subsidiary Hipura Pty Ltd (HiPura) also resolved that a voluntary administration was in the best interests of the creditors and its shareholder and duly appointed Mr Clifford Rocke and Mr Jimmy Trpceviski from WA Insolvency Solutions as Joint and Several Administrators (**HiPura Administrators**).

As result of both Group entities entering separate and independent Voluntary Administration arrangements the Company ceased to control HiPura. Thereafter the HiPura operations, being the development of propriety High Purity Alumina technology was treated as discontinued.

The HiPura Administrators ultimately sold HiPura for \$2,200,000 which resulted in funds available for creditors; the largest being ChemX Materials Limited.

Further information is set out in the following sections:

- * significant changes in the state of affairs,
- * matters arising subsequent to the end of the financial year, and
- * likely developments, strategy and risk.

Significant changes in the state of affairs

On 2 January 2025, Mr Clifford Rocke and Mr Jimmy Trpceviski from WA Insolvency Solutions were appointed as joint and several Voluntary Administrators of the Company and its subsidiary **Hipura Pty Ltd (HiPura)**.

On 11 April 2025, Creditors of HiPura resolved to enter a Deed of Company Arrangement (**HiPura DOCA**) with Alluminous Pty Ltd (**Alluminous**).

The HiPura DOCA was subject to the receipt of \$2,200,000 by the HiPura Administrators from Alluminous, the Company transferring the shares in HiPura to Alluminous, the removal of the director of the HiPura to be replaced with nominees of Alluminous, and the Company assigning the lease at 3 Flindell Street, O'Connor, WA 6163 to Alluminous .

The HiPura DOCA was effectuated in July 2025 and the HiPura Administrators have undertaken to pay all non-related party creditors in full and have estimated that a distribution of up to 68 cents in the dollar may be made as repayment of the unsecured amount payable to the Company.

On 11 April 2025, Creditors of the Company resolved to enter a Deed of Company Arrangement (**DOCA**) with Bennelong Capital Partners Pty Ltd (**The Proposer**).

The DOCA was subject to the receipt of \$145,000 by the Administrators from the Proposer, the removal of all PPSR charges against the Company; ASIC, ASX and shareholder approval, and the removal of the current directors of the Company to be replaced with nominees of BCP. The Proposer paid a deposit of \$25,000 before the end of the financial year and a further \$120,000 subsequent to the end of the financial year .

The DOCA was effectuated in July 2025 and Administrators have undertaken to pay all priority creditors in full and estimated that unsecured creditors may receive a payment of up to 44 cents in the dollar.

On 1 May 2025, the Company:

- * transferred its 100% shareholding in HiPura, and
- * assigned the lease at 3 Flindell Street, O'Connor, WA 6163, to Alluminous.

On 27 May 2025, director Warrick Hazeldine resigned.

There were no other significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

On 18 July 2025, shareholders resolved to appoint Nigel Purves, Francis Douglas and Robert Whitton as directors and also resolved to a share issue to raise \$178,000 through the issue of 90,315,624 shares to BCP and 1,070,885,265 shares Erth Raffle Pty Ltd an entity controlled by director Nigel Purves. After the shares were issued on 18 July 2025, the existing shareholders' interest was reduced to 10% with Erth Raffle Pty Ltd and BCP holding 83% and 7% respectively.

The purpose of the capital raising was to pay for Voluntary Administration and DOCA costs, an Independent Expert's Report, other costs relating to the general meeting and to provide the Company with approximately \$10,000 working capital.

On 18 July 2025, the Administrators advised that the DOCA was effectuated, the Company had exited from external administration and control had been returned to the directors. Effectuation released the Company from all creditor claims which were transferred to the ChemX Materials Creditor Trust together with residual company assets.

On 31 July 2025, the Company announced:

- the retirement of Stephen Strubel as director and company secretary effective 21 July 2025
- the appointment of Louisa Ho as Company Secretary effective 25 July 2025, and
- a change in the registered office and principal place of business.

On 22 August 2025 ASX advised the Company that it had failed to pay the ASX annual listing fee for the year ended 30 June 2026 and that its securities would remain suspended, The Company paid the fees on 28 August 2025.

On 15 October 2025, ASX advised the Company that if it did not meet the 1 or 2 year financial reporting deadlines, it will be removed from the official list of the ASX.

On 11 November 2025, the Trustees of ChemX Materials Creditor Trust paid the first ordinary unsecured dividend at the rate of 36 cents in the dollar.

None of the above matters or circumstances are considered to be events requiring adjustment to the carrying values of assets and liabilities as at 30 June 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments, strategy and risks

The Directors plan to identify and assess potential acquisition opportunities of a material asset subject to approval by ASX, Shareholders and regulatory bodies, where relevant and appropriate funding being sourced including access to capital through the capital markets. There can be no assurance or timeframe as to when this may occur, but it is anticipated to be in 2H26.

The new Board brings adds expertise through extensive finance and corporate experience and/or experience as Directors or Managers of trading entities.

Potential risks include:

- The Directors are also aware of ASX's automatic removal policy, which deals with lodgement of all overdue statutory reports as well as a maximum 2 year suspension rule. Furthermore, ASX may remove the company if it fails to lodge any of the documents referred to in listing rule 17.5 for a continuous period of 1 year after the deadline for lodgement of that document (or the earlier of this or the 2 year period)
- Trading in the Company's Shares was suspended on 19 December 2024 and Trading will not recommence until the Company complies with Chapters 1 and 2 of the Listing Rules, or until ASX advises otherwise. ASX re-quotations is a difficult and complex exercise. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated to the ASX official list and the shares may never be quoted.
- The Company relies on debt and equity financing to fund its operations, and any banking facilities will periodically need to be refinanced. The Company's ability to refinance its debt on favourable terms will depend on several factors including general economic conditions prevailing at that time, including interest rates, the state of debt and equity markets, as well as the reputation, performance and financial position of the Company. If there is a deterioration in the level of liquidity in debt and equity markets, or the terms on which debt or equity is available, this may prevent the Company from being able to refinance some or all of its debt on current terms or at all, or raise new debt or equity, respectively.
- The failure to raise the necessary funding, whether as debt or equity, could result in the delay or indefinite postponement of its business strategy. There can be no assurance that additional funding or other types of financing will be available if needed or that, if available, the terms of such funding will be available on favourable terms. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. There can be no assurance that additional funding or other types of financing will be available as needed or that, if available, the terms of such funding will be available on favourable terms.

Environmental regulation

The Company's operations were subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company incurs ongoing costs and obligations related to compliance with environmental and employee health and safety matters. The Company had organisational structures, systems and processes in place to ensure compliance with environmental regulations. There were no breaches of any environmental regulations identified during the year.

Failure to obtain and maintain environmental compliance approvals, licences, permits and agreements under applicable regulations or otherwise comply with environmental and safety laws and regulations may result in additional costs and liabilities for corrective measures, fines, penalties or in restrictions on the Company's operations.

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

Information on Directors

Name:	Dr. Nigel Purves
Title:	Executive Chairman
Qualifications:	Doctor of Business Administration, Southern Cross University QLD; MBA from Bowling Green State University, Ohio; fellow of Governance Institute of Australia
Experience and expertise:	Nigel brings extensive experience across professional services and corporate leadership. He began his career as a partner in a National Australian Chartered Accounting firm, specialising in complex taxation matters, litigation, and auditing. He subsequently transitioned to the corporate sector, serving as Chief Executive Officer and President of a US-based investment bank.
	His executive roles in Australia have included CEO of the country's largest internet real estate marketing company, Finance Director of one of Australia's major publicly listed defence and technology companies, and Managing Director of businesses involved in advance electronics, avionics, and semiconductor manufacturing in partnership with state and federal governments. Nigel has also served as Director of a Sydney commercial radio station and is currently a director and shareholder of Erth Raffle Pty Ltd.
Other current directorships:	Nil.
Former directorships (last 3 years):	Nil.
Interests in shares:	1,070,885,265

Name: Francis Douglas KC
Title: Non-Executive Director
Qualifications: BA LLB QLD; LLB (Cantab) UK; Diploma in International Law (Cantab) UK; Green State University, Ohio; Fellow of Governance Institute of Australia.
Experience and expertise: Francis remains a highly regarded King's counsel, practising in all areas of Commercial law and International Commercial Arbitration. Throughout his career, he has received recognition of the Best Lawyers for Alternative Dispute Resolution and commercial litigation since 2013 and is included in Doyle's List 2019 as a leading mediator in New South Wales. Francis is listed in Best Lawyers in Australia 2026 for his work in alternative dispute resolution, commercial law and litigation. He is also a non-executive director of Petsec Energy Limited.
Other current directorships: Nil.
Former directorships (last 3 years): Nil.
Interests in shares: Nil.

Name: Robert Whitton
Title: Non-Executive Director
Qualifications: Bachelor of Business (Accounting) Charles Sturt University; Chartered Accountant; Fellow of Chartered Accountants Australia and New Zealand; Former Fellow of the Institute of Company Directors; Certified Fraud Examiner; Associate Fellow of the Australian Institute of Management, Member of the Australian Restructuring Insolvency and Turnaround Association (ARITA), Graduate Certificate in Forensic Studies (Accounting); Diploma of Physical Education.
Experience and expertise: Robert has a longstanding and successful career spanning over 40+ years as a Chartered Accountant and Business Advisor. Now retired from public practice, he specialised in business reconstruction services, advising a wide range of companies on complex financial and operational restructures. Throughout his career, Robert held senior professional memberships and advisory roles across the accounting and corporate sectors. He is also an experienced Company Director, having served on the boards of both ASX- listed and private companies.
Other current directorships: Nil.
Former directorships (last 3 years): Nil.
Interests in shares: Nil.

Name: Stephen Strubel
Title: Non-Executive Director (*up to 21 July 2025*)
Experience and expertise: Stephen has approximately 10 years' experience working in financial markets predominantly with Paterson's Securities. Stephen has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. Stephen holds a Bachelor of Business Banking & Finance/International Trade, Graduate Certificate of Business in Finance from Victoria University and Master of Business Administration from the Australian Institute of Business.
Other current directorships: None
Former directorships (last 3 years): Nil.
Interests in shares: 5,645,834
Interests in options: 1,510,417

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Louisa Ho was appointed Company Secretary effective 25 July 2025 to replace Stephen Strubel following his resignation.

Meetings of Directors

Due to the size and nature of the Company, the Board fulfils the role of both the Audit & Risk Committee and Nomination & Remuneration Committee.

The number of meetings of the Company's Board of Directors held during the year ended 30 Jun 2025, and the number of meetings attended by each Director were:

	Full Board Attended	Held
Warrick Hazeldine (<i>resigned 27 May 2025</i>)	2	2
Stephen Strubel (<i>resigned 21 July 2025</i>)	2	2
Alwyn Vorster (<i>resigned 31 December 2024</i>)	2	2

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the historical key management personnel remuneration arrangements, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Link between remuneration and performance
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the executive reward framework was to ensure reward for performance is competitive and appropriate for the results delivered. The framework aimed to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') aimed to ensure that executive reward satisfied the following key criteria for good reward governance practices:

- competitiveness and reasonableness,
- acceptability to shareholders,
- performance linkage / alignment of executive compensation, and
- transparency.

Non-Executive Director remuneration

The total maximum non-executive director fee pool was initially set by the Board and any subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The current non-executive director fee pool, which excludes non-cash performance incentives such as options and performance rights, has been set at an amount not to exceed \$300,000 per annum. The determination of individual remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director. During the previous financial year the Board set non-executive director base remuneration levels at \$96,000 for the Board chair and \$60,000 for other non-executive directors.

Executive remuneration

The Company aimed to reward executives including directors and other key management personnel based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The Board reviewed and approved the remuneration levels to help enable the Company to attract and retain executives who will create shareholder value having regard to the amount considered to be commensurate for a company of its size, level of activity and the executive's responsibilities. The Board was also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

The executive remuneration and reward framework had four components:

- base pay, superannuation and non-monetary fringe benefits (fixed remuneration)
- short and long-term based performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprised the executive's total remuneration.

Short and long-term performance incentives

The Company was developing short-term incentive payments ('STIP') and long-term incentive payments ('LTIP') programs. In August 2023, key performance indicators were assigned to the CEO as part of the short term incentive program.

Employees may have been entitled to a STIP of an approved percentage of base salary in cash (or equivalent value of securities in the Employer) subject to achievement of key performance indicators / milestones determined by the Board. The targets forming the basis of any STIP were approved annually by the Board.

Employees may also have been entitled to performance rights (with a three year term) granted on an annual basis to the value of an approved percentage of base salary subject to the terms of a separate written offer letter from the Employer including milestones determined by the Board.

Long-term employee benefits included long service leave and any share-based payments pursuant to any STIP and LTIP programs.

Employee Securities Incentive Plan (Incentive Plan)

The Incentive Plan allowed eligible participants to be issued Company securities.

Eligible participants included a person who is a full-time or part-time employee, a non-executive director, a contractor or a casual employee of the Company, or an Associated Body Corporate (as, defined in ASIC Class Order 14/1000) and the *Treasury Laws Amendment (Cost Of Living Support And Other Measures) Act 2022 (No. 14, 2022)* (as amended from time to time) (**ESS Act**)), or such other person who has been determined by the Board to be eligible to participate in the Incentive Plan from time to time.

The purpose of the plan was to:

- (i) assist in the reward, retention, and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders by providing an opportunity to receive an equity interest.

Use of remuneration consultants

No remuneration consultants were engaged during the financial year.

Voting and comments made at the Company's Annual General Meeting ('AGM')

At the AGM held 28th November 2024, 75.26% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel is set out in the following tables.

The key management personnel comprises:

- Directors
- Dr, Nigel Purves (*appointed by shareholder election 18 July 2025*)
- Francis Douglas KC (*appointed by shareholder election 18 July 2025*)
- Robert Whitton (*appointed by shareholder election 18 July 2025*)
- Stephen Strubel - Non-Executive Director (*resigned 21 July 2025*)
- Warrick Hazeldine – Independent Non-Executive Chair (*resigned 27 May 2025*)
- Alwyn Vorster - Independent Non-Executive Director (*resigned 31 December 2024*)
- Other key management personnel
- Peter Lee - Chief Executive Officer (*resigned 16 December 2024*)

	Short-term benefits		Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary ⁽¹⁾	Super-annuation	Long service leave	Equity-settled ⁽²⁾	Total
30 Jun 2025	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Warrick Hazeldine ⁽³⁾	24,000	-	-	-	-	-	24,000
Alwyn Vorster	10,000	-	-	-	-	-	10,000
Stephen Strubel	74,680	-	(14,305)	8,416	(50)	-	68,741
<i>Other Key Management Personnel:</i>							
Peter Lee (CEO)	251,851	-	(30,546)	15,286	(98)	6,533	243,026
	360,531	-	(44,851)	23,702	(148)	6,533	345,767

	Short-term benefits		Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary ⁽¹⁾	Super-annuation	Long service leave	Equity-settled	Total
30 Jun 2024	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
	-	-	-	-	-	-	-
Warrick Hazeldine ⁽³⁾	102,160	-	-	-	-	-	102,160
Alwyn Vorster	60,000	-	-	-	-	-	60,000
Stephen Strubel	221,746	-	(14,563)	24,392	(21)	-	231,554
Tara Berrie	22,815	-	-	2,510	-	-	25,325
<i>Executive Directors:</i>							
	-	-	-	-	-	-	-
<i>Other Key Management Personnel:</i>							
David Leavy	49,294	-	(6,139)	4,750	(92)	-	47,813
Peter Lee (CEO) ^{(4) (5)}	308,125	43,500	12,387	26,949	60	66,564	457,585
Mark Tory	52,318	-	(16,369)	3,646	(24)	-	39,571
	816,458	43,500	(24,684)	62,247	(77)	66,564	964,008

- (1) Non-monetary short term benefits relate to the change in annual leave entitlements accrued during the financial year.
- (2) Refer to "Share-based compensation" section below for further information relating to share-based payments.
- (3) Cash salary and fees for Warrick Hazeldine included \$Nil (2024: \$6,160) paid to Cannings Purple Pty Ltd (a director related entity) for strategic communications support services.
- (4) During the previous financial year, the salary paid to Peter Lee included annual leave paid out in addition to his normal salary.
- (5) The short term incentive key performance indicators assigned to Peter Lee were assessed as 29% satisfied. Pursuant to the conditions of his service agreement, a \$43,500 STIP was granted the previous financial year and was paid during the current financial year.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
<i>Non-Executive Directors:</i>						
Warrick Hazeldine	100%	100%	-	-	-	-
Alwyn Vorster	100%	100%	-	-	-	-
Tara Berrie	-	100%	-	-	-	-
<i>Executive Directors:</i>						
Stephen Strubel	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Peter Lee	96%	76%	-	9%	4%	15%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Warrick Hazeldine
Title: Independent Non-Executive Chair
Term of agreement: Ceased upon appointment of Administrators 2 January 2025.
Details: Pursuant to a consultancy agreement Northpoint Equity Pty Ltd (a director- related entity) was entitled to receive annual director fees of \$96,000 (excluding GST).

Cannings Purple Pty Ltd (a director related entity) had also entered a service agreement to provide strategic communications support. The fee entitlements are shown as remuneration.

Name: Alwyn Vorster
Title: Independent Non-Executive Director
Term of agreement: Ceased upon resignation 31 December 2024.
Details: The material terms and conditions of a consultancy agreement included an annual fee of \$60,000 (excluding GST).

Name: Stephen Strubel
Title: Non-Executive Director
Term of agreement: Ceased upon appointment of Administrators 2 January 2025.
Details: Under an employment arrangement, the remuneration entitlements were a base salary of \$110,000 per annum plus superannuation required by law, comprising \$60,000 per annum for director responsibilities and \$50,000 per annum for company secretarial responsibilities.
Termination: Non-specific.

Name: Peter Lee
Title: Chief Executive Officer (*previously Chief Operating Officer*)
Term of agreement: Ceased upon resignation 16 December 2024.
Details: The material terms and conditions of the ESA included:
* a base salary of \$300,000 plus superannuation required by law,
* a potential STIP of up to 50% of base salary and
* a potential LTIP up to the value of up to 50% of base salary.
Termination: Either party was able to terminate the ESA by 3 months' notice in writing. Customary summary termination events apply in favour of the Company in the event of misconduct or breach. Upon a change of control event a severance payment in lieu of notice of 3 months base salary was to be made, subject to the ESA requirements.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

On 18 August 2023 the Company issued and granted 1,000,000 unquoted employee incentive options to Peter Lee, Chief Executive Officer (CEO). The material terms comprised a vesting period of 12 months, an exercise price of \$0.205 and an expiry date of 9 August 2026. As at the grant date, the fair value of the options was \$48,800 (\$0.0488 per option).

There were no other options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

There were no performance rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Link between remuneration and performance

The Company aims to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of historical financial performance. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2025 \$	2024 \$	2023 \$
Profit / (loss) after income tax	(7,047,676)	(4,485,548)	(4,182,306)
	cents	cents	cents
Earnings / (loss) per share	(5.46)	(4.44)	(4.51)
Share price at financial year end *	-	4.80	7.10

* Trading in ChemX Materials Limited securities has been suspended since 19 December 2024.

The share-based compensation section above includes performance rights with vesting subject to the successful commissioning of the HiPurA HPA Pilot Plant and various share price hurdles.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	On market additions	Other additions / disposals (net)	Balance at the end of the year
<i>Ordinary shares</i>					
Warrick Hazeldine*	866,666	-	-	(866,666)	-
Stephen Strubel*	5,645,834	-	-	-	5,645,834
Alwyn Vorster*	760,083	-	-	(760,083)	-
Peter Lee*	416,667	-	-	(416,667)	-
	<u>7,689,250</u>	<u>-</u>	<u>-</u>	<u>(2,043,416)</u>	<u>5,645,834</u>

* Other disposals reflect securities held at the date of ceasing to be a KMP.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel, including their personally related parties, is set out below:

	Balance at the start of the year	Granted and vested as at grant date	Exercised	Lapsed *	Balance at the end of the year **
<i>Options over ordinary shares</i>					
Warrick Hazeldine	1,283,333	-	-	(1,283,333)	-
Stephen Strubel	1,510,417	-	-	-	1,510,417
Alwyn Vorster	208,333	-	-	(208,333)	-
Peter Lee	1,208,333	-	-	(1,208,333)	-
	<u>4,210,416</u>	<u>-</u>	<u>-</u>	<u>(2,699,999)</u>	<u>1,510,417</u>

* Lapsed reflects securities held at the date of ceasing to be a KMP.

** At the end of the financial year, all KMP held options were vested and exercisable.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>				
Warrick Hazeldine (Classes E & F, each with 750,000 rights)	1,500,000	-	(1,500,000)	-
Alwyn Vorster (Classes E & F each with 750,000 rights)	1,500,000	-	(1,500,000)	-
Peter Lee (Classes A,B,C & D each class has 250,000 rights)	1,000,000	-	(1,000,000)	-
	<u>4,000,000</u>	<u>-</u>	<u>(4,000,000)</u>	<u>-</u>

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of ChemX Materials Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
18 August 2023	9 August 2026	\$0.2050	1,000,000
9 October 2023	9 October 2026	\$0.1376	6,179,009
9 October 2023	9 October 2026	\$0.1100	2,272,727
29 May 2024	29 May 2027	\$0.0900	15,639,567
17 June 2024	29 May 2027	\$0.0900	2,100,000
5 December 2024 *	5 December 2027	\$0.0600	<u>2,000,000</u>
			<u><u>29,191,303</u></u>

* On 5 December 2024, Triton Lake (Global Corporate Advisor) was issued 2,000,000 fully vested, three year options with an exercise price of \$0.06 as part of their fees for service.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

On 18 November 2024, the company issued 3,500,000 performance rights to non-KMP employees which were to expire three years from the issue date. Vesting of the performance rights was subject to a market-based performance hurdle and various non-market hurdles relating to the proposed HiPura Pilot Plant. The performance rights lapsed upon termination of employment contracts whilst the Company was under Administration.

There were no unissued ordinary shares of ChemX Materials Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of ChemX Materials Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of ChemX Materials Limited issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

The Company has paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of William Buck Audit (VIC) Pty Ltd

There are no officers of the Company who are former partners of external auditor William Buck Audit (VIC) Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

Auditor

William Buck Audit (VIC) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Nigel Purves", written over a light blue horizontal line.

Nigel Purves
Executive Chairman
23 December 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of ChemX Materials Limited

As lead auditor for the audit of ChemX Materials Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ChemX Materials Limited and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

W. H. D. Lee

W. H. D. Lee
Director
Melbourne, 23 December 2025

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General information

The financial statements cover ChemX Materials Limited as a Group consisting of ChemX Materials Limited and the entities it controlled at the end of, or during, the financial year. The financial statements are presented in Australian dollars, which is ChemX Materials Limited's functional and presentation currency.

ChemX Materials Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office and principal place of business

Level 2, 350 Kent Street
Sydney NSW 2000

A description of the nature of the operations and principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on ____ December 2025. The Directors have the power to amend and reissue the financial statements.

ChemX Materials Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025



	Note	30 Jun 2025 \$	30 Jun 2024 \$
Revenue			
Government grants		-	646,838
Interest income		1,932	2,005
Other income		3,855	-
Gain on remeasurement of convertible note embedded derivative	12	7,983	78,473
Expenses			
Costs of the Administration		(529,833)	-
Administrator's remuneration and expenses	5	(204,006)	-
Impairment of assets	4	(4,857,412)	-
Employee benefits expense	5	(708,228)	(1,516,830)
Corporate expense	5	(448,171)	(1,074,113)
Research and development expense		(158,104)	(443,385)
Finance expense		(777,977)	(768,205)
Loss before income tax expense from continuing operations		(7,669,961)	(3,075,217)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(7,669,961)	(3,075,217)
Profit/(loss) after income tax expense from discontinued operations	6	622,285	(1,410,331)
Loss after income tax expense for the year		(7,047,676)	(4,485,548)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(7,047,676)</u>	<u>(4,485,548)</u>
Total comprehensive loss for the year is attributable to:			
Continuing operations		(7,047,676)	(4,485,548)
Discontinued operations		-	-
		<u>(7,047,676)</u>	<u>(4,485,548)</u>
		Cents	Cents
Earnings per share for loss from continuing operations			
Basic earnings per share	27	(5.94)	(3.04)
Diluted earnings per share	27	(5.94)	(3.04)
Earnings per share for profit/(loss) from discontinued operations			
Basic earnings per share	27	0.48	(1.40)
Diluted earnings per share	27	0.48	(1.40)
Earnings per share for loss			
Basic earnings per share	27	(5.46)	(4.44)
Diluted earnings per share	27	(5.46)	(4.44)

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

ChemX Materials Limited
Consolidated statement of financial position
As at 30 June 2025



	Note	30 Jun 2025 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		74,774	594,900
Other receivables	7	1,228,684	758,392
Other assets		-	2,258
Total current assets		<u>1,303,458</u>	<u>1,355,550</u>
Non-current assets			
Property, plant and equipment		-	28,152
Right-of-use assets	8	-	430,472
Intangibles	9	-	975,534
Exploration and evaluation	10	-	4,843,234
Other assets		20,000	68,807
Total non-current assets		<u>20,000</u>	<u>6,346,199</u>
Total assets		<u>1,323,458</u>	<u>7,701,749</u>
Liabilities			
Current liabilities			
Trade and other payables	11	63,241	847,833
Borrowings	12	-	1,882,587
Lease liabilities		-	124,582
Employee benefits		-	66,617
Creditor claims	13	3,820,765	-
Deposit paid by DOCA Proposer		25,000	-
Total current liabilities		<u>3,909,006</u>	<u>2,921,619</u>
Non-current liabilities			
Lease liabilities		-	355,269
Employee benefits		-	266
Total non-current liabilities		<u>-</u>	<u>355,535</u>
Total liabilities		<u>3,909,006</u>	<u>3,277,154</u>
Net assets/(liabilities)		<u>(2,585,548)</u>	<u>4,424,595</u>
Equity			
Issued capital	14	12,676,777	12,676,777
Reserves	15	815,149	2,270,128
Accumulated losses		<u>(16,077,474)</u>	<u>(10,522,310)</u>
Total equity/(deficiency)		<u>(2,585,548)</u>	<u>4,424,595</u>

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

ChemX Materials Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025



	Issued capital \$	Share-based payments reserve \$	Convertible note reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	11,130,414	1,747,206	-	(6,185,142)	6,692,478
Loss after income tax expense for the year	-	-	-	(4,485,548)	(4,485,548)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(4,485,548)	(4,485,548)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting of share-based payments	-	77,236	-	-	77,236
Performance rights lapsed (note 15)	-	(148,380)	-	148,380	-
Shares issued pursuant to the convertible note facility (note 14)	201,360	-	-	-	201,360
Options issued pursuant to the convertible note facility (note 15)	-	-	574,356	-	574,356
Shares issued pursuant to a share placement plan and a share purchase plan (note 14)	1,616,600	-	-	-	1,616,600
Capital raising costs (note 14)	(271,597)	19,710	-	-	(251,887)
Balance at 30 June 2024	<u>12,676,777</u>	<u>1,695,772</u>	<u>574,356</u>	<u>(10,522,310)</u>	<u>4,424,595</u>
	Issued capital \$	Share-based payments reserve \$	Convertible note reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2024	12,676,777	1,695,772	574,356	(10,522,310)	4,424,595
Loss after income tax expense for the year	-	-	-	(7,047,676)	(7,047,676)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(7,047,676)	(7,047,676)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting of share-based payments	-	37,533	-	-	37,533
Lapsed performance rights, options and deferred shares (note 15)	-	(1,492,512)	-	1,492,512	-
Consolidate reserves	-	574,356	(574,356)	-	-
Balance at 30 June 2025	<u>12,676,777</u>	<u>815,149</u>	<u>-</u>	<u>(16,077,474)</u>	<u>(2,585,548)</u>

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

ChemX Materials Limited
Consolidated statement of cash flows
For the year ended 30 June 2025



	Note	30 Jun 2025	30 Jun 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,709,125)	(3,884,115)
Interest received		1,932	2,005
Other revenue		3,855	-
Interest and other finance costs paid		(34,667)	(42,675)
Government grants received		661,890	919,600
Net cash used in operating activities	25	(1,076,115)	(3,005,185)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,489)
Payments for exploration and evaluation	10	(1,195)	(517,978)
Proceeds from term deposits redeemed		-	20,000
Cash released upon relinquishing control over subsidiary	6	(1,688)	-
Proceeds from disposal of property, plant and equipment		11,864	-
Distribution received from HiPura -Deed of Company Arrangement		500,000	-
Net cash from/(used in) investing activities		508,981	(499,467)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,616,600
Proceeds from issue of convertible notes	12	-	2,200,000
Proceeds from borrowings		541,935	-
Capital raising transaction costs	14	(22,402)	(171,889)
Transaction costs related to loans and borrowings	12	-	(230,346)
Repayment of borrowings		(441,935)	-
Repayment of lease liabilities		(55,590)	(112,825)
Deposit paid by DOCA Proposer		25,000	-
Net cash from financing activities		47,008	3,301,540
Net decrease in cash and cash equivalents		(520,126)	(203,112)
Cash and cash equivalents at the beginning of the financial year		594,900	798,012
Cash and cash equivalents at the end of the financial year		<u>74,774</u>	<u>594,900</u>

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

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current financial year.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the reported financial performance or position.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the year ended 30 June 2025, the Company incurred a net loss of \$7,047,676, had operating cash outflows of \$1,076,115 and as at 30 June 2025 had net current liabilities of \$2,605,548, net liabilities of \$2,585,548 and a cash and cash equivalents balance of \$74,774. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 18 July 2025, the Administrators advised that the DOCA was effectuated, the Company had exited from external administration and control had been returned to the directors. On the same day, shareholders approved a share issue to raise \$178,000 to pay for Voluntary Administration and DOCA costs, an Independent Expert's Report, other costs relating to the general meeting and to provide the Company with approximately \$10,000 working capital.

Post DOCA, the Company was debt free with working capital of \$10,000 and undertakings from Directors to provide financial support to cover short to medium term cash flow requirements.

The Directors' plan is to identify and assess potential material asset acquisition opportunities which will be subject to regulatory and shareholder approvals and the ability to access appropriate sources of debt and equity funding.

Noting the matters referred to below, the financial statements have been prepared on a going concern basis.

The Directors are confident of their capacity to both source a new project or material asset and raise the necessary funding, whether as debt or equity after taking into consideration the following factors:

- The ability to raise capital for a quality new project or material asset acquisition is a condition precedent to such a purchase;
- Careful cashflow management, including controlling discretionary spending and prioritisation of capital expenditure; and
- Proven Board capacity to access the capital markets, as required.

The failure to identify a new project or material asset, raise the necessary funding, whether as debt or equity, could result in the delay or indefinite postponement of its business strategy. There can be no assurance that additional funding or other types of financing will be available if needed or that, if available, the terms of such funding will be available on favourable terms.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Note 1. Material accounting policy information (continued)

Parent entity information

In accordance with the Corporations Act 2001, these are consolidated financial statements. Supplementary information about the parent entity is disclosed in note 23.

Discontinued operations

A discontinued operation is a component of the business that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the consolidated statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Acquired intellectual property

Acquired intellectual property including the propriety High Purity Alumina (HiPurA) technology is capitalised where it is probable that future economic benefits exist and thereafter amortised on a straight-line basis over the term of its expected useful economic life being 10 years.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Borrowings with variable equity conversion features

Upon initial recognition, the directors assess borrowings with conversion clauses for fixed or variable conversion terms. Where terms are variable, an embedded derivative is initially recognised at fair value, and the difference received between the consideration received for the note and the fair value of the derivative(s) are recognised in the underlying host (debt) contract.

Thereafter at each reporting date, the embedded derivative is reassessed at its fair value, with changes in fair value taken to the profit or loss. The underlying host contract is recognised at amortised cost.

Costs of issuing the convertible note are amortised over the life of the underlying host contract.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of ChemX Materials Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Accounting policies under Company Administration

Judgement has been exercised in considering the impact of:

- (a) the Company and its subsidiary HiPura Pty Ltd (HiPura) both entering separate and independent Voluntary Administration arrangements effective 2 January 2025,
- (b) Creditors of the Company resolving, subject to shareholder approval and other matters including the replacement of directors, to enter a Deed of Company Administration (DOCA) effective 11 April 2025, enabling a recapitalisation process to commence, and
- (c) on 18 July 2025 the Administrators advised that the DOCA was effectuated, the control of the Company had been returned to the Directors and the Company was released from all creditor claims.

Taking into account the matters referred to above, the Directors' judgement was that:

- that effective 2 January 2025, the Company ceased to control its subsidiary HiPura as result of both entities entering separate and independent Voluntary Administration arrangements (Refer note 6 'Discontinued operations')
- the Company was not legally nor in substance released from creditor claims until 18 July 2025 and that the effectuation of DOCA on 18 July 2025, was a non-adjusting subsequent event,
- the carrying value of plant and equipment, exploration and evaluation assets should be fully impaired as there was insufficient information available to form a view on the respective recoverable amounts (Refer note 2 'Critical accounting judgements, estimates and assumptions'), and
- that the Administrators do not form part of key management personnel for the purposes of remuneration reporting.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recognition of refundable R&D tax offset receivable

The Company has successfully claimed from the Australian Taxation Office credits for its research and development program in previous periods. The ATO has the right, extending back 4 tax years to investigate, audit and potentially clawback amounts in the event that the claims failed to meet the necessary criteria as established under the research and development credit claim legislation and regulations. Whilst noting that the ATO cannot pursue a pre-DOCA debt, they may be able to apply offsets to future income tax refunds.

Valuation of the expected distribution from the sale of the wholly owned subsidiary Hipura Pty Ltd (HiPura)

On 2 January 2025, Mr Clifford Rocke and Mr Jimmy Trpcevski from WA Insolvency Solutions were appointed as joint and several Voluntary Administrators of the Company and its subsidiary **Hipura Pty Ltd (HiPura)**.

The valuation of the expected distribution from the sale of HiPura was based on the HiPura Administrator's published estimate that a distribution of up to 68 cents in the dollar may be made as repayment of the unsecured amount payable to the Company. An interim distribution of \$500,000 was paid during the year. Refer note 7 'Other receivables'.

Discontinued operations - Hipura Pty Ltd

Following the sale of HiPura, its operations are classified as discontinued. Judgement was used to determine the amounts included in the disposal of assets and liabilities associated with discontinued operations. Refer to note 6 'Discontinued operations'.

Non-recognition of tax losses

Income tax losses are not recognised as an asset, as the recovery of such losses does not meet the test of virtual certainty. The factors considered in making this determination, include the probability of generating future assessable income together with other same business and ownership tests applicable to carry forward tax losses.

Note 3. Operating segments

Based on the information used for internal reporting purposes by the chief operating decision maker (directors of the Company) the Group operated in one reportable segment during the period which was mining exploration and the development of its propriety High Purity Alumina technology within Australia.

The reportable segment financial information is therefore the same as the statement of financial position and the statement of profit or loss and other comprehensive income.

Note 4. Impairment of assets

	30 Jun 2025	30 Jun 2024
	\$	\$
Exploration and evaluation (including mining tenements) ^(a)	4,844,429	-
Plant and equipment ^(a)	12,983	-
	<u>4,857,412</u>	<u>-</u>

^(a) The directors have determined that the carrying value of plant and equipment, exploration and evaluation assets should be fully impaired as there was insufficient information available to form a view on the respective recoverable amounts. (Refer note 2 'Critical accounting judgements, estimates and assumptions').

Note 5. Expenses

	30 Jun 2025 \$	30 Jun 2024 \$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation included in development expenditure</i>		
Plant and equipment	3,306	12,616
Buildings right-of-use assets	63,520	127,040
Plant and equipment right-of-use assets	4,137	8,273
Total depreciation	70,963	147,929
<i>Amortisation included in development expenditure</i>		
Intellectual property (High Purity Alumina processing technology)	65,534	130,000
Total Depreciation and amortisation	136,497	277,929
<i>Administrators' remuneration and expenses</i>		
Joint and several voluntary administrators of the Company	185,951	-
Administrators of the Deed of Company Arrangement (DOCA)	14,900	-
Expense reimbursement	3,155	-
	204,006	-
<i>Corporate expense</i>		
Corporate and consulting	360,045	859,565
Marketing and promotion	37,836	113,826
Other expenses	19,290	100,722
Vesting of share-based payments (	31,000	-
Total corporate expense	448,171	1,074,113
<i>Finance costs</i>		
Amortisation of the discount on convertible notes (note 12)	765,396	767,122
Other	12,581	1,083
Finance costs expensed	777,977	768,205
<i>Employee benefits expense</i>		
Salaries, wages and non-superannuation related oncosts	644,814	1,314,157
Defined benefit superannuation expense	56,881	125,437
Vesting of share-based payments (	6,533	77,236
Total employee benefits expense	708,228	1,516,830
(a) Clifford Rocke and Jimmy Trpcevski in their capacity as joint and several voluntary administrators of Chemx Materials Limited (Administrators Appointed)		
(b) Clifford Rocke and Jimmy Trpcevski jointly and severally, in their capacity as administrators of the Deed of Company Arrangement (DOCA)		

Note 6. Discontinued operations

Description

On 2 January 2025 and as a result of both entities entering separate and independent Voluntary Administration arrangements, the Company ceased to control its subsidiary HiPura. Thereafter the HiPura operations, being the development of propriety High Purity Alumina technology was treated as discontinued.

Note 6. Discontinued operations (continued)

On 11 April 2025, Creditors of HiPura resolved to enter a Deed of Company Arrangement (**HiPura DOCA**) with Alluminous Pty Ltd (**Alluminous**).

The HiPura DOCA was subject to the receipt of \$2,200,000 by the Administrators from Alluminous, the Company transferring the shares in HiPura to Alluminous, the removal of the director of the HiPura to be replaced with nominees of Alluminous, and the Company assigning the lease at 3 Flindell Street, O'Connor, WA 6163 to Alluminous.

On 1 May 2025, the Company:

- * transferred its 100% shareholding in HiPura, and
- * assigned the lease at 3 Flindell Street, O'Connor, WA 6163, to Alluminous.

The HiPura DOCA was effectuated in July 2025 and the Administrators have undertaken to pay all non-related party creditors in full and estimated that a distribution of up to 68 cents in the dollar may be made as repayment of the unsecured amount payable to the Company. The expected HiPura DOCA distribution is recognised as a receivable and forms part of the gain on disposal of the discontinued operations set out below.

Financial performance information

	30 Jun 2025	30 Jun 2024
	\$	\$
Development expenses	(297,252)	(1,368,739)
Finance costs	(22,086)	(41,592)
Total expenses	<u>(319,338)</u>	<u>(1,410,331)</u>
Loss before income tax expense	(319,338)	(1,410,331)
Income tax expense	<u>-</u>	<u>-</u>
Loss after income tax expense	<u>(319,338)</u>	<u>(1,410,331)</u>
Gain on disposal of subsidiary	<u>941,623</u>	<u>-</u>
Profit/(loss) after income tax expense from discontinued operations	<u><u>622,285</u></u>	<u><u>(1,410,331)</u></u>

Cash flow information

	30 Jun 2025	30 Jun 2024
	\$	\$
Net cash used in operating activities	<u><u>(287,251)</u></u>	<u><u>(1,170,992)</u></u>

Note 6. Discontinued operations (continued)

There were no cash flows relating to investing and financing activities.

Carrying amounts of assets and liabilities disposed

	30 Jun 2025
	\$
Cash and cash equivalents	1,688
Trade and other receivables	8,981
Right of use assets (property, plant and equipment)	362,814
Intangibles (Hi Purity Alumina processing technology)	910,000
Other non-current assets	48,807
Total assets	<u>1,332,290</u>
Trade and other payables	171,382
Lease liabilities	424,261
Total liabilities	<u>595,643</u>
Net assets	<u><u>736,647</u></u>

Details of the disposal

	30 Jun 2025
	\$
Expected HiPura (DOCA) distribution (Refer note 7 'Other receivables')	1,678,270
Carrying amount of net assets disposed	<u>(736,647)</u>
Gain on disposal before income tax	<u>941,623</u>
Gain on disposal after income tax	<u><u>941,623</u></u>

Note 7. Other receivables

	30 Jun 2025	30 Jun 2024
	\$	\$
<i>Current assets</i>		
Refundable R&D tax offset receivable	-	661,890
Distribution receivable from Deed of Company Arrangement - HiPura ^(a)	1,178,270	-
BAS receivable	50,414	96,502
	<u>1,228,684</u>	<u>758,392</u>

- (a) On 11 April 2025, the creditors of Hipura Pty Ltd (HiPura) a former wholly owned subsidiary resolved to enter a Deed of Company Arrangement (DOCA). The initial receivable booked was \$1,678,270 of which \$500,000 was received before the end of the financial year. (Refer note 6 'Discontinued operations')
- (b) On 18 July 2025, the DOCA was effectuated and the receivable was transferred to the ChemX Materials Creditor Trust. On 11 November 2025 the ChemX Materials Creditor Trust paid its first unsecured creditor dividend at the rate of 36 cents in the dollar. Refer note 28 'Matters subsequent to the end of the financial year'.

Note 8. Right-of-use assets

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	-	635,201
Less: Accumulated depreciation	-	(232,307)
	-	402,894
Plant and equipment - right-of-use	-	41,367
Less: Accumulated depreciation	-	(13,789)
	-	27,578
Total	-	430,472

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings - right-of-use \$	Plant and equipment - right-of-use \$	Total \$
Balance at 1 July 2024	402,894	27,578	430,472
Depreciation expense	(63,520)	(4,137)	(67,657)
Disposal (refer note 6 'Discontinued operations')	(339,374)	(23,441)	(362,815)
Balance at 30 June 2025	-	-	-

Note 9. Intangibles

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Non-current assets</i>		
Intellectual property - at cost *	-	1,300,000
Less: Accumulated amortisation	-	(324,466)
	-	975,534

* High Purity Alumina processing technology.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Consolidated 30 June 2024 \$
Balance at 1 July 2024	975,534
Amortisation expense	(65,534)
Disposal (refer note 6 'Discontinued operations')	(910,000)
Balance at 30 June 2025	-

Note 10. Exploration and evaluation

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Non-current assets</i>		
Exploration and evaluation	4,844,429	4,843,234
Less: Impairment	(4,844,429)	-
	<u>-</u>	<u>4,843,234</u>

Note 11. Trade and other payables

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Current liabilities</i>		
Trade payables	-	530,034
Accrued expenses and other payables	-	317,799
Other liabilities incurred by the Administrator	63,241	-
	<u>63,241</u>	<u>847,833</u>

Trade and other payables combined include amounts owing to directors totalling \$25,000 (2024: \$ 49,390) and other key management personnel totalling \$nil (2024: \$ 44,372). Refer to note 22 'Related party transactions'.

Note 12. Borrowings

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Current liabilities</i>		
Convertible notes - host liability - at amortised cost	-	1,874,604
Convertible notes - fair value of embedded derivatives	-	7,983
	<u>-</u>	<u>1,882,587</u>

On 4 August 2023 the Company executed a \$6,000,000 unsecured convertible note funding facility from Mercer Street Global Opportunity Fund, LLC for the purpose of advancing the Eyre Peninsula High Purity Manganese Project (HPM) in South Australia and HiPurA HPA Project in Perth, Western Australia. The initial drawdown was \$500,000 (Tranche 1) and a further \$1,700,000 (Tranche 2) was drawn following shareholder approval granted on 26 September 2023.

Tranche 1 and Tranche 2 comprised the issue of 600,000 and 2,040,000 convertible notes respectively with a face value of \$1.00. Assuming a Floor Price of \$0.06 per share, the conversion of Tranche 1 and Tranche 2 convertible notes will result in the issue of a maximum of 10,000,000 and 34,000,000 fully paid ordinary shares respectively. Tranche 1 was issued 14 August 2023 and Tranche 2 was issued 9 October 2023. The maturity date for both Tranche 1 and Tranche 2 was initially 15 months from the date issue. The Company had the ability to repurchase the tranches under the convertible note facility early at a 5% mark up from face value.

The convertible notes had a zero coupon and therefore no interest was payable with the exception of a default event.

The host liability was shown at amortised cost and the embedded derivatives representing the equity conversion features was shown at fair value.

In the previous financial year, the Directors appointed an external valuation expert to perform a fair valuation of the embedded derivative. The valuer adopted the Monte Carlo Simulation model fair value methodology. At the end of the current financial year the fair value was deemed to be nil.

Note 12. Borrowings (continued)

	Host liability At amortised cost \$	Embedded derivatives At fair value \$	Total \$
Convertible note movements - 30 June 2025			
Opening balance	1,874,604	7,983	1,882,587
Amortisation of convertible notes fair value (finance charges)	765,396	-	765,396
Liability released under Company Administration (refer	-	-	-
Fair value of embedded derivative reversal	-	(7,983)	(7,983)
Balance transferred to unsecured creditor claims (Refer note 13)	(2,640,000)	-	(2,640,000)
Closing balance	-	-	-
	Host liability At amortised cost \$	Embedded derivatives At fair value \$	Total \$
Convertible note movements - 30 June 2024			
Addition of convertible notes (Tranche 1 and 2) at face value	2,640,000	-	2,640,000
Discount convertible notes (Tranche 1 and 2) to fair value	(440,000)	-	(440,000)
Facility transaction costs	-	-	-
- Initial recognition of embedded derivative at fair value	(86,456)	86,456	-
- Fair value of facility transaction costs settled by the issue of options ^(a) (note 15)	(574,356)	-	(574,356)
- Fair value of facility transaction costs settled by the issue of shares (note 14)	(201,360)	-	(201,360)
- Facility transaction costs settled in cash	(230,346)	-	(230,346)
Change in fair value of embedded derivative ^(b)	-	(78,473)	(78,473)
Amortisation of convertible notes fair value (finance charges)	767,122	-	767,122
Closing balance	1,874,604	7,983	1,882,587

(a) Fair value of facility transaction costs settled by the issue of options over ordinary shares

On 9 October 2023, the Company issued 2,272,727 (Tranche 1) options, and 6,179,009 (Tranche 2) options. The effective grant date for both issues was 26 September 2023. The options expire 9 October 2026 and the exercise prices are \$0.11 (Tranche 1) and \$0.1376 (Tranche 2). The other key inputs to determine the fair value were:

- * the Company's share trading price at grant date being \$0.12,
- * the expected dividend yield: nil%,
- * expected volatility 102.9%, and
- * the risk free interest rate of 3.99%.

(b) Change in fair value of embedded derivative

Aside from those inputs arising directly from the conversion clause entitlements and the Company's spot price applied at each remeasurement date, the key judgments applied in determining the fair value of the embedded derivatives at the end of the financial year, included the following:

- * the expected expiry date being the maturity date for each issue,
- * the expected dividend yield: nil%,
- * the annualised volatility calculated to be 94.13%, and
- * the risk-free rate based on the 1-year Australian Government Bond Rate Benchmark Yield being 4.419%.

Refer to note 17 for further information on financial instruments.

Note 13. Creditor claims

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Current liabilities</i>		
Unsecured	3,810,638	-
Secured	10,127	-
	<u>3,820,765</u>	<u>-</u>

Note 14. Issued capital

	30 Jun 2025 Shares	30 Jun 2024 Shares	30 Jun 2025 \$	30 Jun 2024 \$
Ordinary shares - fully paid	129,022,321	129,022,321	12,563,312	12,563,312
Listed loyalty options ⁽¹⁾	-	-	113,465	113,465
	<u>129,022,321</u>	<u>129,022,321</u>	<u>12,676,777</u>	<u>12,676,777</u>

⁽¹⁾ On 11 July 2022, the Company issued 22,693,038 listed options under the trading symbol of CMXO with an exercise price of \$0.30. The options expired 11 July 2025.

Ordinary shares

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.

Upon a poll 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.

Listed loyalty options

For each option held, the holder is entitled to exercise a right to acquire one fully paid ordinary share by paying the exercise price any time prior to the expiry date. The option does not provide any entitlements to dividends, voting at shareholder meetings or proceeds on the winding up of the Company.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The objective is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Company may look to raise capital when an opportunity to invest in a business or existing asset growth acceleration was seen as value adding relative to the current Company's share price at the time of the investment.

Note 15. Reserves

	30 Jun 2025 \$	30 Jun 2024 \$
Convertible note reserve	-	574,356
Share-based payments reserve	815,149	1,695,772
	<u>815,149</u>	<u>2,270,128</u>

Note 15. Reserves (continued)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve

The reserve was used to recognise the fair value of equity benefits provided pursuant to the convertible note facility in place at the beginning of the financial year. (Refer note 12 'Borrowings').

Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives

For the year ended 30 June 2025 there were no material exposures to any financial instrument risks, with the exception of liquidity risk.

Material financial assets and liabilities included cash, accounts payable, lease liabilities and convertible notes (borrowings).

Liquidity risk

Up until the appointment of Administrators, liquidity risk management required the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) supported by fixed rate borrowings to be able to pay debts as and when they become due and payable.

The Group managed liquidity risk by endeavouring to maintain adequate cash reserves through on-going monitoring of actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

Details of the contractual maturities of financial instruments are disclosed in notes to these financial statements, including material accounting policies in Note 1.

The following tables detail the remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 Jun 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Creditor claims	-	3,820,765	-	-	-	3,820,765
Other payables	-	63,241	-	-	-	63,241
Deposit paid by DOCA						
Proposer	-	25,000	-	-	-	25,000
Total non-derivatives		3,909,006	-	-	-	3,909,006

Note 17. Financial instruments (continued)

30 Jun 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	530,034	-	-	-	530,034
Other payables	-	317,799	-	-	-	317,799
Convertible loans*	-	2,640,000	-	-	-	2,640,000
<i>Interest-bearing - fixed rate</i>						
Lease liability	7.24%	160,204	369,250	-	-	529,454
Total non-derivatives		3,648,037	369,250	-	-	4,017,287
Derivatives						
Convertible note (embedded)	-	-	7,983	-	-	7,983
Total derivatives		-	7,983	-	-	7,983

* The Convertible Notes have a zero coupon rate. The effective interest rate followed the note amortisation schedule. Refer note 12'.

The cash flows in the maturity analysis above were not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

As at 30 June 2025 all financial assets and liabilities materially had the same fair values as their carrying values.

Note 18. Fair value measurement

Fair value hierarchy

The following tables detail the assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

30 Jun 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Convertible note - fair value of embedded derivatives	-	-	7,983	7,983
Total liabilities	-	-	7,983	7,983

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The embedded derivatives attached to the convertible notes were recognised at fair value utilising Monte Carlo Simulation valuation techniques. The key inputs applied in determining fair value, included:

- an expected expiry date being the maturity date for each issue,
- the applicable share price,
- annualised volatility calculations, and
- a risk-free rate based on the 1-year Australian Government Bond Rate Benchmark Yield.

The sensitivity analysis undertaken on the unobservable inputs identified no material impact to the valuation at 30 June 2024.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel is set out below:

	30 Jun 2025	30 Jun 2024
	\$	\$
Short-term employee benefits	315,680	835,274
Post-employment benefits	23,702	62,247
Long-term benefits	(148)	(77)
Vesting of share-based payments	6,533	66,564
	<u>345,767</u>	<u>964,008</u>

Note 20. Contingent liabilities

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

Contingent liabilities as at 30 June 2024 are set out below.

- The previous owner of the mineral exploration licences was entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the Tenements.
- The Company had a contingent liability capped at \$20,000 associated with a \$20,000 environmental bond.
- The Company had a contingent liability capped at \$48,807 associated with a \$48,807 bank guarantee facility for the commercial property lease.

Note 21. Commitments

The Company has no commitments as at 30 June 2025. As at 30 June 2024 the Company held two mineral exploration licences EL 5920 & EL 6634 located on the Eyre peninsula. The planned exploration expenditure commitments at the end of the previous financial year are set out below.

	30 Jun 2025	30 Jun 2024
	\$	\$
Planned exploration expenditure		
Within one year	-	140,000
One to five years	-	560,000
More than five years	-	140,000
	<u>-</u>	<u>840,000</u>

The Company was commitment to contribute \$477,600 as a partner to a research project with Future Battery Industries CRC Limited.

Note 22. Related party transactions

Parent entity

ChemX Materials Limited was the parent entity up to the date of relinquishing control of its only subsidiary under Company Administration.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the Directors' report.

Note 22. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	30 Jun 2025 \$	30 Jun 2024 \$
Other transactions:		
Funds advanced by Stephen Strubel (Director until 21 July 2025)*	25,000	-
Funds advanced by a major shareholder*	75,000	-

* The funds were advanced without security for a term of 6 months ending 30 April 2025 at an interest rate equal to the Reserve Bank published cash rate as at 30 October 2025.

(b) Payables to related parties

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Trade and other payables</i>		
<u>Directors</u>		
Warrick Hazeldine and related entities	-	12,540
Alwyn Vorster and related entities	-	16,500
Stephen Strubel	25,000	20,350
	<u>25,000</u>	<u>49,390</u>
<u>Other key management personnel</u>		
Peter Lee (CEO)	-	44,372

There were no other payables to or receivables from related parties at the current and previous reporting date.

Terms and conditions

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

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2025 \$	30 Jun 2024 \$
Loss after income tax	(9,493,091)	(3,116,809)
Total comprehensive loss	<u>(9,493,091)</u>	<u>(3,116,809)</u>

Note 23. Parent entity information (continued)

Statement of financial position

	Parent	
	30 Jun 2025	30 Jun 2024
	\$	\$
Total current assets	1,303,458	1,216,135
Total assets	1,323,458	9,944,374
Total current liabilities	3,909,006	2,718,828
Total liabilities	3,909,006	3,074,363
Equity		
Issued capital	12,676,777	12,676,777
Convertible note reserve	-	574,356
Share-based payments reserve	815,149	1,695,772
Accumulated losses	(16,077,474)	(8,076,894)
Total equity/(deficiency)	(2,585,548)	6,870,011

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Company had no guarantees in relation to the debts of its subsidiaries as at 30 Jun 2024.

As at 30 Jun 2025 Company had no subsidiaries.

Capital commitments

Refer to note 21 'Commitments'.

Contingent liabilities

Refer to note 20 'Contingent liabilities'.

Material accounting policy information

The accounting policies of the parent entity are disclosed in note 1.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2025	30 Jun 2024
		%	%
Hipura Pty Ltd	Australia	-	100.00%

Note 25. Reconciliation of loss after income tax to net cash used in operating activities

	30 Jun 2025 \$	30 Jun 2024 \$
Loss after income tax expense for the year	(7,047,676)	(4,485,548)
Adjustments for:		
Depreciation and amortisation	136,497	277,929
Share-based payments	37,533	77,236
Non-cash finance expenses	765,396	767,122
Gain on remeasurement of convertible note derivative	(7,983)	(78,473)
Impairment of assets	4,857,412	-
Gain on disposal of subsidiary	(941,623)	-
Change in operating assets and liabilities:		
Decrease in other receivables	698,997	291,177
Decrease in other current assets	2,258	3,373
Increase in trade and other payables	489,957	130,334
Decrease in other non-current assets	-	20,000
Decrease in employee benefits	(66,883)	(8,335)
Net cash used in operating activities	<u>(1,076,115)</u>	<u>(3,005,185)</u>

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (VIC) Pty Ltd, the auditor of the Company:

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Audit services - William Buck Audit (VIC) Pty Ltd</i>		
Audit or review of the financial statements	38,000	51,250
<i>Other services - William Buck Audit (VIC) Pty Ltd</i>		
Investigating accounting services	-	-
Tax return	-	-
Other	-	-
	<u>38,000</u>	<u>51,250</u>

Note 27. Earnings per share

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax	<u>(7,669,961)</u>	<u>(3,075,217)</u>
	Cents	Cents
Basic earnings per share	(5.94)	(3.04)
Diluted earnings per share	(5.94)	(3.04)

Note 27. Earnings per share (continued)

	30 Jun 2025 \$	30 Jun 2024 \$
<i>Earnings per share for profit/(loss) from discontinued operations</i>		
Profit/(loss) after income tax	<u>622,285</u>	<u>(1,410,331)</u>
	Cents	Cents
Basic earnings per share	0.48	(1.40)
Diluted earnings per share	0.48	(1.40)
	30 Jun 2025 \$	30 Jun 2024 \$
<i>Earnings per share for loss</i>		
Loss after income tax	<u>(7,047,676)</u>	<u>(4,485,548)</u>
	Cents	Cents
Basic earnings per share	(5.46)	(4.44)
Diluted earnings per share	(5.46)	(4.44)

The options on issue are non-dilutive due to the losses reported for the year.

	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	129,022,321	101,088,566
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>129,022,321</u>	<u>101,088,566</u>

Performance rights and options on issue have not been included in the weighted average number of shares used for calculating the diluted loss per share as they do not meet the requirements for inclusion under AASB 133 'Earnings per share'.

Note 28. Matters subsequent to the end of the financial year

On 18 July 2025, shareholders resolved to appoint Nigel Purves, Francis Douglas and Robert Whitton as directors and also resolved to a share issue to raise \$178,000 through the issue of 90,315,624 shares to BCP and 1,070,885,265 shares Erth Raffle Pty Ltd an entity controlled by director Nigel Purves. After the shares were issued on 18 July 2025, the existing shareholders' interest was reduced to 10% with Erth Raffle Pty Ltd and BCP holding 83% and 7% respectively.

The purpose of the capital raising was to pay for Voluntary Administration and DOCA costs, an Independent Expert's Report, other costs relating to the general meeting and to provide the Company with approximately \$10,000 working capital.

On 18 July 2025, the Administrators advised that the DOCA was effectuated, the Company had exited from external administration and control had been returned to the directors. Effectuation released the Company from all creditor claims which were transferred to the ChemX Materials Creditor Trust together with residual company assets.

On 31 July 2025, the Company announced:

- the retirement of Stephen Strubel as director and company secretary effective 21 July 2025
- the appointment of Louisa Ho as Company Secretary effective 25 July 2025, and
- a change in the registered office and principal place of business.

On 22 August 2025 ASX advised the Company that it had failed to pay the ASX annual listing fee for the year ended 30 June 2026 and that its securities would remain suspended, The Company paid the fees on 28 August 2025.

Note 28. Matters subsequent to the end of the financial year (continued)

On 15 October 2025, ASX advised the Company that if it did not meet the 1 or 2 year financial reporting deadlines, it will be removed from the official list of the ASX.

On 11 November 2025, the Trustees of ChemX Materials Creditor Trust paid the first ordinary unsecured dividend at the rate of 36 cents in the dollar.

None of the above matters or circumstances are considered to be events requiring adjustment to the carrying values of assets and liabilities as at 30 June 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
ChemX Materials Limited	Body corporate	Australia	-	Australia

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Company has applied the following interpretations:

- ***Australian tax residency*** - The Company has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- ***Foreign tax residency*** - Where necessary, the Company has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).
- ***Partnerships and Trusts*** - *The entity noted above was not a trustee of a trust, partner in a partnership or participant in a joint venture.*

In the Directors' opinion:

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 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
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read "Nigel Purves", written in a cursive style.

Nigel Purves
Executive Chairman
23 December 2025

Independent auditor's report to the members of ChemX Materials Limited

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of ChemX Materials Limited (the Company) and its subsidiaries (the Group), is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

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 & 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 1 in the financial report, which indicates that the Group incurred a net loss of \$7,047,676 and had operating cash outflows of \$1,076,115 during the year ended 30 June 2025 and, as of that date, the Group's liabilities exceeded its assets by \$2,585,548 and had net current liabilities of \$2,605,548. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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.

Key audit matters

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

Accounting for Deed of Company Arrangement ("DOCA")	Area of focus (refer also to notes 2, 4, 6, 7, 8, 9, 10, 11, 12 & 13)	How our audit addressed the key audit matter
	On 2 January 2025, the Group went into voluntary administration as the Board resolved that this was in the best interests of creditors and shareholders. On 11 April 2025, the subsidiary (HiPura Pty Ltd "HiPura") entered into a Deed of Company Arrangement ("DOCA") with Alluminous Pty Ltd to acquire HiPura subject to conditions precedent which were met during the year resulting the sale of this entity being completed. On the same day, the Group entered into a DOCA with Benelong Capital Partners Pty Ltd. As a result of the DOCA the following transactions occurred: HiPura was sold with a receivable of \$1,178,270 recognised from the administrators under the DOCA at reporting date from the administrations which represented the post DOCA face value of the previous intercompany loan between the parent and subsidiary. The intangible assets and assignment of the lease to the purchasers were part of the	Our audit procedures included: - Examining and summarising both DOCAs of the parent and subsidiary; - Assessing the accounting of the assets and liabilities in line with the DOCA; - Assessment of management's judgement in respect of the impairments recognised on assets where there were indicators of impairment; - Assessing the sale of the subsidiary as a discontinued operation; and - Consultation with William Buck Restructuring & Insolvency with respect to the interpretation of the terms and conditions under the DOCA; We also assessed the adequacy of disclosures in the financial report.

transaction which has been accounted for as a discontinued operation resulting in these balances being reduced to nil;

- The carrying value of capitalised exploration and evaluation costs were impaired to nil due to the relinquishment of the tenement rights;
- The carrying value of property, plant and equipment have been impairment to nil on the basis that management assess this to be its recoverable value and;
- Creditors claims have been recognised at their full carrying value as compiled under the DOCA on the basis that the DOCA was not effectuated until subsequent to year end and its effectuation is not an adjusting subsequent event.

The accounting for the DOCA is a key audit matter due to the complex nature, including judgemental estimates used in determining the carrying value of its assets and liabilities, the sale of the subsidiary and related assets, the role of the administrators in the capacity of managing the company during voluntary administration, and the effectuation of the DOCA subsequent to 30 June 2025.

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 30 June 2025, but does not include the financial report and our auditor's report thereon.

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:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity 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:

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of ChemX Materials Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

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.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

W. H. D. Lee
Director
Melbourne, 23 December 2025