Parkway
Corporate Limited


2024 ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

PARKWAY CORPORATE LIMITED AND ITS CONTROLLED ENTITIES
ABN: 62 147 346 334

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors

Ayten Saridas
Bahay Ozcakmak
Penelope Creswell
Stephen van der Sluys

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX: PWN) and the Frankfurt Stock Exchange (FSE: 4IP).

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the board, I am pleased to present the Parkway Corporate Limited ("**Parkway**") 2024 Annual Report to shareholders.

It has been another eventful year for Parkway, marked by significant progress in our technology business where our team continued to grow, innovate and execute, as well as achieve key technology commercialisation related milestones.

During the year we continued to attract further funding to invest in research, development and commercialisation of our innovative technologies, including through the recent establishment of the Parkway Centre for Brine Technologies - a dedicated facility for scaling-up our technologies.

In addition to our core technology related activities, during the year we more than doubled the size of our operating business by growth of our team and productive assets to achieve significantly higher revenues.

Our operating business continued to grow strongly, generating revenues of $8.90 million for FY24 (FY23: $4.25 million), which contributed to the narrowing of our operating loss for FY24 to $0.73 million (FY23: $1.68 million). Our move to profitability is now a major priority to enhance our ability to broaden the financing options available to achieve higher operating performance and entry to major projects.

This significant growth in our operations was supported by our recent strategic acquisition of Tankweld, a leading industrial engineering solutions provider based in Melbourne. As an established industrial company, embedded in the water sector since the 1940s, Tankweld has a proven project delivery capability, from design, fabrication and through to installation and commissioning. This also represents an ideal platform to support the commercialisation of Parkway's existing technology assets. More specifically, we believe the acquisition of Tankweld represents an important countercyclical investment, to secure strategically important capabilities, which will assist us further accelerate the growth of Parkway.

In addition to the existing project pipeline, Tankweld has recently secured involvement in numerous major projects which will generate several million dollars of revenue in the year ahead, as well as enable Parkway to support the fabrication and delivery of larger scale projects with tier-1 industrial and municipal clients.

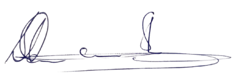
This represents a pivotal transformation for Parkway from a small-scale technology company with limited project delivery capabilities, to a provider of more significant and integrated capabilities. Parkway is now increasingly capable of delivering a diverse range of industrial water, wastewater treatment and infrastructure related projects on a turnkey (Engineering, Procurement & Construction (EPC) and Design & Construct (D&C)) basis.

As we look ahead, our expanded team is focused on several key technology commercialisation related milestones, including, most significantly in the Queensland coal seam gas industry, where Parkway has developed a Master Plan "roadmap" to address the enormous wastewater and salt related challenges facing the industry. We continue to engage with a range of important stakeholders, including in relation to the potential adoption of our various technologies, which present significant opportunities to not only improve the sustainability of the industry, but also provide attractive commercial benefits, including for Parkway.

Our growth during the year continued to be underpinned by a supportive shareholder base, which enabled us to raise $6.25 million through the placement of shares to local and overseas institutions, professional and sophisticated investors, with most new shares in the placement taken-up by existing major shareholders.

In this regard, on behalf of the board, I would like to take this opportunity to thank you for your continued support as a shareholder of Parkway and to welcome all new shareholders.

Yours Sincerely,



Mr. Stephen van der Sluys
Non-Executive Chairman

20 September 2024

DIRECTORS' REPORT

The Directors present their report on Parkway Corporate Limited (ACN 147 346 334) ("**Parkway**", or the "**Company**"), and its controlled entities (the "**Group**"), for Parkway's financial year ended 30 June 2024 ("**FY24**").

Directors

The names and details of Parkway's Directors in office, for some or all of the financial year, and to the date of this report unless otherwise stated, are set out below. During FY24 there were no changes to the Board of Directors.

Name	Tenure During Financial Year
Stephen van der Sluys (Non-executive Chairman)	1 July 2023 to 30 June 2024
Bahay Ozcakmak (Group Managing Director & CEO)	1 July 2023 to 30 June 2024
Penelope Creswell (Non-executive Director)	1 July 2023 to 30 June 2024
Ayten Saridas (Non-executive Director)	1 July 2023 to 30 June 2024

Names, qualifications, experience and special responsibilities

Stephen van der Sluys – *Non-executive Chairman*

Qualifications
BBuild, FAusIMM, FAICD

Mr van der Sluys is a highly credentialed investment banker and business executive, with extensive international experience in capital markets and strategic transactions, including mergers & acquisitions. Mr van der Sluys has held a number of senior investment banking roles (predominantly in Australia and the United States of America), including with Citibank, JP Morgan Chase & Co, Bank of New Zealand and as CEO of CIBC Wood Gundy Australia. In addition to his investment banking experience, Mr van der Sluys has also held various senior executive roles, at a range of large companies which operate in the mining and resources industry, including as Executive Director of Queensland Nickel at the time during which Parkway successfully listed as an ASX100 company. More recently, Mr van der Sluys has assisted a number of junior resources companies achieve corporate success. In particular, Mr van der Sluys was executive chairman and subsequently Managing Director of Jervois Mining Limited (now Jervois Global Limited, ASX: JRV), having played a pivotal role in the successful transformation of Jervois.

Other listed company directorships during the last 3 years: None.

Mr van der Sluys is a member of the Audit & Risk Committee, Remuneration Committee (Chairman), and the Nomination Committee.

Bahay Ozcakmak – *Group Managing Director & CEO*

Qualifications
BSc, MABus, DipFin(Inv.), MAICD

Mr Ozcakmak is a highly experienced executive having been engaged as a corporate adviser by a large number of companies operating in a range of sectors, during the last 20 years. Mr Ozcakmak has extensive corporate development expertise, including M&A experience in the technology, energy and mining sectors, where he has led the successful acquisition, development and/or commercialisation of several flagship projects, including major corporate transactions, mostly with publicly listed companies. In addition to extensive corporate experience in business and corporate strategy development in the energy and mining sectors, including in a diverse range of commodities, Mr Ozcakmak has also been focused on creating value through the commercialisation of innovative and sustainable technologies in these sectors. During two decades of successful technology commercialisation experience, Mr Ozcakmak has also founded several technology companies, including Activated Water Technologies ("AWT") and was the CEO of AWT's parent company, Consolidated Potash Corporation, up until its acquisition by Parkway. Mr Ozcakmak is considered a technology commercialisation expert, having successfully led the commercialisation of numerous technologies in the agtech, biotechnology, water, energy and mining sectors. Since 2015, Mr Ozcakmak has also led a highly successful collaboration with leading researchers at Victoria University. In recognition of the contributions made by Mr Ozcakmak to the Institute of Sustainable Industries & Liveable Cities at Victoria University, in May 2020, the honorary title of Adjunct Associate Professor was conferred upon Mr. Ozcakmak. Mr Ozcakmak has extensive equity capital market experience, is currently a director of several private and public companies and has previously held directorships and C-suite roles with numerous companies listed in Australia ("ASX"), Canada ("TSX") and the UK ("AIM").

Other listed company directorships during the last 3 years: TSX Venture exchange listed Fidelity Minerals Corp. (Director June 2019 – March 2021).

Ayten Saridas - *Non-executive Director*

Qualifications
CPA Australia, BComm, MAppFin

Ms Saridas is a results-driven finance executive with over 30 years of international experience across a broad range of industries including in oil and gas, mining, retail, infrastructure, property, and financial services. Ms Saridas is a proven leader with an established reputation in the financial markets, with a solid track record in the investment community and brings commercial acumen and strength in strategic thinking and delivering solutions for complex financial situations. Ms Saridas has until recently held CFO and executive roles with Coronado Global Resources, Santos Ltd, AWE Limited and Woolworths amongst other ASX listed companies. Ms Saridas's core strengths include working with companies to develop disciplined capital allocation strategies, drive growth through strategic positioning and execution of business plans to deliver sustainable profits. Ms Saridas has led the development of corporate strategy, M&A and IPO transactions, corporate defence and multi-billion dollar capital raisings in support of these achievements.

Other listed company directorships during the last 3 years: Australian Pacific Coal Ltd (Director November 2022 – Present).

Ms Saridas is a member of the Audit & Risk Committee, Remuneration Committee, and the Nomination Committee.

Penelope Creswell – *Non-executive Director*

Qualifications
BA, LLB (Hons), MAICD

Ms Creswell is a highly experienced lawyer, with 25+ years of professional experience, including ~10 years at Allens (one of Australia's most prestigious top-tier law firms) and most recently ~7 years as the leading in-house legal counsel for all planning and environmental legal matters at Cleanaway Waste Management Limited (ASX:CWY), Australia's largest waste management company. Ms Creswell is currently the Head of Environment and Regulatory Compliance at Cleanaway, a national role she has held since December 2021. Ms Creswell also brings ~4 years of experience at the Northern Land Council in the Northern Territory, as well as experience as a secondee General Counsel at Melbourne Water, to her role with the Group. While her professional career has spanned diverse areas of law, her key focus over the last 15 years has been infrastructure projects, planning and environmental law, including in the waste and water sectors.

Other listed company directorships during the last 3 years: None.

Ms Creswell is a member of the Audit & Risk Committee, Remuneration Committee, and the Nomination Committee.

Company Secretary

Amanda Wilton-Heald

Amanda is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience within Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

Interests in the shares and options of Parkway and related bodies corporate

As at the date of this report, the interests of the Directors (including related parties) in the shares and options of Parkway were:

	Number of ordinary shares	Number of options over ordinary shares	Number of Performance Rights over ordinary shares
Bahay Ozcakmak	220,737,201	10,000,000*	13,550,000
Penelope Creswell	-	-	-
Stephen Van der Sluys	-	-	-
Ayten Saridas	-	-	-

* 52,424,060 options expired on 28 July 2024.

Dividends

No dividend has been paid or declared for the year ended 30 June 2024 (30 June 2023: nil) and the Directors do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

Principal activities

The principal activities of the Group during FY24 include:

- the commercialisation of proprietary water, wastewater and brine processing technologies, with applications in the energy and mining sectors ("**Industrial Technology Division**"); and
- the development of an integrated water treatment project delivery capability ("**Industrial Operations Division**"), to complement and support the Group's Industrial Technology Division.

Operating results for the year

The Group's loss after income tax expense for its FY24 was $734,406 (2023: $1,680,056).

Financial Performance

	2024 $	2023 $	% Increase/ (Decrease)
Total income	9,627,625	4,706,614	104%
Loss before tax	(734,406)	(1,680,056)	-49%
Loss after income tax expense	(734,406)	(1,680,056)	-49%
Loss per share (cents)	(0.03)	(0.08)	-55%

The financial position of the Group is presented in the attached Consolidated Statement of Financial Position.

As of 30 June 2024, the Group had a net asset balance of $15,493,611 which is an increase of $7,325,880 from $8,167,731 as of 30 June 2023. The cash balance increased from $2,003,639 as of 30 June 2023 to $3,492,197 as of 30 June 2024. For further details, refer to the Consolidated Statement of Financial Position.

OPERATING AND FINANCIAL REVIEW (continued)

INTRODUCTION

Parkway is a leading Australian water & wastewater treatment and process technology company. Parkway is focused on the commercialisation of a portfolio of innovative process technologies in key industrial markets, as Parkway believes this is an important and effective strategy for addressing various global water related sustainability challenges. In recent years, Parkway has made significant investments in groundbreaking research and development (R&D) related activities, including in the acquisition, development, validation and optimisation of a comprehensive portfolio of cutting-edge industrial water treatment related process technologies.

In support of Parkway's accelerated technology commercialisation strategy, Parkway primarily operates through two strategically integrated capacities:

- **Industrial Operations** business division is focused on the provision of conventional water and wastewater treatment related products & services, including fabrication as well as project delivery related services including installation, for a broad range of predominantly commercial, municipal and industrial clients.
- **Industrial Technology** business division is primarily focused on innovative process technology related R&D, including process screening, evaluation, optimisation and piloting, as well as a range of technology commercialisation related activities.

As the Industrial Operations division continues to grow and build critical mass, it is increasingly valuable in providing Parkway with a suitable platform to commercialise its portfolio of proprietary process technologies, being developed by the Industrial Technology division.

Integrated Water Treatment Capabilities

Parkway has assembled an integrated inhouse project delivery capability, including for the innovative process technologies being developed and commercialised by Parkway.

We've built a portfolio of high-quality industrial water treatment related capabilities, including:

supplier of leading global OEM **PRODUCTS**	provider of innovative process **TECHNOLOGY**	specialised engineering and workshop **FABRICATION**	experienced project delivery and **INSTALLATION**
Parkway Process Solutions	Parkway Process Technologies	TANKWELD engineering	TANKWELD installations
▪ We supply 1'000s of products from 100s of suppliers, including leading global OEMs. ▪ Specialised range of industrial water treatment related products including, chemicals, disinfection, instrumentation, filters and membranes, pumps and more. ▪ We also supply packaged water treatment systems based on established processes, including integrated UF and RO systems.	▪ We have a highly-experienced process engineering team and own a portfolio of innovative process technologies, with highly valuable applications in industry. ▪ Extensive piloting capabilities through the Parkway Centre for Brine Technologies. ▪ We have established research partnerships, including with leading R&D organisations.	▪ Experienced mechanical engineering and design team focused on constructability. ▪ Large modern workshop with range of industrial equipment suitable for fabricating in UPVC, aluminium, stainless steel and other materials. ▪ Established water sector and tier-1 industrial client base and experience in fabrication of first-of-a-kind process plants.	▪ Established project execution capabilities, incorporating range of construction related trades, including installation and commissioning. ▪ Nominated delivery partner across water sector and for leading industrial clients. ▪ Extensive track-record in delivering landmark complex projects in the water sector.

Enables Parkway to deliver

integrated industrial water treatment related solutions.

As a result of these integrated water treatment related capabilities, Parkway is increasingly capable of delivering a diverse range of industrial water, wastewater treatment and infrastructure related projects on a turnkey (Engineering, Procurement and Construction – "EPC" and Design & Construct – "D&C") basis.

INDUSTRIAL OPERATIONS DIVISION

Industrial Operations are performed through Parkway Process Solutions (PPS) and predominantly focused on the provision of conventional water and wastewater treatment related products and services, including specialty fabrication services. In addition, PPS is increasingly involved in integrated project delivery related services including installation services for a diverse range of commercial, municipal and industrial clients.

OPERATING AND FINANCIAL REVIEW (continued)

Strategic Positioning

Whilst PPS achieved strong operating performance including robust operating revenues during FY24, Parkway continued to focus on strategically important, particularly technology focused projects, with less emphasis on non-strategic short-term revenue generation. As a result, projects incorporating more innovative industrial water treatment solutions, including proprietary process technologies being commercialised by Parkway's Industrial Technology (Parkway Process Technologies, PPT) division, remain a key priority. These initiatives involve the design of modular water treatment (and related process) systems, incorporating PPT technologies, with near-term applications, including as part of the upstream brine concentration and beneficiation opportunities related to Master Plan, as outlined in the *Industrial Technology Division* section, below. On this basis, Parkway continues to make strategic investments in people, plant, equipment and inventory, with an emphasis on ongoing strategic capability development. These strategic investments are critical in ensuring Parkway has the capabilities required to deliver, technology based engineered solutions, as the PPT technology portfolio approaches key commercialisation milestones.

Acquisition of Tankweld

A key milestone for Parkway during FY24 was the acquisition of the Tankweld Group ("Tankweld"), an established engineering solutions provider based in South-East Melbourne. Following the acquisition of Tankweld on 13 March 2024, in addition to maintaining operational continuity and implementing several process improvement projects, a key priority has been to integrate Tankweld into Parkway's broader Industrial Operations Division. In order to i) improve organisational effectiveness, ii) manage risks, iii) build scalable systems, and iv) provide a platform for integration with Parkway's broader Industrial Operations, the Tankweld Workflow Management System was recently implemented across its operations. These important changes, including development and implementation of the TWMS is a critical step in transitioning the operations of Tankweld from a conventional "fabricate and install" business model, to a more specialised "integrated project delivery" business model, consistent with the broader strategic objectives of Parkway.

Project Delivery Capabilities

As the Industrial Operations of Parkway continue to grow, Parkway is increasingly involved in the design, fabrication and installation of complex water and wastewater treatment related infrastructure. As outlined above, building these project delivery capabilities, is an important aspect of Parkway's broader priorities in providing integrated industrial water treatment solutions, including solutions incorporating PPT technologies.

During the year, Parkway was awarded a contract to design, fabricate, deliver and supervise installation and commissioning of an integrated water treatment plant for an Australian Defence Force (ADF) site. This integrated water treatment plant was recently successfully installed and commissioned. This water treatment plant (incorporating multiple process technologies) highlights the increasingly sophisticated capabilities of PPS, in delivering high quality water treatment solutions, for major clients. These capabilities, particularly in relation to fabrication and installations have been further bolstered, through the recent acquisition of Tankweld.

During the ordinary course of operations, Tankweld collaborates closely with leading industrial companies including major construction contractors as well as municipal water authorities, to provide a range of water infrastructure related fabrication and project installation related activities. In many instances, Tankweld is one of only a small number of suitably credentialled service providers capable of providing the required solutions for the critical water related infrastructure.

Business Development

Parkway continues to improve its market penetration through PPS, by securing new business from a diverse range of clients, for the provision of industrial water and wastewater treatment related products, services, and solutions. During the ordinary course of operations, PPS continues to grow its client base, which includes large mining and energy companies, a diverse range of industrial companies, as well as engineering services, government, and municipal clients, amongst others. The growing PPS client base, together with the established Tankweld client base, is anticipated to provide a strong foundation and support future sales growth as these commercial relationships continue to grow and mature.

OPERATING AND FINANCIAL REVIEW (continued)

INDUSTRIAL TECHNOLOGY DIVISION

Industrial Technology related activities are performed through Parkway Process Technologies (PPT) and predominantly focused on innovative process technology related R&D, including process screening, evaluation and piloting, as well as a range of commercialisation related activities.

Technology Development

By leveraging the process engineering capabilities of Parkway, PPT continues to build a portfolio of proprietary technologies, capable of providing highly integrated process solutions, for a range of complex wastewater and process streams traditionally considered difficult to treat. PPT has developed innovative applications for these technologies, including applications resulting in improvements in the processing and treatment of challenging industrial wastewater streams, particularly for large scale industrial, oil & gas, mining and mineral processing operations.

Parkway Centre for Brine Technologies (PCBT)

As a leading developer of innovative industrial brine processing technologies, Parkway has provided a range of process technology development related services to a diverse range of third parties. In order to assist in the industrialisation of Parkway's R&D related activities and accelerate the commercialisation of PPT technologies, including Master Plan related opportunities, Parkway has established the Parkway Centre for Brine Technologies (PCBT).

The Parkway Centre for Brine Technologies provides Parkway with the following key capabilities:

- Experimental and bench scale testing and evaluations including analytical capabilities.
- Pilot scale testing and demonstration to support commercialisation activities.
- Development, integration and testing of modularised systems incorporating PPT technologies.

PPT Technology Portfolio

The development and commercialisation of a portfolio of proprietary process technologies remains an important priority for Parkway, with a range of ongoing activities focused on realising the substantial advantages of the PPT technology portfolio. During the year, the core emphasis in terms of technology development, was focused on two separate but interrelated Master Plan related PPT technology packages:

- Upstream brine concentration & beneficiation, and
- Downstream electrochemical salt-splitting technology.

Although these respective technology packages are being advanced in the context of Master Plan, these technologies have a much broader market opportunity, which Parkway is pursuing in parallel, particularly given Parkway's rapidly developing project delivery capabilities.

PPT Upstream Brine Concentration & Beneficiation

In order to address the significant coal seam gas (CSG) derived waste brine and salt challenges in Queensland, on 22 June 2023, Parkway announced the development of a Master Plan, an innovative, sustainability driven concept based on providing an industry-wide solution. Parkway subsequently disclosed the successful development of a new upstream brine concentration and beneficiation technology package which incorporates several new innovations that have undergone extensive process development, bench-scale piloting and various engineering studies to confirm key technoeconomic parameters. In addition to providing a pathway to subsequent downstream processing, the adoption of the upstream technology package, is expected to reduce costs associated with building and maintaining brine storage ponds, as well as provide a cost-effective brine dewatering/concentration option for industry.

OPERATING AND FINANCIAL REVIEW (continued)

PPT Downstream Electrochemical Salt-Splitting Technology

In the Master Plan, several downstream optimisation opportunities were also disclosed to further improve the salt balance for each project, by eliminating the production of solid salt products. Subsequently, Parkway has been evaluating various novel integration pathways for an innovative downstream process for sequestering the intermediate salt streams into industrial chemicals, thereby providing an opportunity for significant additional value creation. Extensive bench scale brine pre-treatment activities have been recently performed, to produce brine samples suitable for downstream processing. Parkway has recently processed pre-treated brine samples through a proprietary flowsheet, incorporating pilot scale electrochemical salt splitting technology. These highly innovative piloting activities successfully converted salt products into caustic soda, as well as a mineral acid, widely used by industry. Importantly, this downstream salt-splitting brine process technology package has significant potential applications beyond Master Plan, with the production of mineral acids, (and caustic soda) presenting significant opportunities in the mining, downstream mineral processing and refining industries.

Technology Commercialisation

In parallel with the research and development of a portfolio of innovative process technologies, Parkway is also focused on the commercialisation of PPT's more advanced proprietary flowsheets, incorporating the respective process technologies.

Applications in the Mining & Minerals Industry

Potential applications for the proprietary process technologies developed by PPT include, but are not limited to, the treatment of a range of complex industrial wastewater streams including brines, as well as acid and metalliferous drainage (AMD). Parkway is collaborating with various parties, in relation to several mining and downstream processing related opportunities, involving the production of critical minerals, as well as the potential treatment of complex wastewater streams, through process technologies developed by PPT.

Master Plan – Queensland CSG Opportunity

Over the life of currently operating CSG projects in Queensland, an estimated 6 million tonnes of waste salts are expected to be produced. A significant proportion of these salts have already been produced, in the form of waste brine and are currently being stored in waste brine storage ponds, awaiting a viable long-term disposal solution. The disposal of waste brine and salts, as contemplated by the CSG industry, present extensive environmental risks and challenges, and remains deeply unpopular, with significant opposition from a diverse range of stakeholders. Recognising these significant challenges, in recent years, Parkway has systematically developed a portfolio of proprietary process technologies, to specifically address the waste brine and salt challenges facing the CSG industry. These technologies have undergone extensive process optimisation, piloting and technoeconomic evaluations, providing a high level of confidence in the value proposition presented by these technologies, particularly in comparison to the industry's planned approach of salt disposal (salt encapsulation).

Master Plan – The Opportunity Set

The primary objective of Master Plan is to utilise the proprietary process technology packages developed by Parkway, to convert CSG derived waste brine and salts produced in Queensland, into valuable industrial chemical products. This approach is intended to put the CSG industry on a more sustainable footing, by addressing community concerns and by providing a sustainable waste "disposal" (convert waste-to-products) option, as well as generating substantial revenues from the sale of industrial chemical products. As part of Master Plan and in collaboration with several strategic partners, Parkway is pursuing a range of significant opportunities to provide high-value solutions for the CSG industry in Queensland.

Master Plan – Advanced Large-Scale Downstream Opportunity

Parkway has performed a range of studies based on PPT technologies, including a comprehensive feasibility study for a major CSG company with whom Parkway has been collaborating for several years. During the year, Parkway finalised a pre-FEED and other technical studies for this CSG company (a global energy company), in order to further advance the brine processing project/s proposed by Parkway.

OPERATING AND FINANCIAL REVIEW (continued)

Master Plan – Upstream Brine Concentration & Beneficiation Opportunities

The advanced large-scale downstream opportunity referred to above, provides a potential pathway to deliver a complete brine treatment solution for one of the largest and most advanced CSG projects in Queensland. During the last decade, the operator of this advanced project has made substantial investments in brine concentration, however, the remaining three major Queensland CSG projects, continue to face a range of upstream brine concentration related challenges. As a result, Parkway is advancing the potential adoption of an upstream brine concentration and beneficiation process, that would provide the remaining three projects with significant near-term benefits – including smaller and more cost-effective brine storage options. The upstream concentration and beneficiation of the waste brine would also enable further processing of the brine, with PPT's downstream process technologies, including potentially with the downstream electrochemical salt-splitting technology, described above.

In order to provide a viable near-term solution for the CSG industry in Queensland, Parkway is developing standardised designs incorporating modular equipment, based on Parkway's proprietary upstream brine concentration and beneficiation process technologies. Preliminary internal evaluations suggest Parkway is likely to be able to provide a highly attractive brine concentration service (lower cost, better outcome) to CSG companies on a toll-treatment basis. The development of the standard designs and modular equipment referenced above, will also provide Parkway with opportunities to deliver the PPT technologies in applications beyond the Queensland CSG industry.

Master Plan – Improved Upstream Technology Roll-Out Capability

As part of Parkway's rapidly developing project delivery capabilities, Parkway is increasingly capable of designing, fabricating and installing the appropriate process equipment and infrastructure, as part of a turnkey industrial brine processing solution for the CSG industry. Parkway's improved project delivery related capabilities are also supporting ongoing discussions with a range of stakeholders regarding progress towards various other Master Plan related objectives.

PARKWAY VENTURES

Parkway previously held a minority equity interest in the Karinga Lakes Potash Project (KLPP). During FY24, no substantive mining exploration related activities occurred in relation to the KLPP, given the KLPP-JV is in the advanced stages of surrendering the KLPP Tenement Interests.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 23 August 2023 Parkway successfully conducted a placement to sophisticated and professional investors, raising gross proceeds of $4,000,000, through the issuance of 285,714,286 new fully paid ordinary shares at an issue price of $0.014. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

On 16 November 2023 Parkway signed a new lease to begin on 4 December 2023 for the purpose of establishing the Centre for Brine Technologies at Warehouse 4/45 Bunnett Street, in Sunshine North, Victoria. Due to delays to the departure of the prior tenant, the commencement date was amended to 17 January 2024. At this time the Group recognised a right-of-use asset and lease liability of $581,154. The initial rent is $90,176 p.a. plus outgoings, with a 3% increase from February 2024 and annually thereafter. The initial term is 2 years, 2 months and 7 days, plus one option for a further five years.

On 12 March 2024, Parkway, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Tankweld Group (comprised of Tankweld Engineering Service Pty Ltd and Tankweld Installations Pty Ltd) for total consideration of $2,350,260. As part of this acquisition, Parkway signed a lease for 75 Boundary Road, Carrum Downs, Victoria, recognising a right-of-use asset and lease liability of $3,989,882. The initial rent is $345,600 p.a. plus outgoings, with a 3% increase from March 2025 and annually thereafter. The initial term is five years, plus two options for a further five years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (continued)

On 15 May 2024 Parkway successfully conducted a placement to sophisticated and professional investors, raising gross proceeds of $2,250,000, through the issuance of 250,000,000 new fully paid ordinary shares at an issue price of $0.009. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

On 17 June 2024, Parkway entered into a term loan funding agreement with Amal Security Services Pty Limited (as trustee for Causeway Wholesale Private Debt Master Fund) for a debt financing facility of up to $4,000,000. The Term Loan Facility consists of a Senior Secured Debt Facility of $3,000,000, and a separate Acquisition Facility of $1,000,000, intended to support potential future acquisition/s. The initial loan term is two years, with an option to extend the Term Loan Facility for a further 12 months, at the election of Parkway. At 30 June 2024 Parkway had drawn down $1,000,000 of this facility.

Other than the above, and except for the matters disclosed in this Operating and Financial Review, there were no other significant changes in the state of affairs of the Group during FY24.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 28 July 2024 245,918,535 Parkway options with an exercise price of $0.019 expired without exercise or conversion.

Other than the above, there have not been any matters that have arisen after reporting date that have significantly affected, or may significantly affect, the operations and activities of the Group, the results of those operations or the state of affairs of the Group in future financial years other than disclosed elsewhere in this consolidated financial report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities are subject to Australian legislation relating to the protection of the environment. The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities (however no substantive mining exploration activities occurred during FY24). During the Group's FY24, the Group's operations did not result in any known breaches of relevant Australian environmental legislation and/or regulations.

RISK MANAGEMENT

The Group takes a proactive approach to risk management, outlined in the Board approved Parkway Integrated Management System (PIMS). The Board is responsible for ensuring that risk and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities. The Audit and Risk Committee also plays a role in assisting the Board in fulfilling its responsibility to manage the Group's risks by monitoring the actions taken by Management to ensure they align with Group policy. As part of the Group's annual ISO 9001/14001/45001 internal reviews, Management reviews relevant risks and opportunities as well as the ongoing appropriateness of existing controls and residual risks. Parkway's overarching objective is to embed risk management throughout the Group, maintaining a structured, systematic, and proactive approach. The Group's material business risks and how they are addressed are as follows:

- Commercialising Industrial Technology: While the Group is in the commercialisation phase and depends on further funding for successful commercialisation, it has robust risk mitigation strategies in place. However, it is essential to acknowledge the inherent risks associated with technology commercialisation, some of which may be beyond Parkway's control and could potentially lead to delays in commercialisation.

RISK MANAGEMENT (continued)

- Project Management: With the acquisition of Tankweld Group, commercial and delivery risks and opportunities associated with projects have increased compared to FY23. To mitigate these risks, the Group has implemented processes to ensure projects are well-defined and commercial terms suitable, projects are appropriately resourced for successful execution, and project risks and opportunities are identified throughout a project's lifecycle in a timely manner through effective reviews, monitoring and feedback.
- Corporate: including safety, quality, recruitment and retention of exceptional employees, innovation, customer credit, financial, and procurement. In addition to the annual reviews noted above, the Group manages these risks through continuous review and monitoring by the executive leadership team.
- Environmental**:** the Group acknowledges the potential risks associated with climate change, which can impact both the Group and its clients. As climate change leads to increased weather extremes and resource variability, Parkway's portfolio of solutions is strategically developed to address these challenges. The Group remains vigilant in monitoring evolving risks and challenges through its risk assessment framework contained in the PIMs, in line with the Group's commitment to building a sustainable business.
- Community/Social Risks: Parkway's operations involve numerous stakeholders, including employees, contractors, local communities, government agencies, customers, and suppliers. Managing reputational damage and potential claims due to harm or loss to any stakeholder is a critical concern. In addition to the annual reviews noted above, the Group manages these risks through continuous review and monitoring by the executive leadership team.
- Regulatory and Compliance: Complying with various governance requirements, including those tied to Parkway's ASX listing, is essential. Navigating evolving regulations and international standards can be complex and unpredictable. Changes in fiscal or regulatory regimes, tax laws, and community expectations may impact international opportunities. To manage and minimise these risks, the Group relies on regularly reviewed Board-approved governance policies. The Group's Legislation Register provides a comprehensive summary of the various legislative and regulatory frameworks within which the Group operates.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Parkway has entered into deeds of access and indemnity with the Directors and Officers of Parkway, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the Director or Officer acting in their capacity as a Director or Officer.

Except in the case of a liability for legal costs and expenses, each deed of access and indemnity does not extend to a liability that is:

(a) owed to Parkway or a related body corporate of Parkway; or
(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001.*

Similarly, the indemnity does not extend to liability for legal costs and expense:

(c) owed to someone other than Parkway or a related body corporate of Parkway where the liability did not arise out of conduct in good faith;
(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);
(e) in proceedings successfully brought by the Australian Securities & Investments Commission or a liquidator; or
(f) in connection with proceedings for relief under the Corporations Act 2001 in which the court denies the relief.

During FY24, the Group has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the Group's FY24.

UNISSUED ORDINARY SHARES UNDER OPTION ("OPTIONS")

As at the date of this Annual Report, there were 413,462,785 Options and Performance Rights on issue as follows:

Expiry Date	Exercise price	Number of Options	Number of Performance Rights
28 July 2024	$0.019	245,912,785	-
16 December 2024	$0.02	15,000,000	-
16 May 2027	$0.015	125,000,000	-
7 December 2033	n/a	-	27,550,000

During FY24, the Company issued 152,550,000 Options and Performance Rights, no Options lapsed, and no Options were cancelled or forfeited.

Option and Performance Right holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001.*

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for non-audit services provided during FY24 are set out below.

	2024 $	2023 $
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- Non-audit services	-	-
	-	-

In the event that non-audit services are provided by Nexia Perth Audit Services Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

(a) non-audit services are subject to the corporate governance procedures adopted by the Group and are reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
(b) ensuring non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including independence Standards)* by ensuring they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

DIRECTORS' MEETINGS

Meetings of Directors held during Parkway's FY24 (and the Directors' attendance at such meetings) were as follows:

	Board	Audit & Risk Committee	Remuneration & Nomination Committee
Number of Meetings Held	**6**	**3**	**1**
Number of Meetings Attended:			
Stephen van der Sluys	6	3	1
Bahay Ozcakmak	6	2*	-
Penelope Creswell	6	3	1
Ayten Saridas	6	3	1

** attended by invitation.*

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Group's Director and Executive remuneration arrangements, in accordance with the requirements of the *Corporations Act 2001* (Cth) and its regulations. For the purposes of this report, Key Management Personnel ("**KMP**") of the Group are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, and includes Directors and Executives of the Group. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

The Group's remuneration report for its financial year ended 30 June 2023 was adopted at Parkway's 2023 Annual General Meeting on 30 November 2023. 280,818,824 (2022: 260,905,500) votes were in favour of the report and 13,447,547 (2022: 1,491,808) were against. No questions or comments were raised relating to the FY23 remuneration report.

No remuneration consultants were engaged during FY24.

REMUNERATION REPORT (AUDITED) (continued)

Details of KMP

(i) Directors:

Bahay Ozcakmak	Group Managing Director and CEO
Penelope Creswell	Non-Executive Director
Stephen van der Sluys	Non-Executive Director
Ayten Saridas	Non-Executive Director

(ii) Executives:

Michael Hodgkinson	Chief Financial Officer

(iii) Resigned:

Robert Van Der Laan	Chief Financial Officer

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors (defined as being both Executive and Non-Executive) and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:
- Provide competitive rewards to attract high calibre Directors and Executives; and
- Link Director and Executive rewards to shareholder value.

Shares and options issued under the incentive plans provide an incentive to stay with the Group. Shares and options issued do not have performance criteria attached, however from FY24 Performance Rights with performance criteria were issued. This policy is considered to be appropriate for the Group, having regard to the current state of its development.

The Group has a policy which precludes Directors and Executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Group also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the Directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Group will nevertheless seek to apply the principles described above to its Directors and Executives, whether they are employees of/or consultants to the Group.

Remuneration Committee Responsibilities

The Committee assesses the appropriateness of the nature and amount of remuneration and fees of Directors and Executives on a periodic basis, by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high-quality Board of Directors and Executives.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate and distinct.

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Parkway's constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors must be determined from time to time by shareholders of Parkway in a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors. As at the date of this Annual Report, the aggregate directors' fees for Non-Executive Directors has been set at an amount not exceeding $200,000 per annum (2023: $200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Non-Executive Directors is reviewed annually. The Board may consider advice from external consultants (none were used by the Group in FY24), as well as the fees paid to Non-Executive Directors of comparable companies, when undertaking the annual review process. The remuneration report has been approved by shareholders at the annual general meeting.

Agreements with Non-Executive Directors

Director's fees of $76,018 per annum (exclusive of the prevailing superannuation guarantee percentage) were paid, or due and payable to Mr Stephen van der Sluys. In the event of termination, there is no notice period required.

Director's fees of $43,439 per annum (exclusive of the prevailing superannuation guarantee percentage) were paid, or due and payable to each of the Group's Non-Executive Directors during FY24, being Ms Penelope Creswell and Ms Ayten Saridas. In the event of termination, there is no notice period required.

As outlined above, each of the Group's Non-Executive Directors receive a fee for being a Director of the Group. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-Executive Directors are encouraged by the Board to hold shares in Parkway (purchased on-market and in accordance with Parkway's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Non-Executive Directors of the Group may also participate in Parkway's share and option plans, as described in this Annual Report.

As an incentive to employees, Directors and Executives and consultants, Parkway has adopted a scheme called the Parkway Corporate Limited Employee Securities Incentive Plan (the **"ESIP"**). The purpose of the ESIP is to give employees, Directors and Executives and consultants of the Group an opportunity to subscribe for shares and/or options in Parkway. The Directors consider that the ESIP will enable the Group to retain and attract skilled and experienced employees, Directors and Executives and provide them with the motivation to participate in the future growth of the Group and, upon becoming shareholders in Parkway, to participate in Group's profits and development.

REMUNERATION REPORT (AUDITED) (continued)

Executive Remuneration

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward Executives for Group, business team and individual performance;
- align the interests of Executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

- At this time, the cash component of remuneration paid to the Executive Directors, and other senior managers is not dependent upon the satisfaction of performance conditions.
- Executive Directors are encouraged by the Board to hold shares in Parkway (purchased on-market and in accordance with Parkway's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Executive Directors of the Group may also participate in the share and option plans as described in this report.

Performance table

The following table details the loss of the Group from continuing operations after income tax, together with the basic loss per share for last 5 financial years:

	2024 **$**	**2023** **$**	**2022** **$**	**2021** **$**	**2020** **$**
Net loss from continuing operations after income tax	(734,406)	(1,680,056)	(2,332,196)	(923,715)	(2,421,674)
Basic loss per share in cents	(0.03)	(0.08)	(0.11)	(0.04)	(0.15)
Share Price in Cents*	0.8	1.0	1.0	1.0	0.7

* closing price 30 June.

No dividends were paid in any of these years.

Executive Remuneration

Long-Term Incentive ("**LTI**") awards to Executives are made under the ESIP and are delivered in the form of shares or share options. A Performance Rights plan has also been established by the Group under the ESIP and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant performance rights over ordinary shares in the Company to certain employees. The rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee. Performance Rights carry no dividend or voting rights.

REMUNERATION REPORT (AUDITED) (continued)

Agreement with Group Managing Director and CEO

On 26 October 2021, Parkway entered into an Executive Services Agreement with Mr Ozcakmak ("**MD Agreement**"). Pursuant to the terms of the MD Agreement:

- Mr Ozcakmak was engaged by Parkway on a full-time and permanent basis, with no fixed term included in the MD Agreement;
- Mr Ozcakmak's annual salary was set at $275,000 (exclusive of superannuation); and
- either party may terminate the MD Agreement on providing six months' prior written notice to the other party.

On 1 November 2023, Mr Ozcakmak's annual salary (exclusive of the prevailing superannuation guarantee percentage) was set at $305,000. Following approval at the AGM on 30 November 2023, Mr Ozcakmak was granted 3,050,000 Performance Rights for FY23 and 10,500,000 Performance Rights for the period FY24 to FY26 (3,500,000 each year). Vesting of 50% of the Rights are subject to certain performance hurdles and vesting of the remaining 50% of the Rights are subject to the discretion of the Board having regard to the performance of Mr Ozcakmak during the applicable performance period. Mr Ozcakmak must also remain employed with the Group as at the vesting date for each of the relevant tranches in order for the applicable tranche to vest.

On 1 January 2024 a discretionary bonus of $295 was awarded, in the form of a gift card, to all employees and directors including Mr Ozcakmak.

Total Shareholder Return (TSR) performance hurdle
50% of each tranche of the FY24-26 Performance Rights are subject to the following performance hurdles:
- up to 25% of the Performance Rights vest based on the satisfaction of a relative TSR performance hurdle; and
- up to 25% of the Performance Rights vest based on the absolute TSR return performance of the Company.

Relative performance hurdle
The percentage of Performance Rights subject to the relative TSR performance hurdle will vest in accordance with the following table:

Outcome vs. ASX Small Ordinaries Index	Percentage of Performance Rights which vest
< -12% per annum	6.25%
0% per annum	12.5%
> 12% per annum	25%

There is a straight-line pro-rata vesting of Performance Rights where the relative TSR performance fails between the thresholds set out in the above table.

Absolute TSR performance hurdle
The percentage of Performance Rights subject to the absolute TSR performance hurdle will vest in accordance with the following table:

Outcome	Percentage of Performance Rights which vest
< -12% per annum	6.25%
0% per annum	12.5%
> 12% per annum	25%

There is a straight-line pro-rata vesting of Performance Rights where the relative TSR performance fails between the thresholds set out in the above table.

REMUNERATION REPORT (AUDITED) (continued)

Agreement with prior Chief Financial Officer

On 1 January 2023, Mr Van der Laan's annual salary was increased to $158,100 from $155,000 (exclusive of superannuation requirement).

On 27 October 2023 Mr Van der Laan resigned as Chief Financial Officer.

Agreement with current Chief Financial Officer

On 29 May 2023, Parkway entered into an Executive Services Agreement with Mr Hodgkinson ("**CCO Agreement**"). Pursuant to the terms of the CCO Agreement:

- Mr Hodgkinson was engaged with Parkway on a full-time and permanent basis, with no fixed term included;
- Mr Hodgkinson's annual salary was set at $195,000 (exclusive of superannuation), $35,000 in ordinary shares (12 month vesting, with a 2-year escrow), and a performance based Short Term Incentive of up to $35,000 ordinary shares; and
- either party may terminate the CCO Agreement on providing four weeks' prior written notice to the other party, eight weeks after six months service and twelve weeks after 12 months service.

On 1 November 2023 Mr Hodgkinson was appointed Chief Financial Officer. On 30 November 2023, Mr Hodgkinson was awarded 10,500,000 Performance Rights as a Long Term Incentive (LTI) for the period FY24 to FY26 (3,500,000 each year), and 3,500,000 as a Short Term Incentive (STI) for the period FY24. For both the STI and LTI, vesting of 50% of the Rights are subject to certain performance hurdles and vesting of the remaining 50% of the Rights are subject to the discretion of the Board having regard to the performance of Mr Hodgkinson during the applicable performance period. Mr Hodgkinson must also remain employed with the Group as at the vesting date for each of the relevant tranches in order for the applicable tranche to vest. The Performance Rights have identical Performance Hurdles to the CEO Performance Rights outlined above. On 1 January 2024 M Hodgkinson's annual salary (exclusive of the prevailing superannuation guarantee percentage) was set at $198,071 (of which $15,000 was salary sacrificed into ESOP) and a discretionary bonus of $1,000 (including $295 as a gift card and $70 in superannuation) was awarded for the prior 12 months.

Valuation of Performance Rights

Performance Rights were measured at fair value on grant date. Fair value was determined using monte carlo simulations on a Binomial option pricing model accounting for the term (10 years), share price at grant date ($0.01), nil exercise price, and performance criteria detailed above, utilising the expected price volatility of the underlying share and the ASX small ordinaries index (based on three year daily data) and risk free interest rate. The valuation of all Performance Rights issued during FY24 and outstanding is:

Grant date	Expiry date	Number issued	Exercise price	Fair value per right at grant date	Grantee	Number vested at 30 June 2024	Number lapsed at 30 June 2024	Total Fair Value	Fair Value recognised as expense in FY24
7/12/2023	7/12/2033	3,500,000	n/a	0.00600	M Hodgkinson	-	-	21,010	21,010
7/12/2023	7/12/2033	3,500,000	n/a	0.00600	M Hodgkinson	-	-	21,010	7,003
7/12/2023	7/12/2033	3,500,000	n/a	0.00627	M Hodgkinson	-	-	21,944	7,315
7/12/2023	7/12/2033	3,500,000	n/a	0.00655	M Hodgkinson	-	-	22,916	7,639
7/12/2023	7/12/2033	3,050,000	n/a	0.01000	B Ozcakmak	3,050,000	-	30,500	30,500
7/12/2023	7/12/2033	3,500,000	n/a	0.00600	B Ozcakmak	-	-	21,010	7,003
7/12/2023	7/12/2033	3,500,000	n/a	0.00627	B Ozcakmak	-	-	21,944	7,315
7/12/2023	7/12/2033	3,500,000	n/a	0.00655	B Ozcakmak	-	-	22,916	7,639

REMUNERATION REPORT (AUDITED) (continued)

Directors' Remuneration 2024

Director	Short-term			Post-employment benefits		Share based Payments			
	Cash Salary and Fees	Bonus	Net leave entitlement	Superannuation Contribution	Termination Benefits	Shares	Options	Perform. Rights	Total
	$	$	$	$	$	$	$	$	$
B Ozcakmak	255,346	295	30,493	72,488	-	-	-	52,457	411,079
P Creswell	43,439	295	-	4,778	-	-	-	-	48,512
S Van der Sluys	76,018	295	-	8,362	-	-	-	-	84,675
A Saridas	43,439	295	-	4,778	-	-	-	-	48,512
Total	**418,242**	**1,180**	**30,493***	**90,406**	**-**	**-**	**-**	**52,457**	**592,778**

* Net leave entitlements (utilised) / charged during the period.

Directors' Remuneration 2023

Director	Short-term		Post-employment benefits		Share based Payments			
	Director Fees and Salary	Bonus	Superannuation Contribution	Termination Benefits	Shares	Options	Perform. Rights	Total
	$	$	$	$	$	$	$	$
B Ozcakmak	275,000	-	28,875	-	-	-	-	303,875
P Creswell	43,439	-	4,561	-	-	-	-	48,000
S Van der Sluys*	60,633	-	6,367	-	-	-	-	67,000
A Saridas**	31,545	-	3,312	-	-	-	-	34,857
A Cook***	74,515	-	6,845	-	-	-	-	81,360
A Griffin****	13,575	-	1,425	-	-	-	-	15,000
Total	**498,707**	**-**	**51,385**	**-**	**-**	**-**	**-**	**550,092**

* Appointed 31 August 2022.
** Appointed 12 October 2022.
*** Resigned 26 September 2022.
**** Resigned 19 September 2022.

Executives' Remuneration 2024

Executive	Short-term			Post-employment benefits		Share based Payments			
	Salary	Bonus	Net leave entitlement	Superannuation Contribution	Termination Benefits	Shares	Options	Perform. Rights	Total
	$	$	$	$	$	$	$	$	$
R Van der Laan*	51,686	-	-	5,686	23,176	-	-	-	80,548
M Hodgkinson	174,036	930	2,793	20,864	-	50,000	-	42,967	291,590
Total	**225,722**	**930**	**2,793**	**26,550**	**23,176**	**50,000**	**-**	**42,967**	**372,136**

* Resigned 27 October 2023
** Net leave entitlements (utilised) / charged during the period.

REMUNERATION REPORT (AUDITED) (continued)

Executives' Remuneration 2023

	Short-term		Post-employment benefits		Share based Payments			
			Superannuation	Termination				
Executive	**Salary**	**Bonus**	**Contribution**	**Benefits**	**Shares**	**Options**	**Perf. Rights**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
R Van der Laan	158,588	-	16,525	-	-	-	-	175,113
M Hodgkinson*	15,500	-	1,628	-	3,068	-	-	20,196
Total	**174,088**	**-**	**18,153**	**-**	**3,068**	**-**	**-**	**195,309**

Total Remuneration 2024

Total Directors' and Executives' Remuneration	**643,964**	**2,110**	**33,286****	**116,956**	**23,176**	**50,000**	**-**	**95,424**	**964,915**

Total Remuneration 2023

Total Directors' and Executives' Remuneration	**672,795**	**-**	**69,538**	**-**	**3,068**	**-**	**-**	**745,402**

* Appointed 29 May 2023.

REMUNERATION REPORT (AUDITED) (continued)

Shares, Options and Performance Rights: Granted and vested during the year

Shares

3,885,821 shares were issued to KMP as part of remuneration during FY24 (2023: 3,068).

(a) Share holdings of KMP

2024	Balance at 1 July 23	Granted as remuneration	On Exercise of Options	Net change other	Balance at 30 June 24
Directors	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**
B Ozcakmak	220,237,201	-	-	500,000**	220,737,201
P Creswell	-	-	-	-	-
S van der Sluys	-	-	-	-	-
A Saridas	-	-	-	-	-
Total Directors	**220,237,201**	**-**	**-**	**500,000**	**220,737,201**
Executives					
R Van der Laan	63,341,692	-	-	(63,341,692)*	-
M Hodgkinson	3,068	3,885,821	-	-	3,888,889
Total Executives	**63,344,760**	**3,885,821**	**-**	**(63,341,692)**	**3,888,889**
Total Directors' and Executives' Share holdings	**283,581,961**	**3,885,821**	**-**	**(62,841,692)**	**224,626,090**

* Changes due to cessation as KMP during the year.
** On Market purchase.

REMUNERATION REPORT (AUDITED) (continued)

Options

No Options were issued to KMP during FY24 (2023: nil).

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to KMP, including the directors and executives.

(b) Options holdings of KMP

2024

	Balance at 1 July 23	Granted as remuneration	Bonus issue received	Net change other	Balance at 30 June 24	Of which:	
	Options	**Options**	**Options**	**Options**	**Options**	**Vested and exercisable**	**Unvested and exercisable**
Directors							
B Ozcakmak	62,424,060	-	-	-	62,424,060	62,424,060	-
P Creswell	-	-	-	-	-	-	-
S van der Sluys	-	-	-	-	-	-	-
A Saridas	-	-	-	-	-	-	-
Total Directors	**62,424,060**	**-**	**-**	**-**	**62,424,060**	**62,424,060**	-
Executives							
R Van der Laan	3,178,610	-	-	(3,178,610)*	-	-	-
M Hodgkinson	-	-	-	-	-	-	-
Total Executives	**3,178,610**	-	-	**(3,178,610)**	**-**	**-**	-
Total Directors' and Executives' holdings	**65,602,670**	-	-	**(3,178,610)**	**62,424,060**	**62,424,060**	-

***** Changes due to cessation as KMP in the year.

REMUNERATION REPORT (AUDITED) (continued)

Performance Rights

The Performance Rights issued to KMP in FY24 as disclosed in the table below were made under the ESIP (2023: nil).

The amounts disclosed in the table are the amounts issued during the reporting period related to KMP, including the directors and executives.

(c) Performance Rights holdings of KMP

2024

	Balance at 1 July 23	Issued as remuneration	Bonus issue received	Net change other	Balance at 30 June 24	Of which:	
	Perf. Rights	Perf. Rights	Perf. Rights	Perf. Rights	Perf. Rights	Vested and exercisable	Unvested
Directors							
B Ozcakmak	-	13,550,000	-	-	13,550,000	3,050,000	10,500,000
P Creswell	-	-	-	-	-	-	-
S van der Sluys	-	-	-	-	-	-	-
A Saridas	-	-	-	-	-	-	-
Total Directors	**-**	**13,550,000**	**-**	**-**	**13,550,000**	**3,050,000**	**10,500,000**
Executives							
R Van der Laan*	-	-	-	-	-	-	-
M Hodgkinson	-	14,000,000	-	-	14,000,000	-	14,000,000
Total Executives	**-**	**14,000,000**	-	**-**	**14,000,000**	**-**	**14,000,000**
Total Directors' and Executives' holdings	**-**	**27,550,000**	-	**-**	**27,550,000**	**3,050,000**	**24,500,000**

* Resigned 27 October 2023

REMUNERATION REPORT (AUDITED) (continued)

(c) Other Transactions with KMP and their related parties

There were no other transactions with KMP and their related parties during FY24 and no outstanding balances as at the date of this report.

(d) Loans to KMP and their related parties

There were no loans made to KMP and their related parties during FY24 and no outstanding balances as at the date of this report.

End of Remuneration Report (audited).

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.

Rounding of amounts

The Group has applied the relief available to it in ASIC Legislative Instrument 2016/191 and accordingly amounts included in this report and in the consolidated financial report have been rounded off to the nearest $1 (where rounding is applicable).

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 on page 29 and forms part of this report.

This report is made in accordance with a resolution of Directors.

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 20 September 2024

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To the Board of Directors of Parkway Corporate Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Parkway Corporate Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

NPAS
Nexia Perth Audit Services Pty Ltd

Michael Fay
Michael Fay
Director

Perth, Western Australia
20 September 2024

Advisory. Tax. Audit.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	For the year ended 30 June 2024 $	For the year ended 30 June 2023 $
INCOME FROM CONTINUING ACTIVITIES			
Sales revenue	13	8,898,333	4,247,372
Cost of goods sold		6,471,650	1,661,384
GROSS PROFIT		**2,426,683**	**2,585,988**
Other income		3,200	-
Interest		90,925	17,723
Profit from the disposal of depreciated assets		44,085	4,237
Government grant	14	591,083	437,282
TOTAL OTHER INCOME		**729,293**	**459,242**
EXPENSES			
Employee expenses		1,807,944	2,912,989
Corporate and Professional fees		639,129	277,511
Other expenses		354,510	521,750
Depreciation and Amortisation		587,331	430,916
Interest expense		254,262	53,026
Research		125,000	130,022
Occupancy		98,092	98,666
Impairment losses	11,15	24,114	300,407
TOTAL EXPENSES		**3,890,382**	**4,725,287**
LOSS BEFORE INCOME TAX		**(734,406)**	**(1,680,056)**
Income tax expense		-	-
NET LOSS FOR THE YEAR		**(734,406)**	**(1,680,056)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(734,406)**	**(1,680,056)**
Basic and diluted loss per share (cents per share)	7	(0.03)	(0.08)

The Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
CURRENT ASSETS			
Cash and cash equivalents	8	3,492,197	2,003,639
Trade and other receivables	9	3,770,511	427,246
Inventories	10	1,787,434	1,683,894
Other		175,493	77,830
Total Current Assets		**9,225,635**	**4,192,609**
NON-CURRENT ASSETS			
Trade and other receivables	9	344,918	138,101
Plant and equipment	11	999,593	295,623
Intangible assets	15	9,575,981	4,624,426
Right of use assets	12	6,661,153	2,713,670
Other		108,314	-
Total Non-Current Assets		**17,689,959**	**7,771,820**
TOTAL ASSETS		**26,915,594**	**11,964,429**
CURRENT LIABILITIES			
Trade and other payables	16	2,635,630	630,635
Short term debt	18	116,596	-
Provisions	17	318,906	192,012
Lease liability	12	421,655	336,220
Total Current Liabilities		**3,492,787**	**1,158,867**
NON-CURRENT LIABILITIES			
Lease liability	12	6,374,306	2,460,837
Long term debt	18	1,000,000	-
Provisions	17	554,890	176,994
Total Non-Current Liabilities		**7,929,196**	**2,637,831**
TOTAL LIABILITIES		**11,421,983**	**3,796,698**
NET ASSETS		**15,493,611**	**8,167,731**
EQUITY			
Contributed Equity	19	41,587,275	35,630,714
Reserves	20	3,281,772	1,178,047
Accumulated losses		(29,375,436)	(28,641,030)
TOTAL EQUITY		**15,493,611**	**8,167,731**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Contributed Equity	Accumulated Losses	Share and Option Based Payment Reserve	Total
	$	$	$	$
Balance at 1 July 2022	**35,475,444**	**(26,960,975)**	**1,178,047**	**9,692,516**
Loss for the year	-	(1,680,055)	-	(1,680,055)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive loss for the year	-	(1,680,055)	-	(1,680,055)
Transactions with owners in their capacity as owners during the year:				
Shares issued (Note 19)	200	-	-	200
Share issue transaction costs (Note 19)	-	-	-	-
Share based payments (Note 21)	155,070	-	-	155,070
Balance at 30 June 2023	**35,630,714**	**(28,641,030)**	**1,178,047**	**8,167,731**

	Contributed Equity	Accumulated Losses	General Reserve	Share and Option Based Payment Reserve	Total
	$	$	$	$	$
Balance at 1 July 2023	**35,630,714**	**(28,641,030)**	**-**	**1,178,047**	**8,167,731**
Loss for the year	-	(734,406)	-	-	(734,406)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss for the year	-	(734,406)	-	-	(734,406)
Transactions with owners in their capacity as owners during the year:					
Contributed equity - Tankweld (Note 20)	-	-	1,950,000	-	1,950,000
Shares issued (Note 19)	6,250,000	-	-	-	6,250,000
Share issue transaction costs (Note 19)	(293,439)	-	-	-	(293,439)
Share based payments (Note 21)	-	-	-	153,725	153,725
Balance at 30 June 2024	**41,587,275**	**(29,375,436)**	**1,950,000**	**1,331,772**	**15,493,611**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	For the year ended 30 June 2024 $	For the year ended 30 June 2023 $
OPERATING ACTIVITIES			
Receipts from customers		6,166,511	4,860,130
Payments to suppliers and employees		(6,112,568)	(6,633,961)
Government grant received (net)		533,580	418,771
Net Interest received		56,922	17,723
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	25	**644,445**	**(1,337,337)**
INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		20,000	-
Payment for acquisition of plant and equipment		(173,617)	(139,711)
Payments for acquisition of Mawpump		-	10,595
Payments for acquisition of Tankweld, net of assets acquired	15B	(2,349,483)	-
Purchase of ROU assets		-	(257,959)
Payments for capitalised R&D expenditure		(1,274,790)	(48,101)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(3,777,890)**	**(435,176)**
FINANCING ACTIVITIES			
Proceeds from borrowings		1,000,000	-
Proceeds from issue of shares, net of capital raising costs		5,956,562	200
Repayment of borrowings		(1,786,533)	-
Repayment of lease liabilities		(548,025)	(227,452)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**4,622,004**	**(227,252)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,488,558	(1,999,765)
Cash and cash equivalents at the beginning of the year		2,003,639	4,003,404
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**3,492,197**	**2,003,639**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Corporate information

The consolidated financial report of Parkway Corporate Limited (the "Company" or "Parkway") and its controlled entities (the "Group") for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of Directors on 20 September 2024. The Group is a for-profit entity. The Group's consolidated financial statements are presented in Australian dollars, which is also Parkway's functional currency.

Parkway is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: PWN).

The nature of operations and principal activities of the Group are described in the Directors' report.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the consolidated financial report. The accounting policies have been consistently applied, unless otherwise stated.

Note 2: Material accounting policy information

(a) Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities.

Reporting basis and convention

The consolidated financial report has also been prepared on a historical cost basis.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Going concern

These consolidated financial statements have been prepared on going concern basis. In arriving at this position, the Directors have had regard to the fact that the Group has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure. The Group's cashflow forecasts for the twelve months ended 30 September 2025 indicate that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the consolidated financial report.

(b) Adoption of new revised or amending accounting standards and interpretations

The Group has where applicable, adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "**AASB**") that are relevant to their operations and effective for the year ended 30 June 2024.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Note 2: Material accounting policy information (continued)

(c) Statement of compliance

The consolidated financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("**IFRS**").

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Share-based payment transactions

Parkway measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Intangible assets and goodwill

The Group assesses impairment for intangible assets at each reporting date or when an impairment indicator exists, by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product, technology, economic and political environments and future expectations. If an impairment indicator exists, the recoverable amount of the asset is determined.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For further information on intangible assets and goodwill, refer to Note 15.

Research and development rebate

Research and development rebates are recognised when there is reasonable assurance that the rebate will be received, and the entity will comply with the conditions attached to it. Management judgement is required to assess that the rebate meets the recognition criteria and in determining the measurement of the rebate including the assessment of the eligibility and appropriateness of the apportionment of eligible expenses based on research and development activities undertaken by the consolidated entity and taking into consideration relevant legislative requirements.

Note 2: Material accounting policy information (continued)

Further, the Research and Development Tax Incentive Offset program in Australia is a self-assessment regime and there is a four-year period from the date of lodgement where the claim may be subject to a review by the Australian Taxation Office or Ausindustry, with any amounts overclaimed being potentially subject to full repayment with interest and penalties.

(e) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent of the Group and to the Non-controlling interests, even if this results in the Non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the Non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the Non-controlling interest in full, even if that results in a deficit balance.

Note 2: Material accounting policy information (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(f) Business combinations

The Group applies the acquisition method in accounting for business combinations.

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquire and c) acquisition-date fair value of any existing equity interest in the acquire, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e., gain on a bargain purchase) is recognised in profit or loss immediately.

(g) Share-based payment transactions

Employees (including Directors and Executives) of the Group may receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Parkway's best estimate of the number of equity instruments that will ultimately vest. The Consolidated Statement of Comprehensive Income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity-based payments expense (Note 21).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Note 2: Material accounting policy information (continued)

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted loss per share, unless the Group incurs a loss, in which case the effect of options on issue is considered to be antidilutive and thus not factored in determining the diluted earnings per share (further details are given in Note 7).

(h) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when impairment indicators exist under the accounting standards.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Statement of Comprehensive income in the period the item is derecognised.

(i) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year’s taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Note 2: Material accounting policy information (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation

Parkway Corporate Limited and its 100% owned subsidiaries have entered into tax consolidated group which took effect from 1 July 2016. Parkway Corporate Limited is the head entity of the tax consolidated group.

(j) Goods and Services Tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 2: Material accounting policy information (continued)

(k) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries and annual leave

Liabilities for wages and salaries including non-monetary benefits and annual leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Note 2: Material accounting policy information (continued)

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value.

The Group elected to use average cost method to value inventory. When the Group sells a product, the weighted average cost of all inventory produced or acquired in the accounting period is used to determine the cost of goods sold. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(o) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of water treatment related products and rendering of services are recognised at the point in time based on the amount invoiced to the customer. The normal credit term is 30 days.

Revenue from a contract to provide project services is recognised over time, based on the revenue associated with each milestone delivered if applicable or otherwise as a percentage of project completion, as the services are rendered based on either a fixed price or an hourly rate.

Other revenue

Interest Income

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Note 2: Material accounting policy information (continued)

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Consolidated Statement of Comprehensive Income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of Parkway adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of Parkway adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Investments and Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, at amortised cost, financial assets at fair value through profit or loss, fair value through other comprehensive income as appropriate. Other financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has not recognised any financial assets at fair value through other comprehensive income.

Note 2: Material accounting policy information (continued)

Subsequent measurement:

The subsequent measurement of other financial assets depends on their classification as described below:

a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss (“FVTPL”) include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value presented in the Consolidated Statement of Profit or Loss.

The Group does not hold any financial assets at FVTPL.

b) Amortised cost

In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold the financial assets in order to collect contractual cash flows.

Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost using the effective interest rate method. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

This category is most relevant to the Group.

(t) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired, excluding financial assets at FVTPL.

The Group assesses on a forward-looking basis the expected credit loss associated with other financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets, the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Note 2: Material accounting policy information (continued)

(u) Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the Group does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Note 2: Material accounting policy information (continued)

(v) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(w) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Comprehensive Income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually, or when indicators of impairment exist, to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Note 2: Material accounting policy information (continued)

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit ("**CGU**") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Intellectual property

The Group's intellectual property portfolio consists of trade secrets, know-how, trademark, and patent. The Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use.

The Group tests the intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The estimated useful life will only be determined, and the corresponding amortisation will be recognised when the corresponding asset is available for use.

Note 2: Material accounting policy information (continued)

(x) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Note 3: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

As no substantial exploration related activities occurred during the financial year, exploration related expenditures were not deemed to be considered a separate segment for reporting purposes as a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 30 June 2024, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has one operating segment providing water treatment related products and services, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Group's results presented in this set of consolidated financial statements.

Note 4: Income tax

	2024 $	2023 $
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Total tax (benefit)/expense	-	-
(b) Income tax recognised in equity		
Deferred tax liability recognised	-	-
Total income tax recognised in equity	-	-
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(734,406)	(1,680,056)
Prima facie tax benefit at the Australian tax rate of 25% (FY23: 25%)	(183,601)	(420,014)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	87,341	(50,515)
Non-assessable income	(158,367)	-
Current year tax profit / (loss) not recognised	(254,627)	(470,529)
Income tax expense not recognised	**-**	**-**
(d) Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	22,068,208	21,049,699
Potential tax benefit @25% (FY23: 25%)	**5,517,052**	**5,262,425**

The above potential tax benefit for tax losses has not been recognised in the Consolidated Statement of Financial Position.

(e) Deferred tax assets not recognised

Deferred tax assets not recognised comprises temporary differences attributable to:

	2024 $	2023 $
Tax losses	5,517,052	5,262,425
Accruals and provisions	271,064	140,694
Total gross deferred tax assets not recognised	5,788,116	5,403,119
Offset against deferred tax liabilities	(19,458)	(19,458)
Total net deferred tax assets not recognised	**5,768,658**	**5,383,661**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised.

Note 5: KMP remuneration

	2024 $	2023 $
Short-term employee benefits	679,360	672,796
Post-employment benefits	116,956	69,538
Termination benefits	23,176	-
Share-based payments	145,423	3,068
Total compensation	**964,915**	**745,402**

Refer to Note 24 for other related parties transactions.

Note 6: Auditor's remuneration

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for audit services provided during FY24 are set out below;

	2024 $	2023 $
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- Auditing the consolidated financial report of the Group	88,300	108,491
	88,300	**108,491**

Note 7: Loss per share

	2024 $	2023 $
Basic loss per share (cents per share)	(0.03)	(0.08)
Diluted loss per share (cents per share)	(0.03)	(0.08)
Net loss	(734,406)	(1,680,056)
Loss used in calculating basic and diluted loss per share	(734,406)	(1,680,056)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	2,494,752,622	2,216,468,236

As of 30 June 2024, a total of 413,462,785 options on ordinary shares had been issued (2023: 260,912,785). As the Group incurred a loss for the year ended 30 June 2024 and 2023, the effect of options on issue is considered to be antidilutive and thus not factored in determining the diluted earnings per share.

Note 8: Cash and cash equivalents

	2024 $	2023 $
Cash at bank and on hand	3,492,197	2,003,639
	3,492,197	2,003,639

Note 9: Trade and other receivables

	2024 $	2023 $
Current		
Trade debtors	2,872,243	427,246
R&D Tax incentive Receivable	673,635	-
Other Receivables	224,633	-
	3,770,511	427,246
Non-Current		
Project retentions	109,895	-
Security Bonds	235,023	138,101
	344,918	138,101

Trade debtors are non-interest bearing and are generally on 30-90 days terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. At 30 June 2024, an ECL of $29,826 was recognised (2023: $10,130).

The R&D Tax incentive provides tax offsets for eligible Research and Development expenditure. The R&D Tax Incentive Receivable is based on the tax return submitted by Parkway Group for FY24.

Project retentions is a fixed percentage of the total payment due for a contract, withheld for a period after the work is completed, typically until the end of the defect liability period (DLP).

Other than those receivables specifically provided for, trade and other receivables are considered fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Note 10: Inventories	**2024**	**2023**
	$	**$**
Inventories	1,787,434	1,683,894
	1,787,434	**1,683,894**

Note 11: Plant and equipment	**2024**	**2023**
	$	**$**
Office equipment at cost	77,538	69,655
Less impairment*	(4,363)	-
Less accumulated depreciation	(49,844)	(36,676)
	23,331	32,979
Plant & equipment at cost	200,132	56,915
Less impairment*	(14,892)	-
Less accumulated depreciation	(51,822)	(30,034)
	133,418	26,881
Computers & software at cost	50,043	46,604
Less impairment*	(4,859)	-
Less accumulated depreciation	(31,416)	(19,132)
	13,768	27,472
Furniture fixtures at cost	133,740	133,740
Less accumulated depreciation	(85,726)	(54,311)
	48,014	79,429
Motor vehicles at cost	956,796	212,225
Less accumulated depreciation	(183,407)	(83,363)
	773,389	128,862
Low value assets at cost	8,958	-
Less accumulated depreciation	(1,287)	-
	7,672	-
Total plant, equipment & motor vehicles	**999,593**	**295,623**

* During the year Parkway performed an impairment test on assets in the Parkway Process Solutions business in Perth, and determined that the Plant and Equipment should be valued at the lower of depreciated cost and net realisable value. The total impairment loss recognised was $24,114.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Note 11: Plant and equipment (continued)

	Office Equipment $	Plant and Equipment $	Computers and Software $	Furniture Fixtures $	Motor Vehicles $	Low Value Assets $	Total $
Year ended 30 June 2023							
Opening net carrying value	**31,939**	**29,330**	**27,080**	**61,832**	**115,124**	**-**	**265,305**
Opening Balance Adjustment	-	(5,408)	6,305	-	(898)	-	-
Disposal	-	-	-	-	(6,358)	-	(6,358)
Additions	16,360	15,933	5,203	43,344	58,871	-	139,711
Depreciation charge for year	(15,321)	(12,974)	(11,116)	(25,747)	(37,877)	-	(103,035)
Closing net carrying value	**32,979**	**26,881**	**27,472**	**79,429**	**128,862**	**-**	**295,623**

	Office Equipment $	Plant and Equipment $	Computers and Software $	Furniture Fixtures $	Motor Vehicles $	Low Value Assets $	Total $
Year ended 30 June 2024							
Opening net carrying value	**32,979**	**26,881**	**27,472**	**79,429**	**128,862**	**-**	**295,623**
Assets acquired on acquisition of Tankweld (Note 15B)	5,097	101,571	-	-	625,629	5,625	737,923
Disposal	-	-	-	-	-	-	-
Impairments	(4,363)	(14,892)	(4,859)	-	-	-	(24,114)
Additions	2,786	45,116	3,440	-	118,941	3,333	173,617
Depreciation charge for year	(13,168)	(25,258)	(12,284)	(31,415)	(100,044)	(1,287)	(183,456)
Closing net carrying value	**23,331**	**133,418**	**13,769**	**48,014**	**773,389**	**7,672**	**999,593**

Note 12: Leases

The Group leases land and buildings for its office and factory facilities under agreements of between 2 to 5 years with options to extend. On renewal, the terms of the leases are renegotiated.

	2024	2023
Amounts recognised in the balance sheet relating to leases:	**$**	**$**
Right of use assets		
Buildings	6,661,153	2,713,670
Opening net book amount	2,713,670	1,192,095
Additions	4,108,657	1,839,777
Adjustment for surrender of Warehouse 20 lease	242,718	-
Depreciation expense	(403,892)	(318,202)
Closing net book amount	**6,661,153**	**2,713,670**
Cost	7,345,531	3,236,873
Adjustment for surrender of Warehouse 20 lease	242,718	-
Accumulated depreciation	(927,096)	(523,203)
Net book amount	**6,661,153**	**2,713,670**
Lease Liabilities		
Current	421,655	336,220
Non-current	6,374,306	2,460,837
	6,795,961	**2,797,057**
At beginning of year	2,797,057	1,217,990
Additions	4,330,213	1,818,902
Accretion of interest	204,313	48,956
Payment	(535,622)	(288,791)
At end of the year	**6,795,961**	**2,797,057**

In relation to the right-of-use assets and lease liabilities the following amounts were recognised in the consolidated financial statements:

	2024	2023
	$	**$**
Depreciation expense	403,892	318,202
Interest expense	220,260	48,956
Expense relating to short-term and low value leases (included in General and Administration expenses)	-	-
The total cash outflow for leases in the period was:	(535,621)	(288,791)

Note 13: Sales revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024 $	2023 $
Type of goods or service		
Water industry fabrication and installation services	4,387,890	-
Sale of water treatment related products	829,404	716,048
Commercial water treatment solutions	913,039	629,317
Industrial water related solutions	2,768,000	2,902,007
Total revenue from contracts with customers	**8,898,333**	**4,247,372**

	2024 $	2023 $
Timing of revenue recognition		
Goods and services transferred at a point in time	4,394,959	4,247,372
Goods and services recognised based on percentage project completion	4,503,374	-
Total revenue from contracts with customers	**8,898,333**	**4,247,372**

At 30 June 2024, all revenue from contract with customers is considered to be derived and held in one geographical area being Australia.

Note 14: Government grants

The Group has recognised the following government grants:

	2024 $	2023 $
R&D incentive for FY23 – consolidated statement of Profit and Loss and Other Comprehensive Income*	591,083	437,282
R&D incentive for FY24 – consolidated statement of Profit and Loss and Other Comprehensive Income *	57,503	-
R&D incentive for FY24 – consolidated statement of Financial Position*	616,132	-
Total	**1,264,718**	**437,282**

*As in FY23 all expenditure to which the R&D incentive relates was expensed, the full FY23 amount has been recognised as income in the Consolidated Statement of Comprehensive Income in FY24 being the year in which the Group determined with reasonable assurance that the government grant will be received and all attached conditions will be complied with had been obtained. As in FY24 expenditure to which the R&D incentive relates was capitalised, the proportion of FY24 amounts capitalised has been recognised as an offset to the Capitalised R&D Asset in the Consolidated Statement of Financial Position in FY24, and the proportion of FY24 amounts expensed has been recognised as income in the Consolidated Statement of Comprehensive income in FY24, being the year in which the Group determined with reasonable assurance that the government grant will be received and all attached conditions will be complied with has been obtained.

Note 15: Intangible assets

	2024	2023
	$	$
Intellectual property	3,323,299	3,323,299
Goodwill - Mawpump	1,301,127	1,301,127
Goodwill – Tankweld	4,212,077	-
Capitalised R&D	739,478	-
	9,575,981	**4,624,426**

	Intellectual Property	Capitalised R&D	Goodwill – Multi-Wet	Goodwill - Mawpump	Goodwill - Tankweld	Total
	$	$	$	$	$	$
Balance 1 July 2022	**3,323,299**	-	**300,407**	**1,275,780**	-	**4,899,486**
Additions	-	-	-	25,347	-	25,347
Impairment	-	-	(300,407)	-	-	(300,407)
Balance 30 June 2023	**3,323,299**	-	**-**	**1,301,127**	-	**4,624,426**
Balance 1 July 2023	**3,323,299**	-	**-**	**1,301,127**	-	**4,624,426**
Additions	-	1,355,610	-	-	4,212,077	5,567,687
R&D offset	-	(616,132)	-	-	-	(616,132)
Impairment	-	-	-	-	-	-
Balance 30 June 2024	**3,323,299**	**739,478**	**-**	**1,301,127**	**4,212,077**	**9,575,981**

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks, and patents. At 30 June 2024, the Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use, however is the subject of various technoeconomic evaluations.

15A Impairment testing

At 30 June 2024, management performed an impairment test on the Intellectual Property, the Capitalised R&D, and the Mawpump Goodwill and in accordance with the Group's accounting policy assessed the recoverable amount of the CGU's to which the Intellectual Property and the goodwill are allocated by reference to 'value in use'. In assessing value in use, the estimated future cash flows of the CGUs to which the Intellectual Property and the goodwill are allocated were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of the CGUs to which the Intellectual Property and the goodwill are allocated was in excess of the carrying value and hence no impairment was recognised. The following key assumptions were used in the discounted cash flow model:

- 14.9% (2023: 19.9%) pre-tax discount rate
- 3% (2023: 3%) per annum projected EBITDA growth rate

Management believes the projected EBITDA growth is prudent and justified, based on the general market conditions for these businesses.

Note 15: Intangible assets (continued)

In performing the impairment tests, management applied a number of assumptions and judgments such as future forecasted revenue, future revenue growth, allocation of costs and discount rates. The assumptions and judgments used by management were determined to be reasonable based on the present and anticipated market conditions applicable to Group. No reasonable fluctuation in assumptions or judgments would cause the carrying amount of the CGUs to which the intangible assets were allocated to exceed the recoverable amount to require an adjustment for impairment.

15B Business combination

On 13 March 2024, the Group, through its wholly owned subsidiary, Parkway Process solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Tankweld Group (comprised of Tankweld Engineering Pty Ltd and Tankweld Installations Pty Ltd) for total provisional consideration of $2,350,260. Tankweld Group Goodwill was measured at cost less the fair market value of the tangible assets, liabilities, and intangible assets able to be identified. As management is still completing the acquisition accounting, the identification and announced valuation of the assets and liabilities acquired is provisional as allowable per AASB3 Business Combinations ("AASB3") paragraph 45.

The provisional fair values of the identifiable assets as at the date of acquisition were:

	$
Cash and cash equivalents	777
Trade receivables	1,180,315
Work in Progress	391,870
Plant and equipment	737,923
Trade payables	(1,619,965)
Employee benefits	(553,512)
Loans	(1,999,225)
Total identifiable net assets at fair value	**(1,861,817)**
Goodwill arising on acquisition	4,212,077
Purchase Price	**2,350,260**
Purchase Consideration	
Cash consideration	650,000
Liabilities acquired (net)	1,700,260
Total purchase consideration	**2,350,260**
Less: Cash and cash equivalents balances acquired	(777)
Net cash flow on acquisition	**2,349,483**

As per AASB 3 paragraph 84 management is still determining the final fair values of assets and liabilities acquired as well as the Cash Generating Unit (CGU) to which the Tankweld acquisition is allocated, hence allocation of goodwill is provisional, and no detailed impairment testing has been performed. This will be performed when determination of the CGU and finalisation of the value of assets and liabilities has been concluded.

Note 16: Trade and other payables

	2024	2023
Current	**$**	**$**
Unsecured liabilities		
Trade payables	2,116,122	327,077
Payroll and other statutory liabilities	254,747	157,131
Accrued expenses	264,761	146,427
	2,635,630	**630,635**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 17: Provisions

	2024	2023
Current	**$**	**$**
Annual leave provision	283,045	157,193
Long service leave provision	35,861	18,598
Other provisions	-	16,221
	318,906	**192,012**
Non-current		
Annual leave provision	269,196	107,880
Long service leave provision	285,694	69,113
	554,890	**176,993**

Note 18: Loans and borrowings

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2024	2023
	$	**$**
Current	116,596	-
Non Current	1,000,000	-
	1,116,596	**-**

The total financing arrangements are as follows:	2024	2023
	$	**$**
Vehicle Hire Purchase	116,596	-
Private debt loan	1,000,000	-
	1,116,596	**-**

Assets pledged as security

The Private debt loan was pledged through a General Security Deed covering all present and future undertakings, assets and rights.

The Vehicle Hire Purchases are secured over their respective motor vehicles.

Note 18: Loans and borrowings (continued)

Total facilities are as follows:	2024	2023
	$	$
Vehicle Hire Purchase	116,596	-
Private debt loan	4,000,000	-
	4,116,596	**-**
Used at the reporting date		
Vehicle Hire Purchase	116,596	-
Private debt loan	1,000,000	-
	1,116,596	**-**
Unused at the reporting date		
Vehicle Hire Purchase	-	-
Private debt loan	3,000,000	-
	3,000,000	**-**

Private debt loan

On 14 June 2024 Parkway entered into a Term Loan Facility agreement. The Term Loan Facility consists of a Senior Secured Debt Facility of $3,000,000 and a separate Acquisition Facility of $1,000,000, intended to support potential future acquisition/s. The initial loan Term is two years, with an option to extend the Term Loan Facility for a further twelve months, at the election of Parkway. The facility is interest only and Parkway is not required to repay any principal until the end of the Term. Fees include an arranger fee equivalent to 2.5% of funds drawn at the time of each drawdown, and an establishment Fee of 2% of the Senior Secured Debt Facility paid on settlement. Fees are capitalised and amortised over the two year Loan Term. Interest, based on the Bank Bill Swap rate (BBSW), is:

- Draw amounts – BBSW (subject to 3% floor) plus 8% p.a., payable monthly in arrears.
- Undrawn amounts – BBSW (subject to 3% floor), payable monthly in arrears.

The Private debt loan was pledged through a General Security Deed covering all present and future undertakings, assets and rights. Other terms include customary covenants for a secured corporate facility of this nature, including Conditions Precedent, Conditions Subsequent, Representations and Warranties and Undertakings (including Permitted Disposals, Permitted Distributions, and Permitted Debt) and events of default with market standard grace periods, carve outs and equity cure.

Refer to note 26 for further information on financial instruments.

Note 19: Contributed equity

	2024		2023	
	No.	$	No.	$
Ordinary shares - fully paid	2,767,113,855	41,587,275	2,226,818,847	35,630,714

When managing capital (which is defined as the Group's total equity amounting to $15,493,611 (2023: $8,167,731), the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future development activity. The Group is not subject to any externally imposed capital requirements.

Movements in fully paid ordinary shares on issue of the legal parent are:

	2024 Number	2023 Number	2024 $	2023 $
At the beginning of year	2,226,818,847	2,213,262,446	35,630,714	35,475,444
Issue of shares for cash – August 2023	285,714,286	-	4,000,000	-
Cost of issuing shares for cash	-	-	(187,427)	-
Issue of shares for cash – May 2024	250,000,000	-	2,250,000	-
Cost of issuing shares for cash	-		(106,012)	-
Issue of shares as share-based payments	4,580,722	13,538,401	-	155,070
Issue of shares for exercised options	-	18,000	-	200
At the end of the reporting year	**2,767,113,855**	**2,226,818,847**	**41,587,275**	**35,630,714**

On 23 August 2023 Parkway successfully conducted a share placement to sophisticated and professional investors, raising gross proceeds of $4,000,000, through the issuance of 285,714,286 new fully paid ordinary shares at an issue price of $0.014. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

On 15 May 2024 Parkway successfully conducted a placement to sophisticated and professional investors, raising gross proceeds of $2,250,000, through the issuance of 250,000,000 new fully paid ordinary shares at an issue price of $0.009. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

Note 20: Reserves

	Note	2024 $	2023 $
At the beginning of reporting year		1,178,047	1,178,047
Tankweld General Reserve from payment of net liabilities	20A	1,950,000	-
Options issued	20B	-	-
Performance Rights issued	20C	95,423	-
Shares issued to employees	21	58,302	-
		3,281,772	**1,178,047**

The share and equity-based payment reserves record items recognised as expenses on valuation of share-based payments that will subsequently convert to equity on the issue of shares upon exercise of the rights when all conditions for granting the rights have been met.

Note 20: Reserves (continued)

Note 20A: General Reserve

On 12 March 2024 Parkway acquired Tankweld Group. As part of the consideration $1,950,000 in Tankweld liabilities were recognised as acquisition consideration (see note 15). These liabilities were subsequently extinguished, and the $1,950,000 recognised as General Reserve.

Note 20B: Options	**2024 Number**	**2024 WAEP**	**2023 Number**	**2023 WAEP**
Outstanding at 1 July	260,912,785	$0.02	748,875,228	$0.02
Granted during the year	125,000,000	$0.01	-	-
Expired during the year	-	-	(487,962,443)	$0.02
Outstanding at 30 June	385,912,785	$0.02	260,912,785	$0.02
Exercisable at 30 June	385,912,785	$0.02	260,912,785	$0.02

The weighted average remaining contractual life of share options outstanding at 30 June 2024 was 1.6 years (2023: 1.1 years).

The average exercise price of options granted during the year was $0.02 (2023: n/a).

The range of exercise prices for options outstanding at the end of the year was $0.015 to $0.02 (2023: $0.019 to $0.02).

Reconciliation of total options on issue:

	Options issued as share-based payments	**Other options issued**	**Total options on issue**
At 30 June 2022	**162,499,999**	**586,375,229**	**748,875,228**
Issued during the year	-	-	-
Expired during the year	-	(487,962,443)	(487,962,443)
At 30 June 2023	**162,499,999**	**98,412,786**	**260,912,785**
Issued during the year	125,000,000	-	125,000,000
Expired during the year	-	-	-
At 30 June 2024	**287,499,999**	**98,412,786**	**385,912,785**

Note 20C: Performance Rights

A performance rights plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant performance rights over ordinary shares in the Company to certain employees. The rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

Note 20: Reserves (continued)

Reconciliation of total Performance Rights on issue:

	Performance Rights issued as share-based payments	Other Performance Rights issued	Total Performance Rights on issue
At 30 June 2022	**-**	**-**	**-**
Issued during the year	-	-	-
Expired during the year	-	-	-
At 30 June 2023	**-**	**-**	**-**
Issued during the year	27,550,000	-	27,550,000
Expired during the year	-	-	-
At 30 June 2024	**27,550,000**	**-**	**27,550,000**

Note 21: Equity based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	2024 $	2023 $
Performance rights issued to KMP	21.1	51,510	-
Performance rights to be issued to KMP	21.1	43,913	-
Shares issued to KMP	21.2	35,000	-
Shares to be issued to KMP	21.2	15,000	-
Total KMP		**145,423**	**-**
Shares issued to employees	21.2	8,302	25,070
Shares to be issued to employees	21.2	7,506	-
Total other employees		**15,808**	**25,070**
Total equity based payments expense		**161,231**	**25,070**

21.1 A performance rights plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant performance rights over ordinary shares in the Company to certain employees. The rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

21.2 During the year 4,580,722 shares were issued to employees as part of their remuneration (June 2023: 2,279,091 shares issued), at the share price on the date of issue.

For the equity-based payments expense recognised in the Condensed Consolidated Statement of Comprehensive Income, the fair value of Options, Performance Rights and Shares issued have been recognised in the Share and Option Based Payment reserve and Shares to be issued to employees of $7,506 (June 2023: $0) have been recognised as accrued expenses.

Note 21: Equity based payments (continued)

Options, Shares and Performance Rights	**30 Jun 2024**	**30 Jun 2023**	**30 Jun 2024**	**30 Jun 2023**
	Number	**Number**	**$**	**$**
At the beginning of reporting period	260,912,785	748,875,228	1,178,047	1,178,047
Performance rights	27,550,000	-	95,423	-
Shares issued	-	-	58,302	-
Options issued	125,000,000	-	-	-
Options exercised	-	-	-	-
Options expired	-	(487,962,443)	-	-
At reporting date	**413,462,785**	**260,912,785**	**1,331,772**	**1,178,047**

Performance Rights were measured at fair value on grant date. Fair value was determined using monte carlo simulations on a Binomial option pricing model accounting for the term (10 years), share price at grant date ($0.01), nil exercise price, and performance criteria detailed above, utilising the expected price volatility of the underlying share and the ASX small ordinaries index (based on three year daily data) and risk free interest rate. The inputs used to the valuation of performance rights granted as share-based compensation during the reporting period were as follows:

Grant date	Expiry date	Number issued	Exercise price	Fair value per right at grant date	No. vested at 30 June 2024	No. lapsed at 30 June 2024	Total Fair Value	Fair Value recognised as expense in FY24
7/12/2023	7/12/2033	3,500,000	n/a	0.00600	-	-	21,010	21,010
7/12/2023	7/12/2033	7,000,000	n/a	0.00600	-	-	42,020	14,007
7/12/2023	7/12/2033	7,000,000	n/a	0.00627	-	-	43,888	14,629
7/12/2023	7/12/2033	7,000,000	n/a	0.00655	-	-	45,832	15,277
7/12/2023	7/12/2033	3,050,000	n/a	0.01000	3,050,000	-	30,500	30,500

All performance rights issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

Note 22: Commitments

The Group has certain obligations with respect to Research Projects and the minimum expenditure requirements are as follows:

	2024	**2023**
	$	**$**
Within 1 year	125,000	125,000
1 to 2 years	125,000	125,000
Total	**250,000**	**250,000**

The commitments may vary depending upon additions or relinquishments of funding agreements. The above figures are based on the agreements at 30 June 2024. The figures are adjusted on the anniversary date of each funding agreement. During the financial year, the Group recognised $125,000 of research expense (2023: 130,022).

Note 23: Contingent liabilities

There are no contingent liabilities at 30 June 2024 (2023: Nil).

Note 24: Related party transactions

Other than payments to KMP there were no related party transactions for FY24 (2023: Nil) and no balances outstanding at 30 June 2024 (2023: Nil).

Note 25: Cash flow information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

	2024	2023
	$	$
Loss from ordinary activities after income tax	(734,406)	(1,680,056)
Adjustments for:		
Depreciation	587,331	430,916
Impairment expense	24,114	312,235
Non-cash finance costs	220,260	48,956
Share based payments	161,231	25,070
Profit from disposal of depreciated assets	(44,085)	(4,237)
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	(1,563,452)	274,065
(Increase)/decrease in inventories	(103,540)	(165,806)
(Increase)/decrease in other assets	(412,794)	11,821
Increase/(decrease) in trade and other payables	2,004,996	(596,425)
Increase/(decrease) in provisions	504,789	6,124
Cash flows used in operating activities	**644,445**	**(1,337,337)**

Non-cash investing and financing activities

As a result of the Mawpump acquisition, in FY23 $130,000 in ordinary shares in Parkway were issued as partial, deferred consideration for the assets acquired.

During the year, additions to the right-of-use assets were $4,108,657 (2023: 1,839,777).

Note 26: Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short-term deposits, trade and other receivables and trade and other payables. The main purpose of the financial instruments is to finance the Group's operations. The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

						Interest Rate Risk Sensitivity			
						-10%		10%	
	Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Profit	Equity	Profit	Equity
	%	$	$	$	$	$	%	$	%
2024									
Financial Assets									
Cash	4.35	3,492,197	-	-	3,492,197	(11,393)	-	11,393	-
Trade receivables		-	45,000*	4,070,430	4,115,430				
Security Bonds**		-	-	235,023	235,023				
Total Financial Assets		3,492,197	45,000	4,305,453	7,842,650				
Financial Liabilities									
Short Term Debt		-	116,596	-	116,596				
Long Term Debt		1,000,000	-	-	1,000,000	3,263	-	(3,263)	-
Trade creditors		-	-	2,635,630	2,635,630				
Total Financial Liabilities		1,000,000	116,596	2,635,630	3,752,226				
Total						**(8,131)**	**-**	**8,131**	-
2023									
Financial Assets									
Cash	4.10	2,003,639	-	-	2,003,639	(6,161)	-	6,161	-
Trade receivables		-	45,000*	427,246	472,246				
Security Bonds**		-	-	93,101	93,101				
Total Financial Assets		2,003,639	45,000	520,347	2,568,986				
Financial Liabilities									
Trade creditors		-	-	630,635	630,635				
Total Financial Liabilities		-	-	630,635	630,635				

* Credit card security deposit held in National Australia Bank with the interest rate of 4.8% p.a. FY24 (FY23: 1.7%).
** Security bonds, classified as non current receivables. See note 9.

A sensitivity of 10% (2023: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2024 from around 4.35% to 3.92% (2023: 4.1% to 3.7%) representing 43 basis points (2023: 40 basis points), which is 33 basis points (2023: 30 basis points) net of tax.

Note 26: Financial risk management objectives and policies (continued)

(b) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current commitments, through the continuous monitoring of actual cash flows.

Maturity analysis of financial liabilities based on contractual maturity

Year ended 30 June 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	$	$	$	$	$	$
Lease liabilities	-	199,029	597,086	3,799,553	5,356,877	9,952,545
Short Term Debt	-	11,616	109,111	-	-	120,727
Long Term Debt	-	35,604	160,218	1,231,426	-	1,427,248
Trade and other payables	-	2,635,630	-	-	-	2,635,630
	-	**2,881,879**	**866,415**	**5,030,979**	**5,356,877**	**14,136,150**

All trade payables are due within 30 days, which is consistent with the prior year.

(c) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

(d) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Group which have been recognised on the Consolidated Statement of Financial Position is generally limited to the carrying amount.

Cash is maintained with Macquarie Bank, Westpac, National Australia Bank and Bank of Queensland, all investment grade rated banks, and therefore carries insignificant expected credit loss.

Note 27: Parent entity disclosure

	Parent	Parent
Assets	**2024**	**2023**
Current assets	2,812,349	1,112,214
Non-current assets	13,245,207	9,366,950
Total Assets	**16,057,556**	**10,479,164**
Liabilities		
Current liabilities	457,432	262,431
Non-current liabilities	2,271,761	2,049,001
Total Liabilities	2,729,193	2,311,432
Net Assets	**13,328,363**	**8,167,732**
Equity		
Contributed equity	41,587,274	35,475,644
Reserves	1,331,772	1,333,118
Accumulated losses	(29,590,683)	(28,641,030)
Total Equity	**13,328,363**	**8,167,732**

	Parent	Parent
	2023	**2022**
Loss for the year	(915,370)	(2,191,078)
Other comprehensive income	-	-
Total comprehensive loss for the financial year	**(915,370)**	**(2,191,078)**

The commitments and contingencies and commitments of the parent entity are the same as those for the Group.

Note 28: Subsequent events

On 28 July 2024 245,918,535 Parkway options with an exercise price of $0.019 expired without exercise or conversion.

Other than the above, there have not been any other matters that have arisen after reporting date that have significantly affected, or may significantly affect, the operations and activities of the Group, the results of those operations or the state of affairs of the Group in future financial years other than disclosed elsewhere in this consolidated financial report.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Consolidated entity disclosure statement at 30 June 2024.

Entity Name	Entity Type	Place formed/ Incorporated	% of share capital held	Tax Residency
Parkway Ventures Pty Ltd	Body Corporate	Australia	100%	Australia*
Parkway Process Technologies Pty Ltd	Body Corporate	Australia	100%	Australia*
Parkway Process Solutions Pty Ltd	Body Corporate	Australia	100%	Australia*
Consolidated Potash Corporation Ltd**	Body Corporate	Australia	100%	Australia*
Activated Water Technology Pty Ltd	Body Corporate	Australia	100%	Australia*
Mawpump Pty Ltd	Body Corporate	Australia	100%	Australia*
Queensland Brine Solutions Pty Ltd	Body Corporate	Australia	100%	Australia*
Tankweld Installations Pty Ltd	Body Corporate	Australia	100%	Australia*
Tankweld Engineering Service Pty Ltd	Body Corporate	Australia	100%	Australia*

* Parkway Corporate Limited (the ‘head entity’) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

** Parkway held a 40% equity interest in a single mining exploration project, the Karinga Lakes Potash Project (“**KLPP**”). The KLPP, located in the Northern Territory, is a joint venture between Verdant Minerals Ltd and Consolidated Potash Corporation Ltd, which is administered through Territory Potash Pty Ltd. A fair value of nil has been allocated to this interest given this project is at the advanced stages of relinquishment.

DIRECTORS' DECLARATION

In the opinion of the Directors of Parkway Corporate Limited:

(a) the consolidated financial statements and notes set out on pages 26 to 61 are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and

(c) there are reasonable grounds to believe that Parkway will be able to pay its debts as and when they become due and payable.

(d) The information disclosed in the consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 20 September 2024

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Independent Auditor's Report to the Members of Parkway Corporate Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Parkway Corporate Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Nexia Australia

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Key audit matter	How our audit addressed the key audit matter
Funding/ Liquidity *(Refer to Note 2 (a) to the Financial Report)* The Group's strategy is focused on commercialising proprietary brine processing technologies, with applications in the energy and mining sectors ("Technology Commercialisation Business") and the development of an integrated water treatment products and services business to complement and support the Group's Technology Commercialisation Business. As per the financial statements, the Group reported a net loss of $734,406 (2023: $1,680,056) and a cash inflow from operating activities of $644,445 for the year ended 30 June 2024 (2023: outflow of $1,337,337). The Group had a net working capital surplus of $5,732,848 (2023: $3,033,743) including cash and cash equivalents of $3,492,197 at 30 June 2024 (2023: $2,003,639). The adequacy of funding and liquidity, as well as the relevant impact on the going concern assessment, was considered to be a key audit matter due to the significance of management's judgments and estimates in respect of this assessment.	Our procedures included, amongst others: • Assessing the Group's working capital position as at 30 June 2024; • Vouching the cash and cash equivalents to supporting documentation; • Checking the mathematical accuracy of the cash analysis prepared by management; • Evaluating the reliability and completeness of management's assumptions by comparing them to our understanding of the Group's future plans and operating conditions; • Obtaining an understanding of management's cash analysis and evaluating the sensitivity of assumptions made by management; • Considering events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment; and • Assessing the adequacy of the disclosures included in the financial report.
Carrying value of goodwill and other intangible assets *(Refer to Note 15 to the Financial Report)* Goodwill and other intangible assets are reviewed for impairment at least once a year and additionally whenever there is an indication for impairment. The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units to which the goodwill is allocated. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts. The carrying value of goodwill and other intangible assets was considered to be a key audit matter due to the following: • The evaluation of the recoverable amount is based upon a value-in-use calculation which requires significant judgement and estimation; and • The balance is material to users of the financial statements.	Our procedures included, amongst others: • Obtaining an understanding of managements process with regards to the preparation of the value-in-use model; • Evaluating management's methodologies and key assumptions; • Assessing and challenging the following: i. reasonableness of long-term growth rates used in the forecast cash flows by comparing them to historical results; and ii. discount rate applied. • Testing the mathematical accuracy and integrity of the value-in-use model; • Assessing the accuracy of management's forecast cash flow model; • Performing sensitivity analysis on the key drivers of growth rates used in the cash flow forecasts and the discount rate applied; • Assessing management's consideration of the sensitivity to a change in key assumptions that both individually or collectively would be required for goodwill and other intangible assets to be

	impaired and considering the likelihood of such a movement in those key assumptions; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
Revenue Recognition *(Refer to Note 13 to the Financial Report)* Included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024 is an amount of $8,898,333 relating to revenue. This is split between water industry fabrication and installation services, industrial water related solutions, commercial water treatment solutions and the sale of water treatment related products. $4,503,374 of total revenue is recognised over time based on a percentage of project completion basis with the remainder recognised at a point in time in accordance with the requirements of AASB 15 *Revenue from contracts with customers* ("AASB 15"). Revenue recognition was considered to be a key audit matter due to its significance to the Group's financial report and the judgment exercised by management in determining when revenue should be recognised.	Our procedures included, amongst others: • Obtaining an understanding of and evaluating the processes and controls associated with revenue recognition; • Performing detailed testing on a sample basis to assess the revenue recognition policies for appropriateness and compliance with the recognition requirements of AASB 15; and • Assessing the adequacy of the disclosures included within the financial report.
Accounting treatment for acquisition of the Tankweld Group *(Refer to Note 15 to the Financial Report)* During the year, the Group acquired the Tankweld Group resulting in the recognition of goodwill in accordance with AASB 3 *Business Combinations*. Goodwill is recognised based on the difference between the consideration and the fair value of assets and liabilities acquired. The acquisition of the Tankweld Group was considered to be a key audit matter due to the following: • The size of the acquisition having a significant impact on the Group's financial statements; and • The judgement exercised by management and complexity relating to the determination of the fair values of assets and liabilities acquired.	Our procedures included, amongst others: • Assessing the appropriateness of the acquisition of the Tankweld Group being accounted for as business combination; • Reading the underlying contracts to understand the terms of the business combination; • Evaluating the valuation methodology used by the Group to determine the fair value of the consideration paid; • Evaluating the valuation methodology used by the Group to determine the fair value of the assets and liabilities acquired with regard to the accounting standard requirements and observed industry practices; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

b) 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:

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

ii) 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Australian Auditing and Assurance Standards Board website at:

www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf.

This description forms part of our auditor's report.

Nexia Australia

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 28 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Parkway Corporate Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

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.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
20 September 2024

SHAREHOLDER INFORMATION

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst Parkway's top twenty shareholders are shown in Tables 2 and 3.

Table 1
Shareholder spread as at 15 September 2024

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

Spread of Holdings	No. Holders
1-1,000	127
1,001-5,000	151
5,001-10,000	111
10,001-100,000	936
100,001 - and over	1,239
Total number of holders of securities	**2,564**
Total number of securities	**2,767,113,855**

Based on $0.011 per security, number of holders with an unmarketable holding: 832, with total 12,712,180, amounting to 0.46% of Issued Capital.

Table 2
Top twenty shareholders as at 15 September 2024

Position	Holder Name	Holding	Percentage
1	JACK YETIV	253,968,254	9.18%
2	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	220,237,958	7.96%
3	ACTIVATED LOGIC PTY LIMITED	215,170,534	7.78%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	148,873,127	5.38%
5	HENADOME PTY LTD <THE ALBOW A/C>	88,705,000	3.21%
6	CITICORP NOMINEES PTY LIMITED	86,580,418	3.13%
7	BNP PARIBAS NOMS PTY LTD	66,565,894	2.41%
8	SNICK INVESTMENTS PTY LTD <STINSON SUPERANNUATION A/C>	45,000,000	1.63%
9	MR ANDRE SZARUKAN & MS ROSE BRANISKA <THE A & R SUPER FUND A/C>	38,400,129	1.39%
10	HORN RESOURCES PTY LTD	36,000,000	1.30%
11	MR SVEN OSCAR OLSSON & MRS MANUELA OLSSON	32,900,000	1.19%
12	MR MARK ANDREW TKOCZ	30,000,000	1.08%
13	PEAK ENERGY PTY LTD <PEAK ENERGY FAMILY A/C>	23,920,846	0.86%
14	MR DOUGLAS LEE COPLEY & MRS ELIZABETH COPLEY	21,061,140	0.76%
15	MR JEFFREY PAUL LUKE	20,742,443	0.75%
16	MR PAUL HOMEWOOD	20,000,000	0.72%
17	MR PETER DALLAS CHECKLEY & MS NIOMIE ESTHER VARADY <CHECKLEY FAMILY S/F A/C>	18,603,399	0.67%
18	PEAK ENERGY PTY LTD <PEAK ENERGY FAMILY A/C>	18,253,968	0.66%
19	MRS CHARLOTTE EMILY GRIGG	18,111,111	0.65%
20	DR PETER ROSS HAWKINS	17,967,701	0.65%
	Total	**1,421,061,922**	**51.36%**

SHAREHOLDER INFORMATION

Table 3
Substantial shareholders as at 15 September 2024

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Holder Name	Holding	Percentage
JACK YETIV	253,968,254	9.18%
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	220,237,958	7.96%
ACTIVATED LOGIC PTY LIMITED	215,170,534	7.78%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	148,873,127	5.38%

Voting Rights

All shares carry one vote per share without restriction.

TENEMENT REGISTER

Tenements (Australia) as at 20 September 2024

Australian Projects – Karinga Lakes Potash Project

Tenement ID	Location	State	Interest
EL32249	Karinga Lakes	NT	40%
EL32250	Karinga Lakes	NT	40%
EL32251	Karinga Lakes	NT	40%

The Karinga Lakes Potash Project ("**KLPP**"), located in the Northern Territory, is a joint venture between Verdant Minerals Ltd and Consolidated Potash Corporation Ltd, which is administered through Territory Potash Pty Ltd. A fair value of nil has been allocated to this interest given this project is at the advanced stages of relinquishment.

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