Annual Report for the year ended 31 December 2024

TMK Energy Limited (ASX:TMK)

ABN 66 127 735 442

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CORPORATE DIRECTORY

DIRECTORS

Prof. John Warburton
Non-Executive Chairman

Brett Lawrence
Executive Director

Gema Gerelsaikhan
Non-Executive Director

Tim Wise
Non-Executive Director

CHIEF EXECUTIVE OFFICER

Dougal Ferguson

COMPANY SECRETARY

Dougal Ferguson

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STOCK EXCHANGE LISTING

TMK Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TMK)

CORPORATE GOVERNANCE STATEMENT

www.tmkenergy.com.au/corporate-governance

ABN 66 127 735 442
www.tmkenergy.com.au

Chairmans' report

For the year ended 31 December 2024

It is with great pleasure I present my first Chairman's Report for TMK Energy Limited for the year ended 31 December 2024. The TMK Team has made tremendous progress over the last 12 months at our flagship Gurvantes XXXV Coal Seam Gas Project in Mongolia's South Gobi Desert, which is starting to show the enormous potential of what lies within our 8,400 km^2 license area.

The continued commitment from our small but dedicated team, both in Mongolia and Australia, is a strong demonstration of the belief that we have a world class project on our hands, with enormous potential value, ready to be unlocked in the very near future.

My first thanks must go to all of our staff, whose persistence and tenacity throughout 2024 has delivered a significantly more advanced project after a period of intense drilling activity, which positions the Company and its shareholders with the real possibility of achieving a commercially significant outcome in 2025.

My thanks must also go to the senior executive team and to my fellow Board members. During 2024, we implemented several key management and board changes to align our leadership and core competencies with our strategic direction.

These changes resulted in Mr Dougal Ferguson stepping into the role of Chief Executive Officer and Mr Brendan Stats focusing his considerable skill and experience onto safe operational delivery of the Gurvantes Pilot Project. Mr Brett Lawrence took on a part time executive role with the Company to deploy his project delivery skills into the mix.

We also re-organised our Mongolian operational management team that saw Mr Naran-Uchral promoted to the in country Chief Executive Officer role.

I agreed to take charge of the Board and stepped into the role of non-executive Chairman whilst other non-executive members of the Board took on the chair roles of both the Audit and Risk and the Remuneration committee.

These changes resulted in improved communications, accountability and a more efficient organisational structure that delivered the successful pilot drilling program undertaken in the second half of the year. All three additional pilot wells were drilled and completed safely, on time and on budget. They were commissioned and brought on production in early 2025 alongside the three existing wells drilled in late 2023.

Accordingly, the Company now has six pilot wells producing water and gas at levels consistent with the operational reservoir management plan. The observations to date have significantly increased our confidence that the pilot well program is capable of commercial levels of gas production from the enormous resource that has already been discovered in our license area.

In anticipation of commercial gas flow rates, the Company signed an early commercialisation agreement with Jens Energie, a power producer, which will allow for beneficial use of gas produced from the pilot wells rather than flaring into the atmosphere. This event will represent another milestone for both the Company and Mongolia.

The Company is enjoying strong Mongolian government support with several initiatives underway which will elevate the importance of natural gas in Mongolia for both residential and industrial use.

With respect to health, safety and environment, the Company continues to operate with the highest standards. It is very comforting to report that no significant health, safety or environmental incidents occurred during the year. Furthermore, in June 2024, the Company received a milestone environmental approval allowing it to drill a significant number of production and exploration wells over the next five years. This is indeed a strong endorsement of our environmental credentials.

The Company is cognisant of the desire of modern society to move away from the use of fossil fuels and to transition to renewable forms of energy. However, it is also a reality that to do so will take several generations and that natural gas remains one of the key transition fuels. Natural gas is also an important element of energy security for fast developing nations such as Mongolia where gas exploitation is a nascent industry.

Finally, I must thank all our shareholders who have and continue to support TMK through the journey and who will hopefully enjoy the benefits of any success in the not-to-distant future.

As both a shareholder and Chairman of our Company, I am very excited and encouraged with the recent results from our pilot well operations and the commercial opportunities that lay in front of us. I very much look forward to reporting a very successful 2025 and some significant forward steps in my report to shareholders this time next year.

Sincerely,

Prof. John Warburton
Independent Non-Executive Chairman

Operations report

Executive Summary

During the year ended 31 December 2024, TMK Energy Limited (TMK or the Company) and the consolidated entity (the Group) continued to focus on advancing the Company's flagship asset, the Gurvantes XXXV Coal Seam Gas (CSG) Project in the South Gobi Desert in Mongolia.

In February 2024, the Company conducted an independent technical review of the Lucky Fox Pilot Well Project. The review concluded that the three existing production wells (LF-01, LF-02, LF-03) had successfully confirmed several key attributes necessary for a successful coal seam gas project and supported the Company's view that the Gurvantes XXXV Project warranted further investment.

Production testing conducted in early 2024 demonstrated that while reservoir pressure was reducing, the original three wells may not be sufficient to achieve the required critical desorption pressure in a reasonable timeframe.

Following receipt of what is a highly significant, multi well, five-year environmental permit, the Company embarked on a three well pilot well drilling campaign (LF-04, LF-05, LF-06), all of which encountered approximately 60 metres of net coal, consistent with the three prior pilot production wells.

These additional wells are now in production and showing strong signs that they are contributing to the reservoir depressurisation objective which is necessary to enable potential commercial gas flow rates.

The Company also introduced Distributed Temperature Sensing (DTS) technology to enhance its understanding of the reservoir and specifically, the water production. The DTS system provides real-time data on gas and water inflows, allowing for optimised future drilling and production design.

Flaring of Lucky Fox pilot wells

Pad preparation for 2024 pilot well drilling

Workover and clean out of Lucky Fox-05

2024 Lucky Fox Pilot Well Drilling

In December 2024, the Company signed a Binding Memorandum of Understanding (MoU) with Jens Energie LLC (JEL) for the sale of early gas produced from the pilot well complex. Subject to sufficient gas flows being achieved, the Company has agreed to supply a minimum of 5,000 m^3/day by 30 June 2025, with an option to scale up to 15,000 m^3/day. The agreement provides a pathway for revenue generation while providing a new power source for both the Company and other local users.

During the year the Company made several management changes which took effect on 1 July 2024. Mr. Dougal Ferguson, the Company's Chief Commercial Officer and Company Secretary, assumed the role of interim Chief Executive Officer, with Mr. Brett Lawrence taking on a part-time executive role. Mr Brendan Stats stepped down as Chief Executive Officer and took on the role of Gurvantes Project Manager and Mr. Naran-Uchral Tsedev was appointed as CEO of the Mongolian subsidiary.

During 2024, the Company successfully raised approximately $7.9 million (before costs) through a combination of private placements, Share Purchase Plans and an entitlements issue, providing existing shareholders with the opportunity to participate alongside sophisticated investors who were able to participate in the placements.

Of these funds raised, approximately $7.3 million was utilised to advance the Project with the principal cost being the drilling of the additional three pilot wells and associated infrastructure.

During the latter half of 2024, there was a strong focus on reducing both operating costs across the Company and the benefits of these cost reductions are being seen in 2025.

Results from the pilot project in early 2025 demonstrate that the Company continues to make significant progress towards our stated goal of demonstrating proof of concept and delivering commercial gas flows within a reasonable timeframe from the enormous, discovered resource within the Gurvantes XXXV CSG Project.

2024 Pilot Well Drilling Campaign

Gurvantes XXXV Coal Seam Gas Project (Mongolia)

Overview

The Gurvantes XXXV CSG Project covers a very large area of approximately 8,400 km^2. Within the Project area, multiple thick, high-quality coal seams outcrop at the surface and extend along an east-west strike for approximately 150 km.

The Gurvantes Project area is situated less than 20 km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network and is proximate to several large-scale mining operations with high energy needs.

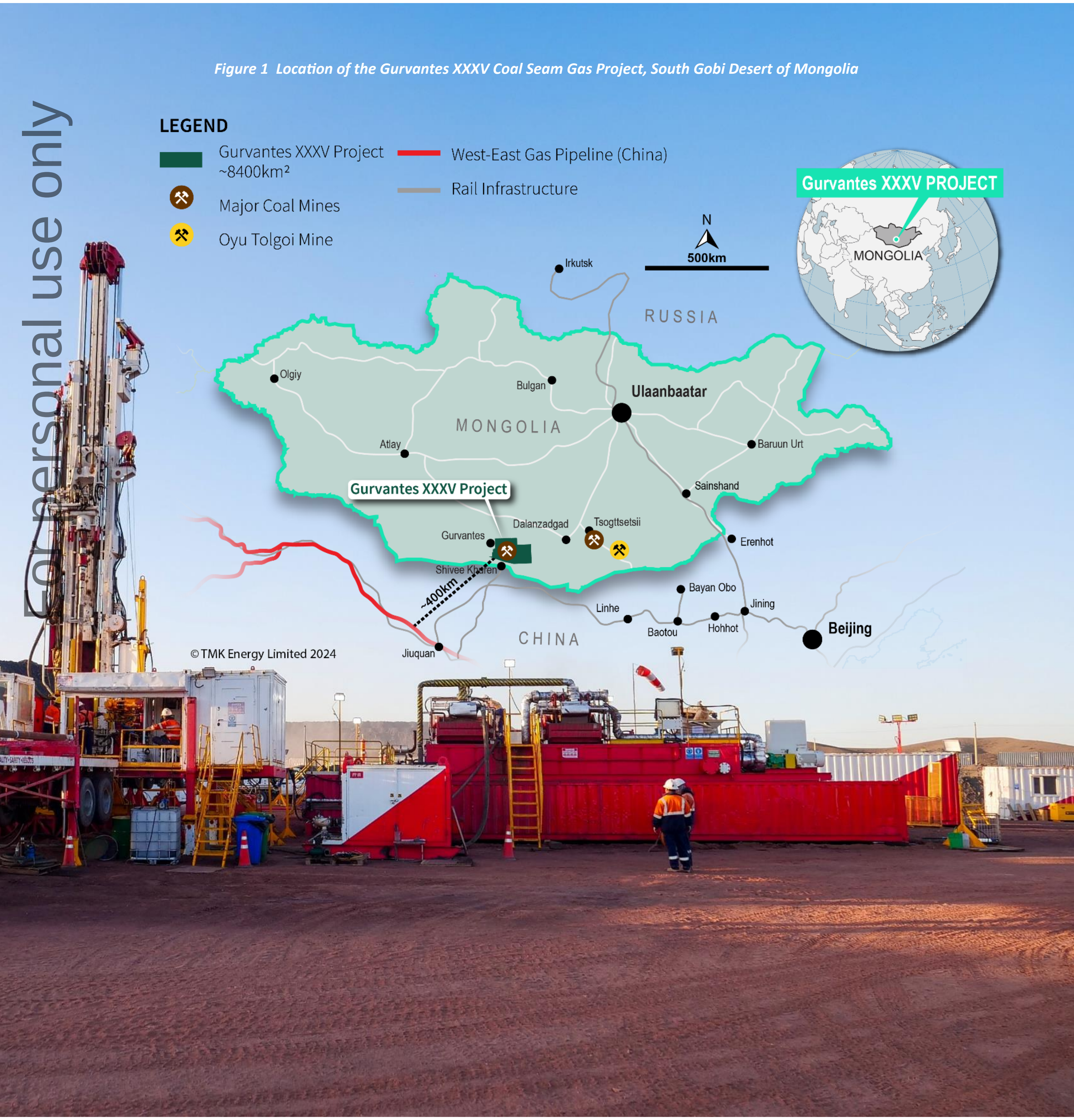

Figure 1 Location of the Gurvantes XXXV Coal Seam Gas Project, South Gobi Desert of Mongolia

Pilot Well Program Overview - Nariin Sukhait

Within the greater Gurvantes Project license area, the Company drilled five exploration wells in 2022 over an approximate 60 km^2 area named Nariin Sukhait which delivered an independently certified 2C Contingent Resource of 1,214 billion cubic feet (BCF), or approximately 1.2 trillion cubic feet (TCF).

Of these five exploration wells drilled, the Company selected Snow Leopard–02 as the ideal location for its first pilot well project. Three initial pilot wells were successfully drilled in 2023 and successfully placed on production, proving good permeability (through high water flows) and demonstrating that gas could be produced to surface.

During early 2024 following an independent technical review undertaken by a range of experts and led by Cipher Consulting Pty Ltd, a well-regarded independent CSG consultancy based in Brisbane, the Company determined that the most appropriate next course of action was to drill a further three pilot production wells within the immediate area around the original three pilot production wells.

Following the receipt of the requisite environmental approvals for further drilling, the Company commenced drilling of the additional three pilot production wells in the third quarter of 2024 and successfully completed drilling of the wells in early December 2024. The wells were subsequently put on production with first gas to surface being recorded in early January 2025.

Since that date, the pilot production facility has recorded multiple record months of production of gas. These observations are highly encouraging signs that the Project is approaching its key objective for 2025, which is a demonstration that commercial quantities of gas can be produced from the coal seams within the Gurvantes XXXV CSG Project.

2024 Pilot Well Drilling Program

In September 2024 the Company announced the signing of a drilling contract with Major Drilling, a large international TSX-listed drilling contractor that had successfully completed the Company's successful 2023 initial three-well pilot well program.

Lucky Fox-05, the first of the three additional 2024 pilot production wells was successfully drilled to a total depth of 480 metres and intersected approximately 60 metres of net coal, which was as per prognosis and consistent with the existing three surrounding pilot production wells.

Lucky Fox-06, was successfully drilled to a total depth of 475 metres and again, intersected approximately 60 metres of net coal. The third and final pilot production well, Lucky Fox-04, was successfully drilled to a total depth of 503 metres and intersected approximately 60 metres of net coal.

The wells were subsequently completed and commissioned during December 2024 and placed on production. The additional pilot wells are providing the extra pumping capacity which is needed to reach the critical gas desorption pressure faster and accelerate a material uplift in gas production rates from the pilot well complex.

Production Operations

The original three pilot productions wells (LF-01, LF-02 and LF-03) have run seamlessly throughout 2024 with only minimal downtime due to the occasional third-party power outages, which are quickly rectified by switching the pumps to the Company's on-site generator.

The Lucky Fox-03 production well experienced one workover in March 2024 but has since run at 100% pump uptime. LF-01 and LF-02 have not had any need for workovers since they were commissioned in July 2023.

In early December 2024, the additional wells (LF-04, LF-05 and LF-06) were successfully brought online which effectively doubled the production capacity of the pilot well complex. In line with the Company's reservoir management plan, downhole pump speeds were gradually increased in the new wells to lower fluid levels to the desired range.

In early January 2025, gas was produced to surface from the new wells as water levels in the new wells reduced. Water levels in the new wells continued to be reduced towards their design water levels which is approximately 30-40 metres above the pumps.

Lucky Fox-05 has so far proven to be the best producer of the new wells with good water (and gas) rates becoming evident in recent months. That well has been the only one of the new wells that has required several workovers to clean out coal fines that have been produced into the well bore and subsequently caused several pump blockages, which have been quickly remediated.

Production of coal fines in coal seam gas wells is a common problem and the learnings from these blockages will be applied to the Company's future drilling and completion designs to minimise the chances of this occurring in future production wells.

TMK Energy Operations Camp

Independent Technical Review

Prior to committing to drill additional production wells in 2024, the Company conducted an independent technical review with a range of industry experts and led by Cipher Consulting Pty Ltd, to discuss the performance to date from the Gurvantes XXXV Lucky Fox Pilot Project.

The review focused on the Lucky Fox Pilot Well complex at Nariin Sukhait which at the time had three production wells (LF-01, LF-02 and LF-03) that were completed over the upper coal seam with a net coal thickness of 60-70 metres.

To assist with the review, a well-testing program was undertaken throughout January and February of 2024 to gather further data on the performance of the wells since the start of the extended production test and the response of the reservoir in the Lucky Fox production wells. Pressure build-up tests were successfully undertaken in LF-03 and LF-02 wells.

This testing confirmed that the reservoir pressure was successfully being drawn down in all three wells. However, it was determined that three wells alone may not achieve the targeted critical desorption pressure required for commercial flow rates in a reasonable timeframe.

Several fundamental attributes are needed for a successful pilot well program. These include sustained water flow rates, steady gas production and importantly that the reservoir pressure is being reduced. All of these were successfully achieved from the first three Lucky Fox pilot wells.

The independent technical review endorsed that the Gurvantes XXXV Project was displaying the technical attributes of a significant coalbed methane-producing field. The review supported the pilot well program design, that it is being effectively managed, and is making good progress in reducing the reservoir pressure.

Exploration Program

The work program for 2024 was primarily focussed on the drilling of the three additional pilot production wells. However, detailed planning was also undertaken for the next phase of exploration drilling within the greater Gurvantes XXXV license area.

Up to five additional exploration wells are planned for 2025. These will be concentrated in an area where known coal deposits are in the appropriate depth window for coal seam gas prospectivity.

The exploration program is planned to commence in mid-2025 and is expected to add to the already significant 2C resources identified within the license area.

Environmental Approval Granted

In late June 2024, after a rigorous process and consultation with both local communities and the Ministry of Environment and Tourism, the Company received approval for its Detailed Environmental Impact Assessment submission.

This approval grants the Company permission to drill up to 45 production wells and 95 exploration wells during the five-year term of the approval. The approval is a major milestone for the Project which will allow the Company to plan and undertake substantially larger drilling programs in the coming years.

Gas Sales Agreement

In December 2024, the Company entered a Binding Memorandum of Understanding (MoU) with Jens Energie LLC (JEL) for the sale of early gas produced from the six-well Nariin Sukhait pilot well complex. The Binding MoU outlines the key terms under which the Company is willing to sell gas produced during the long-term testing phase from its pilot wells. JEL will convert this test gas into electricity, beneficially using the test gas to supply both the Company's need for power and local customers.

The Company aims to deliver a minimum of 5,000m³ of test gas per day (approximately 0.2 TJ/day) from its six pilot wells by 30 June 2025, with the ability to supply up to 15,000 m³ of gas per day (approximately 0.6 TJ/day) for an initial term of two years, with an option to extend for an additional two years.

JEL will handle obtaining all necessary approvals and consents to generate and sell electricity to the local grid, enabling the Company to focus on gas production and the expansion of its gas business while generating some revenue to offset pilot production costs.

The MoU is subject to the customary conditions of these types of agreements, the material ones being the ability of TMK to meet the minimum quantity of 5,000m³ of gas per day by 30 June 2025, the execution of a detailed gas sales agreement and JEL importing and installing at Nariin Sukhait a mutually acceptable gas fired power generator on or before 30 April 2025.

Flare captured from internal stack

Corporate update

Financial Results Summary

During the year ended 31 December 2024, the Group (the Company and its subsidiaries) recorded a consolidated loss of $1,377,132 (2023: $2,592,606). As at 31 December 2024, the net asset position of the Group was $23,732,526 (2023: $17,807,021) and it had a closing cash balance of $1,999,854 (2023: $2,255,012).

The Company raised approximately $7.9 million (before costs) in additional capital during the year, of which approximately $7.3 million (over 92%) was spent on exploration and evaluation activities, being principally the drilling or three additional pilot wells along with associated capitalised costs of the field operations.

During the latter half of the 2024 financial year, cost reduction and cash preservation initiatives were introduced, reducing the overall cash operating costs from 2023 by approximately 5%. High inflation coupled with the devaluation of the Australian dollar against the United States dollar reduced the impact of the savings achieved, but with further efficiencies being introduced, further cost reductions are expected to be achieved in 2025.

As part of the cash preservation initiatives, the Board and senior management in Australia agreed to defer 50% of their fees from 1 October 2024 to 31 March 2025, some of which have already been settled in shares, with the remaining accrued costs, to be settled in shares in the coming months.

Management and Board Changes

Effective 1 July 2024, the Company made several Board and Management changes to align individual competencies and experience with the future direction of the Company. The Board changes involved the appointment of Professor John Warburton as independent non-executive Chairman and Mr Brett Lawrence stepping into a part-time executive role from 1 June 2024.

John was appointed as a non-executive Director on 7 March 2023. His experience in guiding companies from early exploration through to oil and gas production and sales is highly relevant to the current growth ambitions of the Company.

Brett has been a director of the Company since 2015 and was actively involved in the 2024 drilling program, including spending a significant amount of time on site supervising the drilling operations. Brett has a Petroleum Engineering and operational background, with many years of experience developing and growing early-stage development projects.

Mr Dougal Ferguson was appointed interim CEO role. Dougal has been involved in the Gurvantes XXXV Project since late 2020, and with the Company since February 2022 when TMK acquired the Project. Dougal has taken on the leadership role within the Company and has achieved several key milestones since his appointment, including securing funding for the 2024 drilling program, implementing significant organisational and delivering numerous operational and cost efficiencies across the business.

Mr Brendan Stats was one of three founders of the Gurvantes XXXV Project and has taken the Project from a private company in 2019 through to its listing on ASX in February 2022 when it was acquired by the Company and successfully guided the Company through the early-stage successful exploration and appraisal program.

Brendan stepped down from the Chief Executive Officer role to fully focus on project delivery, field development plans and resource growth opportunities.

At the Mongolian subsidiary level, Mr Naran-Uchral Tsedev was appointed as the Mongolian based CEO. Naran-Uchral has a wealth of knowledge and experience operating in Mongolia and has already made a significant contribution driving efficiencies into the Company's Mongolian operations.

Changes to the Capital Structure

On 21 March 2024, the Company raised approximately $2.5 million (before costs) by way of a placement utilising the Company's placement capacity under ASX Listing 7.1 and 7.1A. The Company issued 633,135,500 new fully paid ordinary shares and placement participants were issued one option for every share subscribed for, exercisable at $0.008 with a three-year term expiring 30 April 2027.

In conjunction with the placement, the Company also offered eligible existing shareholders the opportunity to participate in a Share Purchase Plan (SPP) on the same terms as the Placement which raised an additional $0.6 million.

The new options were issued by the Company pursuant to a prospectus to facilitate the quotation of the options which were subsequently listed with the ASX code TMKO.

On 1 October 2024, the Company raised approximately $1.34 million (before costs) by way of a Placement utilising its refreshed placement capacity under ASX Listing 7.1 and 7.1A.

Concurrently, the Company announced a non-renounceable entitlement issue on the same terms as the placement which raised approximately $1.6 million and was strongly supported by shareholders with approximately 85% take-up by participants. The shortfall of approximately $0.3 million, together with a second placement organised directly by the Company raised a total of approximately $1.8 million (before costs).

All participants in the latter placements and the entitlement issue were issued one free attaching listed option (ASX:TMKO) for every two shares issued.

During the year, 45 million previously awarded (and vested) performance rights were converted into ordinary shares. In addition, there were several other changes to performance rights and options were issued to staff, contractors and more recently, the Directors of the Company. Full details are provided in the Directors' Report and the Remuneration Report.

The capital structure as the date of this Annual Report is as follows:

Class of Security	On Issue
Fully Paid Ordinary Shares	9,363,665,094
Existing Listed Options (ASX: TMKOB) exercisable at $0.025 per share on or before 30 April 2026	808,052,867
Existing Listed Options (ASX: TMKO) exercisable at $0.008 per share on or before 30 April 2027	2,089,572,851
Unlisted Options exercisable at $0.025 per share on or before 30 April 2026	78,000,000
Unlisted Options exercisable at $0.005 per share on or before 31 January 2028	100,000,000
Employee Performance Rights	43,400,000

DIRECTORS' REPORT

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

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Prof. John Warburton – Non-Executive Chairman
- Brett Lawrence – Executive Director
- Tim Wise – Non-Executive Director
- Gema Gerelsaikhan – Non-Executive Director

Corporate Governance

The Group's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released. TMK Energy Limited's Corporate Governance Statement, and the Group's Policies, Charters and Procedures, can be all found on the Group's website at http://tmkenergy.com.au/display/index/corporate-governance.

Principal activities

The principal activity of the Group during the financial year was the coal seam exploration and appraisal of the Gurvantes XXXV Project in the South Gobi Basin of Mongolia.

Dividends

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

Review of operations

For information on a review of the Group's operations refer to Operations Review section at page 3 of this report.

Operating Results and Financial Position

The loss of the Group after providing for income tax amounted to $1,377,132 (31 December 2023: $2,592,606).

The Group is in a net asset position of $23,732,526 as at 31 December 2024 (31 December 2023: $17,807,021) and had a closing cash balance of $1,999,854 at 31 December 2024 (31 December 2023: $2,255,012).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 4 March 2025, 375,000,000 listed options were issued as the free attaching options (1 option for 2 shares held) pursuant to the share placement held in November 2024, with additional 53,720,000 options were issued to advisors for their services.

Following the approval of shareholders, 100,000,000 listed options exercisable at $0.005 per option expiring 31 January 2028, were issued to directors and management as remuneration on 4 March 2025.

On 5 March 2025, 5,250,000 options have been cancelled by agreement between the Company and the shareholder in lieu of listed options on the same terms and conditions.

On 6 March 2025, 38,100,000 shares were issued to management in lieu of fees that were approved by shareholders on 19 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group are set out in the review of operations in this annual report. Any future prospects are dependent upon the results of future exploration and evaluation.

National Greenhouse and Energy Reporting 2007 Act ('the NGER Act')

The directors consider the NGER Act which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current nor subsequent financial year. The directors will reassess this position as and when the need arises.

Environmental regulation

The Group's operations are subject to environmental regulations under both Mongolian and Australian Commonwealth and State legislation. The Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

Information on directors

Name:	**Prof. John Warburton**
Title:	Non-Executive Chairman (Appointed 7 March 2023)
Experience and expertise:	Prof. Warburton brings extensive ASX-listed company executive and directorship experience together with outstanding technical credentials gained through his 40+ year career with internationally recognised petroleum companies, including Super-Majors, in various roles and locations throughout the world. Prof. Warburton is a currently a Visiting Professor in School of Earth and Environment at Leeds University in the United Kingdom. He previously served as a non-executive director of Senex Energy Limited in the six years before its takeover by POSCO/Hancock Prospecting and was also Chief of Geoscience & Exploration Excellence at Oil Search Limited from 2015 to 2018.
Other current directorships:	Empire Energy Group Limited (appointed February 2019)
Former directorships (last 3 years):	Senex Energy Limited (ASX:SXY)
Interests in shares:	25,812,500
Interests in options:	40,656,250
Interests in performance rights:	-

Name:	**Brett Lawrence**
Title:	Executive Director (Appointed 1 February 2015)
Experience and expertise:	Mr Lawrence is an experienced oil and gas executive, with 20+ years in the industry including both ASX-listed and private companies, with a track record of developing new venture opportunities and growing early-stage businesses. Brett worked with Apache Energy for over 8 years performing roles in drilling engineering, reservoir engineering, project development and commercial management. He holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia.
Other current directorships:	IPB Petroleum Limited (ASX:IPB)
Former directorships (last 3 years):	Calima Energy Ltd (ASX: CE1)
Interests in shares:	47,803,125
Interests in options:	29,789,063
Interests in performance rights:	-

Name:	**Gema Gerelsaikhan**
Title:	Non-Executive Director (Appointed 15 February 2022)
Experience and expertise:	Ms Gerelsaikhan has more than 14+ years of experience in investment, marketing/ communications and business development in mining, technology, real estate and hospitality sectors. Currently, she's Managing Partner at Exponential Zaisan Partners, a seed stage Central Asia and Mongolia focused VC fund and Founding Partner at Exponential Partners. Previously, she was Director of Communications / Marketing at Shangri-La Hotel, Ulaanbaatar. She also headed the Singapore and Hong Kong offices of Asia Pacific Investment Partners (APIP) as Chief Marketing & Business Development Officer. Prior to joining APIP, Ms Gerelsaikhan was Business Analyst at SouthGobi Resources, a TSX & HKEx listed coal mining company (TSX: SGQ & HKEx: 1878).

	She is a founding member of both Mongolian Chamber of Commerce in Hong Kong, as well as Mongolian Chamber of Trade and Commerce in Singapore (currently serving as President). She holds Master's and Bachelor's degree in Economics and Business Administration from Roskilde University in Denmark.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	34,000,000
Interests in options:	25,000,000
Interests in performance rights:	-

Name:	**Tim Wise**
Title:	Non-Executive Director (Appointed 4 November 2019)
Experience and expertise:	Mr Wise (BSc) is a corporate executive with 26+ years' experience in the growth of early-stage public and private businesses, providing strategic advice to a broad range energy and public and private related companies. Mr Wise is the founder and former CEO of The Tap Doctor, and Kalina Power (ASX:KPO).
Other current directorships:	entX Limited (appointed February 2019),
Former directorships (last 3 years):	Environmental Clean Technologies Limited (ASX:ECT) (appointed September 2021), Graft Polymer (UK) Plc (LSE:GPL)
Interests in shares:	30,750,000
Interests in options:	28,250,000
Interests in performance rights:	-

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

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

Company secretary
Dougal Ferguson
Company Secretary (Appointed 1 April 2022)

Mr Ferguson holds a Bachelor of Business and is an experienced energy executive with substantial international experience and is the former Managing Director of several ASX listed energy exploration companies including XCD Energy Limited (ASX:XCD) and Elixir Energy Limited (ASX:EXR).

Dougal is a Graduate of the Australian Institute of Company Directors and has previously qualified as a Company Secretary through the Governance Institute of Australia.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2024, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Brett Lawrence	10	10
Tim Wise	10	10
Gema Gerelsaikhan	10	10
Prof. John Warburton	10	10

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

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Board is responsible for determining and reviewing compensation arrangements for the directors and executive officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

The Board policy is to remunerate non-executive directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. A review undertaken in 2024 determined that the current director fees of $48,000 per annum did not represent fair market rates, however, the Board did not feel it appropriate to increase the cash fees at this stage of development of the Company. In lieu of cash fees, the Board determined that the award of incentive options was a more appropriate mechanism to improve non-executive directors' remuneration and more appropriately aligned directors' interests with shareholders. An award of incentive options was put to shareholders at a General Meeting held on 19 February and was approved by shareholders.

The maximum amount of fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. The maximum amount approved is $300,000. Fees for non-executive directors are not linked to the performance of the Group. However, to align director's interests with shareholder interests the directors are encouraged to hold shares in the Company and may be issued with additional incentive-based securities as deemed appropriate.

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning director and executive objectives with shareholder and business objectives. The Board will continually develop new practices which are appropriate to the Company's size and stage of development.

All contracts with non-executive directors have no termination date, benefits or notice period noted.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. Executive officers are those directly accountable for the operational management and strategic direction of the Group and the consolidated entity. The Group currently has no full time executives with the roles of Chief Executive Officer, Chief Financial Officer and the Company Secretary being fulfilled under a contract role. The details of their Service Agreements are noted below.

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

Fixed Remuneration

Fixed remuneration consists of a base remuneration package, which includes directors' fees (in the case of directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for directors and executive officers are reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Performance-linked Remuneration

All employees and certain contractors may receive bonuses and/or equity incentive securities based on achievement of specific goals related to performance against individual KPIs and to the performance of the Group as a whole as determined by the directors, based on a range of factors. These factors include traditional financial considerations such as operating performance, share price performance and deals concluded. They also include industry-specific factors relating to the advancement of the Group's activities and relationships with third parties and internal employees.

During the year ended 31 December 2024, no performance rights or options have been issued to employees or contractors as remuneration.

During the year ended 31 December 2023, 77,000,000 performance rights and 61,000,000 options were issued to employees and certain contractors. Of the 77,000,000 performance rights issued, 51,333,333 related to the short-term key performance indicators and 25,666,667 related to long term performance indicators as noted in the following table.

Of the 51,333,333 short term incentive performance rights, 22,733,333 vested, while 10,000,000 were forfeited due to an employee leaving the Company and 28,600,000 lapsed due to not meeting the vesting criteria. Of the 25,666,667 long term incentive performance rights, 20,666,667 remain available for vesting with 5,000,000 having been forfeited due to an employee leaving the Company.

None of the vested performance rights issued in the year ended 31 December 2023 have been converted to shares as at the date of this report. The Remuneration Committee intends to issue additional performance rights for the year ended 31 December 2025 which align with goals and targets set for the 2025 calendar year.

Use of remuneration consultants

The Group did not engage with remuneration consultants during the year or in prior years.

Voting and comments made at the Company's 31 December 2023 Annual General Meeting ('AGM')

At the 23 May 2024, AGM, 98% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

The key management personnel of the Company during the year ended 31 December 2024 includes all directors and executives mentioned below. There are no other executives of the company which are required to be disclosed.

Remuneration packages contain the following key elements:

- Primary benefits - salary/fees and bonuses
- Post-employment benefits - superannuation
- Equity - performance rights and other equity securities
- Other benefits

Nature and amount of remuneration for the year ended 31 December 2024:

2024	Short-term benefits Cash salary and fees $	Short-term benefits Annual leave $	Short-term benefits Bonuses[3] $	Post-employment benefits Superannuation $	Share-based payments $	Total $	Performance related %
Non-Executive Directors:							
Prof. John Warburton	43,146	-	-	4,854	39,247	87,247	45.0%
Tim Wise	48,000	-	-	-	19,623	67,623	29.0%
Gema Gerelsaikhan	48,000	-	-	-	19,623	67,623	29.0%
	139,146	-	-	4,854	78,493	222,493	
Executive Directors:							
Brett Lawrence[1]	140,800	-	30,000	-	19,623	190,423	26.1%
Other Key Management Personnel:							
Brendan Stats[2]	296,250	(7,443)	-	13,699	244,462	546,968	44.7%
Dougal Ferguson	331,200	-	50,000	-	195,570	576,770	42.6%
	627,450	(7,443)	50,000	13,699	440,032	1,123,738	
	907,396	(7,443)	80,000	18,553	538,148	1,536,654	

[1] Appointed as Executive Director from 1 June 2024. Mr Lawrence was a Non-Executive Director until 31 May 2024.
[2] Resigned as Chief Executive Officer on 30 June 2024, however remained as a consultant and KMP for the remainder of the year.
[3] The bonuses were agreed to be settled in shares. As at the date of this report, Mr Lawrences bonus has been settled in shares, but Mr Ferguson's remains unsettled.

Nature and amount of remuneration for the year ended 31 December 2023:

2023	Short-term benefits Cash salary and fees $	Short-term benefits Annual leave $	Short-term benefits Bonuses $	Post-employment benefits Superannuation $	Share-based payments $	Total $	Performance linked %
Non-Executive Directors:							
Prof. John Warburton[1]	34,389	-	-	3,611	54,945	92,945	59.1%
Tim Wise	44,000	-	-	-	27,473	71,473	38.4%
Gema Gerelsaikhan	44,000	-	-	-	27,473	71,473	38.4%
Brett Lawrence	44,000	-	-	-	27,473	71,473	38.4%
Stuart Baker[2]	9,000	-	-	-	-	9,000	-
	175,389	-	-	3,611	137,364	316,364	
Other Key Management Personnel							
Brendan Stats	286,251	31,702	-	26,345	144,874	489,172	29.1%
Dougal Ferguson	320,125	-	-	-	115,899	436,024	26.6%
	606,376	31,702	-	26,345	260,773	925,196	
	781,765	31,702	-	29,956	398,137	1,241,560	

[1] Appointed 7 March 2023
[2] Resigned 31 March 2023

Service agreements

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

Name:	Prof. John Warburton
Title:	Non-Executive Director
Agreement commenced:	7 March 2023
Details:	Directors' fees of $48,000 per annum with no termination date, benefits or notice period noted. $6,000 of Directors' fees were deferred and settled via the issue of 3,000,000 shares on 6 March 2025 pursuant to Shareholder approval received on 19 February 2025.

Name:	Mr Tim Wise
Title:	Non-Executive Director
Agreement commenced:	24 November 2019
Details:	Directors' fees of $48,000 per annum with no termination date, benefits or notice period noted. $6,000 of Directors' fees were deferred and settled via the issue of 3,000,000 shares on 6 March 2025 pursuant to Shareholder approval received on 19 February 2025.

Name:	Mr Gema Gerelsaikhan
Title:	Non-Executive Director
Agreement commenced:	15 February 2022
Details:	Directors' fees of $48,000 per annum with no termination date, benefits or notice period noted. $6,000 of Directors' fees were deferred and settled via the issue of 3,000,000 shares on 6 March 2025 pursuant to Shareholder approval received on 19 February 2025.

Name:	Mr Brett Lawrence
Title:	Non-Executive Director from 1 January 2024 to 31 May 2024 and Executive Director from 1 June 2024 to present
Agreement commenced:	1 February 2015
Details:	Directors' fees of $48,000 per annum with no termination date, benefits or notice period noted. Mr Lawrence received non-executive director fees of $20,000, plus $120,800 of executive director fees and a bonus payment of $30,000. The bonus payment and $28,200 of deferred executive fees were settled via the issue of 29,100,000 shares on 6 March 2025 pursuant to Shareholder approval received on 19 February 2025.

Name:	Mr Brendan Stats
Title:	Former Chief Executive Officer (Resigned as Chief Executive Officer 30 June 2024)
Agreement commenced:	15 February 2022
Details:	Annual salary of $350,000 per annum inclusive of statutory superannuation, with no termination date and a 3-month notice period. Since his resignation, Mr Stats has continued to work on a contract basis on a day rate of $1,600 per day on an ad hoc, as required basis.

Name:	Mr Dougal Ferguson
Title:	Chief Executive Officer (from 1 July 2024), Chief financial Officer and Company Secretary
Agreement commenced:	15 February 2022
Details:	Mr Ferguson's contract expired on 15 February 2023 and was extended indefinitely. Mr Ferguson's contract includes a retainer of $15,000 per month plus $1,600 per day for any additional days worked during any one month, with no termination date, benefits or notice period noted. Mr Ferguson was awarded a bonus payment of $50,000 during the year, payable in shares.

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2024. As noted above, the bonus payments for the year ended 31 December 2024 are to be settled in shares in the year ended 31 December 2025.

Options

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2024.

The terms of each grant of options on issued over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date
Brett Lawrence	5,000,000	31 May 2023	7 Jun 2024	30 Apr 2026	$0.025	$0.009
Gema Gerelsaikhan	5,000,000	31 May 2023	7 Jun 2024	30 Apr 2026	$0.025	$0.009
Prof. John Warburton	10,000,000	31 May 2023	7 Jun 2024	30 Apr 2026	$0.025	$0.009
Tim Wise	5,000,000	31 May 2023	7 Jun 2024	30 Apr 2026	$0.025	$0.009
Brendan Stats	25,000,000	4 Aug 2023	3 Aug 2024	30 Apr 2026	$0.025	$0.008
Dougal Ferguson	20,000,000	4 Aug 2023	3 Aug 2024	30 Apr 2026	$0.025	$0.008

Options granted carry no dividend or voting rights.

Performance rights

There were no performance rights over ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 31 December 2024. Certain performance rights (granted to key management personnel in the year ended 31 December 2023) vested during the year ended 31 December 2024 and are listed in the table below.

The terms and conditions of each grant of performance rights on issue over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
Brendan Stats					
Class D (Vested)	6,000,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class E (Lapsed)	5,250,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class F (Vested)	2,250,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class G (Unvested)	3,750,000	1 Aug 2023	30 Jun 2026	30 Jun 2026	$0.015
Class H (Unvested)	3,750,000	1 Aug 2023	30 Jun 2026	30 Jun 2026	$0.015
Dougal Ferguson					
Class D (Vested)	4,800,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class E (Lapsed)	5,250,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class F (Vested)	1,800,000	1 Aug 2023	30 Jun 2024	30 Jun 2024	$0.015
Class G (Unvested)	3,000,000	1 Aug 2023	30 Jun 2026	30 Jun 2026	$0.015
Class H (Unvested)	3,000,000	1 Aug 2023	30 Jun 2026	30 Jun 2026	$0.015

Performance rights granted carry no dividend or voting rights.

All the performance rights were issued for nil consideration key management personnel. The performance rights convert into fully ordinary shares upon meeting the following performance conditions:

Class	Performance conditions	Fair value per right
D	Short Term Incentive ('STI') Component - HSES Management Plan and Implementation thereof.	$0.015
E[(1)]	STI Component - Successful long term test of PWP demonstrating proof of concept and ability to book reserves and sell PWP gas.	$0.015
F[(2)]	STI Component - Sourcing of funding for 2024 appraisal and development budget as part of the 3 year corporate plan	$0.015
G[(3)]	Long Term Incentive (LTI) Component - 2P Reserves of not less than 100BCF (Gross) for the Project Area.	$0.015
H[(3)]	LTI Component - Gas Sales Agreement for the sale of not less than 10TJ/Day	$0.015

[(1)] The performance rights lapsed due to vesting conditions not met.
[(2)] The performance rights were partially vested at 60%, the remaining 40% cancelled unvested.
[(3)] Management has assumed likelihood of vesting of 100%

Additional information

The earnings of the Group for the five years to 31 December 2024 are summarised below:

	2024 $	2023 $	6 months ending 31 Dec 2022 $	30 June 2022[1] $	30 June 2021[2] $
Interest and finance income	61,104	133,995	8,242	530,329	11,065
Loss after income tax	(1,377,132)	(2,592,606)	(1,801,013)	(9,949,720)	(574,165)

[1] Results based on 12 months ended 30 June 2022.
[2] Results for the year 2021 is reflective of legal parents results prior to the reverse acquisition of TRJ and Telmen Resources.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	30 June 2022	30 June 2021[1]
Share price at financial year end ($)	0.003	0.008	0.015	0.009	0.008
Basic loss per share	(0.019)	(0.052)	(0.049)	(0.380)	(0.060)

[1] Results for the year 2021 is reflective of legal parent results prior to the reverse acquisition of TRJ and Telmen Resources.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions[1]	Disposals/ other [2]	Balance at the end of the year
Ordinary shares					
Prof. John Warburton	7,000,000	-	18,812,500	-	25,812,500
Tim Wise	24,000,000	-	3,750,000	-	27,750,000
Gema Gerelsaikhan	31,000,000	-	-	-	31,000,000
Brett Lawrence	1,875,000	-	6,828,125	10,000,000	18,703,125
Brendan Stats	288,000,000	-	18,450,000	35,000,000	341,450,000
Dougal Ferguson	199,688,600	-	34,551,400	-	234,240,000
	551,563,600	-	82,392,025	45,000,000	678,955,625

[1] Additions include acquisition through share placement plan and on-market shares acquisition.
[2] Other changes include shares that were converted from vested performance rights

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other[1]	Balance at the end of the year
Options over ordinary shares					
Prof. John Warburton	12,000,000	-	-	8,656,250	20,656,250
Tim Wise	5,750,000	-	-	1,250,000	7,000,000
Gema Gerelsaikhan	5,000,000	-	-	-	5,000,000
Brett Lawrence	5,000,000	-	-	4,789,063	9,789,063
Brendan Stats	25,000,000	-	-	12,850,000	37,850,000
Dougal Ferguson	21,624,302	-	-	38,389,019	60,013,321
	74,374,302	-	-	65,934,332	140,308,634

[1] Other changes include options that were acquired on-market through share purchase plan or other market activities

	Vested and exercisable	Not vested	Balance at the end of the year
Options over ordinary shares			
Brendan Stats	25,000,000	-	25,000,000
Dougal Ferguson	20,000,000	-	20,000,000
	45,000,000	-	45,000,000

Performance rights holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Prof. John Warburton	-	-	-	-	-
Tim Wise	-	-	-	-	-
Gema Gerelsaikhan	-	-	-	-	-
Brett Lawrence	10,000,000	-	(10,000,000)	-	-
Brendan Stats	57,500,000	-	(35,000,000)	(6,750,000)	15,750,000
Dougal Ferguson	18,000,000	-	-	(5,400,000)	12,600,000
	85,500,000	-	(45,000,000)	(12,150,000)	28,350,000

	Vested and exercisable	Not vested	Balance at the end of the year
Performance rights over ordinary shares			
Brendan Stats	8,250,000	7,500,000	15,750,000
Dougal Ferguson	6,600,000	6,000,000	12,600,000
	14,850,000	13,500,000	28,350,000

No loans were provided to the key management personnel or to any of their associates.

There were no other transactions with key management personnel during the financial year.

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Listed/Unlisted	Exercise price	Number under option
03/05/2023	30/04/2026	Listed	$0.0250	262,052,867
31/05/2023	30/04/2026	Unlisted	$0.0250	25,000,000
01/08/2023	30/04/2026	Unlisted	$0.0250	53,000,000
08/12/2023	30/04/2026	Listed	$0.0250	546,000,000
22/05/2024	30/04/2027	Listed	$0.0080	608,135,500
07/06/2024	30/04/2027	Listed	$0.0080	180,897,172
24/07/2024	30/04/2027	Listed	$0.0080	63,313,550
14/10/2024	30/04/2027	Listed	$0.0000	335,000,000
01/11/2024	30/04/2027	Listed	$0.0000	400,396,902
01/11/2024	30/04/2027	Listed	$0.0000	74,079,727

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

Shares under performance rights

Unissued ordinary shares of TMK Energy Limited under performance rights at the date of this report are as follows:

Class	Vested	Grant date	Expiry date	Number under performance rights
Class D	Vested	01/08/2023	30/06/2024	16,533,333
Class F	Part-vested	01/08/2023	30/06/2024	6,200,000
Class G	Not-vested	01/08/2023	30/06/2026	10,333,333
Class H	Not-vested	01/08/2023	30/06/2026	10,333,334

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

Shares issued on the exercise of options

There were no ordinary shares of TMK issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Shares issued on the exercise of performance rights

The following ordinary shares of TMK Energy Limited were issued during the year ended 31 December 2024 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
Class A granted on 11/02/2022	$0.000	16,875,000
Class B granted on 11/02/2022	$0.000	16,875,000
Class C granted on 11/02/2022	$0.000	11,250,000
		45,000,000

Indemnity and insurance of officers

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

During the financial year, the Company paid an insurance premium of $35,000 to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Group has agreed to indemnify each of the directors and the Company Secretary of the Company and its controlled entity, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No agreements have been entered into to indemnify the Group's auditors against any claims by third parties arising from their report on the Annual Financial Statements.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

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

Auditor's independence declaration

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

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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

On behalf of the directors

Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
28th March 2025

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TMK ENERGY LIMITED

As lead auditor of TMK Energy Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TMK Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

28 March 2025

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Income			
Interest income		61,104	125,029
Gain on deregistration of subsidiary	19	1,265,059	-
Other income		-	8,966
Expenses			
Accounting and audit fees		(135,541)	(131,205)
Directors' fees		(164,000)	(179,000)
Professional and consultancy fees		(466,804)	(355,905)
Regulatory expenses		(174,428)	(201,438)
Share Based Payments Expense	17	(643,269)	(545,236)
Depreciation Expense		(2,316)	(3,263)
Office and administrative expenses		(651,417)	(796,713)
Loss on disposal of financial assets	9	(10,016)	-
Impairment of financial assets		-	(449,659)
Changes in fair value of investments held at fair value in the profit or loss		(504,723)	
Share of loss in associate		-	(254)
Operating loss		(1,426,351)	(2,528,678)
Foreign exchange gains/(losses)		49,219	(63,928)
Loss before income tax expense		(1,377,132)	(2,592,606)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of TMK Energy Limited		(1,377,132)	(2,592,606)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		408,102	(131,432)
Exchange differences on deregistration of subsidiary	19	(1,265,059)	-
Other comprehensive income for the year, net of tax		(856,957)	(131,432)
Total comprehensive income for the year attributable to the owners of TMK Energy Limited		(2,234,089)	(2,724,038)
Loss for the year is attributable to:			
Owners of TMK Energy Limited		(1,377,132)	(2,592,606)
Total comprehensive income for the year is attributable to:			
Owners of TMK Energy Limited		(2,234,089)	(2,724,038)
		Cents	Cents
Basic loss per share	6	(0.019)	(0.052)
Diluted loss per share	6	(0.019)	(0.052)

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

Statement of financial position

As at 31 December 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	7	1,999,854	2,255,012
Trade and other receivables		106,107	53,961
Other current assets		41,785	45,074
Total current assets		2,147,746	2,354,047
Non-current assets			
Investments held at fair value through profit and loss	9	-	1,000,000
Property, plant and equipment	10	881,691	739,693
Exploration and evaluation	11	21,332,448	14,207,077
Total non-current assets		22,214,139	15,946,770
Total assets		24,361,885	18,300,817
Liabilities			
Current liabilities			
Trade and other payables		601,048	455,030
Provisions		28,311	38,766
Total current liabilities		629,359	493,796
Total liabilities		629,359	493,796
Net assets		23,732,526	17,807,021
Equity			
Issued capital	12	34,802,593	27,349,581
Reserves	13	4,824,312	4,974,687
Accumulated losses		(15,894,379)	(14,517,247)
Total equity		23,732,526	17,807,021

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

Statement of changes in equity

For the year ended 31 December 2024

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2023	12,804,079	2,752,969	70,933	(11,924,641)	3,703,340
Loss after income tax expense for the year	-	-	-	(2,592,606)	(2,592,606)
Other comprehensive income for the year, net of tax	-	-	(131,432)	-	(131,432)
Total comprehensive income for the year	-	-	(131,432)	(2,592,606)	(2,724,038)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	5,699,678	-	-	-	5,699,678
Share-based payments (note 17)	-	545,236	-	-	545,236
Capital raising costs	(982,176)	644,981	-	-	(337,195)
Asset acquisition	9,828,000	1,092,000	-	-	10,920,000
Balance at 31 December 2023	27,349,581	5,035,186	(60,499)	(14,517,247)	17,807,021

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2024	27,349,581	5,035,186	(60,499)	(14,517,247)	17,807,021
Loss after income tax expense for the year	-	-	-	(1,377,132)	(1,377,132)
Other comprehensive income for the year, net of tax	-	-	(856,957)	-	(856,957)
Total comprehensive income for the year	-	-	(856,957)	(1,377,132)	(2,234,089)
Transactions with owners in their capacity as owners:					
Issue of share capital (note 12)	7,894,038	-	-	-	7,894,038
Capital raising costs	(441,026)	63,313	-	-	(377,713)
Share-based payments (note 17)	-	643,269	-	-	643,269
Balance at 31 December 2024	34,802,593	5,741,768	(917,456)	(15,894,379)	23,732,526

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

Statement of cash flows

For the year ended 31 December 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,476,119)	(1,540,662)
Interest received		61,104	125,029
GST refunds		91,825	86,828
Net cash used in operating activities	8	(1,323,190)	(1,328,805)
Cash flows from investing activities			
Payments for exploration and evaluation		(7,341,654)	(10,343,600)
Contributions from farm-in partner	11	-	5,258,014
Proceeds from disposal of financial assets		485,261	-
Cash received on acquisition		-	790,805
Net cash used in investing activities		(6,856,393)	(4,294,781)
Cash flows from financing activities			
Proceeds from issue of shares	12	7,894,038	5,699,678
Share issue transaction costs		(377,714)	(370,913)
Net cash from financing activities		7,516,324	5,328,765
Net decrease in cash and cash equivalents		(663,259)	(294,821)
Cash and cash equivalents at the beginning of the financial year		2,255,012	2,681,265
Effects of exchange rate changes on cash and cash equivalents		408,101	(131,432)
Cash and cash equivalents at the end of the financial year	7	1,999,854	2,255,012

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

NOTE 1. General information

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

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

1202 Hay Street, West Perth, WA 6005

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2025. The directors have the power to amend and reissue the financial statements.

NOTE 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern
The financial report has been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

As a mineral explorer, the Company does not generate cash flows from operating activities to finance these activities. As a consequence, the ability of the Company to continue as a going concern is dependent on the success of capital fundraising or other financing opportunities. For the year ended 31 December 2024, the Group has recorded a loss of $1,377,132 (2023: $2,592,606) and experience net cash outflow for operating activities of $1,323,190 (2023: $1,328,805). At 31 December 2024, the Group had a cash of $1,999,854 (2023: $2,255,012) and net assets of $23,732,526 (2023: $17,807,021).

These conditions indicate a material uncertainty that may cast a significant doubt about the Company’s ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board and Management believes that there are sufficient funds available to continue to meet the Group’s working capital requirements as at the date of this report. The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the Group for the following reasons:

- the Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- the Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

The Directors have an appropriate plan to raise additional funds when required and accordingly, the Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate.

The ability of the Company to continue as a going concern and to fund its operational activities is dependent on the above assumptions. Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern and meet its debts as and when they become due and payable.

The Directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate.

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

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TMK Energy Limited ('Company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. TMK Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is TMK Energy Limited's functional and presentation currency.

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 31 December 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 3. Material accounting judgements, estimates and assumptions

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

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that either exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or alternatively the Group has assessed that it will be able to commence commercial production in the future, from which it will be able to recoup those costs. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Further details of capitalised exploration and evaluation costs are set out in note 11.

NOTE 4. Operating segments

Identification of reportable operating segments
Operating segments are based on the internal reports that are reviewed and used by Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

In the current financial reporting period, the Group has reassessed and realigned its operations under a single reportable segment. Previously, the Group was organized into three geographic segments. However, as the exploration operations in Australia and the US are not material, and following an internal review, the decision was made to reorganize the operating segments based on its business operation being oil and gas exploration.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 5. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,377,132)	(2,592,606)
Tax at the statutory tax rate of 30%	(413,140)	(777,782)
Effect of income or expenses that are not (taxable)/deductible in determining taxable profit	(58,673)	322,583
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	471,813	455,199
Income tax expense	-	-

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	3,743,419	3,235,626
Provisions	8,493	11,630
Capital raising costs	7,013	7,013
Total deferred tax assets not recognised	3,758,925	3,254,269

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NOTE 6. Earnings per share

	Consolidated	
	2024 $	2023 $
Loss after income tax attributable to the owners of TMK Energy Limited	(1,377,132)	(2,592,606)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	7,131,428,822	4,972,612,877
Weighted average number of ordinary shares used in calculating diluted earnings per share	7,131,428,822	4,972,612,877

	Cents	Cents
Basic loss per share	(0.019)	(0.052)
Diluted loss per share	(0.019)	(0.052)

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares of the Company consist of 2,628,125,718 options and 43,400,000 performance rights which were considered as being potentially dilutive at balance date. In accordance with AASB 133 'Earnings per Share' these options have been excluded from the calculation of diluted loss per share due to their antidilutive effect and as such, diluted loss per share is equal to basic loss per share.

NOTE 7. Cash and cash equivalents

	Consolidated	
	2024 $	2023 $
Current assets		
Cash at bank	1,999,854	2,255,012

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and short-term deposits.

NOTE 8. Cash flow information

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

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense for the year	(1,377,132)	(2,592,606)
Adjustments for:		
Depreciation	2,316	3,263
Oil and gas properties write down	-	44,553
Impairment of financial assets	504,723	449,659
Share of loss - associates	-	254
Share-based payments	643,269	545,236
Foreign exchange differences	(49,219)	63,926
Gain on disposal of subsidiary	(1,265,059)	-
Loss on disposal of financial assets	10,016	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	52,146	(3,672)
Increase in trade and other payables	166,205	137,330
Increase/(decrease) in other provisions	(10,455)	23,252
Net cash used in operating activities	(1,323,190)	(1,328,805)

Non-cash investing and financing activities

	Consolidated 2024 $	Consolidated 2023 $
Share and options issued for the acquisition of Talon Energy Pte Ltd	-	10,920,000
Options issued in relation to capital raising costs	63,314	644,981
	63,314	11,564,981

NOTE 9. Investments held at fair value through profit and loss

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Investments held at fair value through profit and loss	-	1,000,000

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2024	2023
Opening fair value	1,000,000	-
Additions	-	1,000,000
Fair value movements	(504,723)	-
Consideration of investment sold	(485,261)	-
Loss on disposal of investment	(10,016)	-
Closing fair value	-	1,000,000

Investment held at fair value through profit and loss relates to shares held in ASX listed entity, Strike Energy Limited ("STX"). The shares were sold during the year and a loss of disposal of $10,016 was recognised in the profit and loss statement.

NOTE 10. Property, plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Plant and equipment - at cost	772,109	538,542
Less: Accumulated depreciation	(164,360)	(79,698)
	607,749	458,844
Fixtures and fittings - at cost	28,022	25,455
Less: Accumulated depreciation	(6,775)	(3,587)
	21,247	21,868
Motor vehicles - at cost	287,965	261,584
Less: Accumulated depreciation	(65,534)	(33,313)
	222,431	228,271
Land improvements - at cost	35,356	32,117
Less: Accumulated depreciation	(5,092)	(1,407)
	30,264	30,710
	881,691	739,693

Reconciliations

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

Consolidated	Plant and equipment $	Motor vehicles $	Furniture and fixtures $	Land improvement $	Total $
Balance at 1 January 2023	17,203	160,292	7,335	-	184,830
Additions	340,720	60,925	13,355	22,141	437,141
Depreciation expense	(53,565)	(22,402)	(2,074)	(1,407)	(79,448)
Acquisition of Talon Pte Ltd	150,237	29,544	3,259	9,983	193,023
Exchange differences	4,249	(88)	(7)	(7)	4,147
Balance at 31 December 2023	458,844	228,271	21,868	30,710	739,693
Additions	170,650	-	-	-	170,650
Depreciation expense	(72,947)	(27,476)	(2,691)	(3,373)	(106,487)
Exchange differences	51,202	21,636	2,070	2,927	77,835
Balance at 31 December 2024	607,749	222,431	21,247	30,264	881,691

Accounting policy for property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-10 years
Motor vehicles	5-10 years
Furniture and fixtures	2-10 years
Land improvements	5-10 years

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

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

NOTE 11. Exploration and evaluation

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Exploration and evaluation assets	21,332,448	14,207,077

Reconciliations

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

Consolidated	Exploration and evaluation $
Balance at 1 January 2023	537,425
Additions	8,930,129
Acquisition[(2)]	9,978,712
Contributions from Partner[(1)]	(5,258,014)
Exchange differences	18,825
Balance at 31 December 2023	14,207,077
Additions	6,363,478
Exchange differences	761,893
Balance at 31 December 2024	21,332,448

[(1)] The Company had a Farm-in agreement with Talon Energy Limited (Talon) in which Talon has funded the initial US$1.5 million of exploration costs (Stage 1) and has funded a further US$3.15 million (Stage 2) in return for a 33% interest in the Gurvantes XXXV Project. The Farm-in agreement ceased upon The Group's acquisition of Talon Energy Pte Ltd in the prior year.
[(2)] Relates to the acquisition of Talon Energy Pte Ltd to acquire the remaining 33% interest in Gurvantes XXXV project in the year ended 31 December 2023.

Accounting policy for exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method, in which rights of tenure are current is carried forward as an asset in the consolidated statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

This approach is strongly linked to the Group's oil and gas reserves determination and reporting process and is considered to most fairly reflect the results of the Group 's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

Once a well commences producing commercial quantities of oil and gas, capitalised exploration and evaluation costs are transferred to Oil and Gas Properties – Producing Projects and amortisation commences.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are treated as exploration and evaluation expenditure.

Impairment of Exploration and Evaluation Assets

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment indicators are reviewed on a regular basis to identify whether the assets carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

NOTE 12. Issued capital

(a) Ordinary shares

	Consolidated			
	2024 Shares	2023 Shares	2024 $	2023 $
Issued share capital	9,325,565,094	6,122,579,300	34,802,593	27,349,581

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2023	4,637,500,000		12,804,079
Capital raise(1)		393,079,300	$0.015	5,699,678
Capital raising costs(2)		-	$0.000	(982,176)
Share issued for Talon Energy Pte Ltd acquisition		1,092,000,000	$0.000	9,828,000
Balance	31 December 2023	6,122,579,300		27,349,581
Capital raise(3)		789,032,672	$0.004	3,156,132
Capital raise(4)		2,368,953,122	$0.002	4,737,908
Conversion of performance rights		45,000,000	$0.000	-
Capital raising costs(5)		-	$0.000	(441,028)
Balance	31 December 2024	9,325,565,094		34,802,593

(1) Share issued on 8 April 2023 at $0.0145 per share with free attaching option on a 1 for 2 basis at an exercise price of $0.025 expiring 30 April 2026.
(2) Capital raising costs include 65,513,217 options issued to brokers valued at $664,981.
(3) Share issued at $0.004 per share with one free attaching option at an exercise price of $0.008 expiring 30 April 2027.
(4) Share issued at $0.002 per share with free attaching option on a 1 for 2 basis at an exercise price of $0.008 expiring 30 April 2027.
(5) Capital raising costs include 63,313,550 options issued to brokers valued at $63,614.

Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

	Consolidated	
	2024	2023
Movements in options on issue:	Number	Number
Outstanding at the beginning of the year	969,052,867	75,000,000
Options issued for share placement (1)	1,598,509,301	196,539,650
Options issued to broker or lead manager (2)	63,313,550	65,513,217
Options issued to Directors	-	25,000,000
Options issued under Employee Incentive Securities Plan	-	61,000,000
Options issued for acquisition of Gurvantes XXXV Project	-	546,000,000
Options issued as share based payments for marketing services (2)	5,250,000	-
Options lapsed	(8,000,000)	-
Outstanding at the end of the year	2,628,125,718	969,052,867
Listed options	2,469,875,718	808,052,867
Unlisted options	158,250,000	161,000,000
	2,628,125,718	969,052,867
Vested and exercisable	2,628,125,718	808,052,867
Not vested	-	86,000,000
	2,628,125,718	894,052,867

(1) Listed options issued are the free attaching option for the share placement held during the year. Refer to (note 12(a)) for further details. As part of the share placement, options were issued to brokers as capital raising costs.
(2) Refer to note 17 for further details.

(c) Performance Rights

	Consolidated	
	2024	2023
Movement in performance rights on issue	Number	Number
Outstanding at the beginning of the year	122,000,000	45,000,000
Granted	-	77,000,000
Exercised	(45,000,000)	-
Lapsed	(33,600,000)	-
Outstanding at the end of the year	43,400,000	122,000,000
Performance rights outstanding at the end of the year		
Class A Performance Rights	-	16,875,000
Class B Performance Rights	-	16,875,000
Class C Performance Rights	-	11,250,000
Class D Performance Rights	16,533,333	20,533,333
Class E Performance Rights	-	17,966,667
Class F Performance Rights	6,200,000	12,833,333
Class G Performance Rights	10,333,333	12,833,333
Class H Performance Rights	10,333,334	12,833,334
	43,400,000	122,000,000
Vested and exercisable	22,733,333	45,000,000
Not vested	20,666,667	77,000,000
	43,400,000	122,000,000

Refer to note 17 for details on performance rights.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Group is not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 31 December 2023 Annual Report.

Accounting policy for issued capital
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.

NOTE 13. Reserves

	Consolidated	
	2024	2023
	$	$
Foreign currency translation reserve	(917,456)	(60,499)
Share based payment reserve	5,741,768	5,035,186
	4,824,312	4,974,687

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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

NOTE 14. Dividends

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

NOTE 15. Financial risk management

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group monitors this risk and implements measures to minimise the impact of this risk. The Group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board.

Market risk
Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. operates internationally through foreign subsidiaries and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar, Mongolian Tugrik and Singapore dollar.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency or from net investments in foreign operations. The risk is monitored using cash flow forecasting and regular management reporting.

Price risk
Due to the nature of the Group's principal operation being oil & gas exploration and production the Group is exposed to the fluctuations in the price of oil & gas. Although the Group is economically exposed to commodity price risk of the above mentioned inputs, this is not a recognised market risk under the accounting standard as the risk is embedded within normal purchase and sales and are therefore not financial instruments.

Interest rate risk
At reporting date, the Group has no long term borrowings and its exposure to interest rate risk is assessed as minimal.

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 rates on classes of financial assets of the group are summarised in the following table:

	2024		2023	
Consolidated	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash and cash equivalents	1.50%	1,999,854	-	2,255,012
Net exposure to cash flow interest rate risk		1,999,854		2,255,012

The Group has minimal exposure to interest rate risk other than reduction/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 50 basis points movement in interest rate, would increase/decrease the annual amount of interest received by $10,000 (2023: Nil)

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not significantly exposed to credit risk from its operating activities, however the Board constantly monitors customer receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. The Group does not hold collateral as security. No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments and cash deposits. The Group ensure the use of leading investment institutions in terms of managing cash. The cash is only held in institutions with at a minimum AA- credit rating.

The maximum exposure to credit risk are the financial assets as follow:

	Consolidated	
	2024 $	2023 $
Trade receivables	106,107	53,961
Other current assets	41,785	45,074
	147,892	99,035

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions should they arise. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. No unused lines of credit currently exist

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	601,048	-	-	-	601,048
Total non-derivatives		601,048	-	-	-	601,048

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	455,030	-	-	-	455,030
Total non-derivatives		455,030	-	-	-	455,030

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

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 16. Fair value measurement

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

Cash assets, borrowings and other remaining financial assets are carried at amounts approximating fair value because of their short term nature to maturity.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

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

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

NOTE 17. Share-based payments

	Consolidated	
	2024 $	2023 $
Recognised in the statement of profit and loss		
Share based payment expense	643,269	545,236
Recognised in the statement of financial position		
Issued capital (capital raising costs)	63,313	-
Acquired asset	-	10,320,000
	63,313	10,320,000
	706,582	10,865,236

Options
During the year, the following options were issued as share based payment:

- Options issued to Lead Manager - On 24 July 2024, 63,313,550 listed options were granted to the Lead Manager for the successful share placement in May 2024. As the fair value of the services received could not be reliably measured, the fair value of the options granted was used in accordance with AASB 2. The options have been valued using the listed price of the options on the date of issued of $0.001 and determined to have a fair value of $63,314. The expenses arising from this share based transactions have been recognised as capital raising costs in issued share capital.
- Options issued for marketing services - On 24 July 2024, 5,250,000 unlisted options were granted for marketing services. The options have been valued using the Black-Scholes method and determined to have a fair value of $11,132 (see table below for valuation model inputs). This share based transactions have been recognised as share based payment expense in the Statement of Profit and Loss.

Reconciliation of options issued as share based payments:

2024 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/02/2022	14/02/2025	$0.008	75,000,000	-	-	-	75,000,000
23/02/2023	30/04/2026	$0.025	65,513,217	-	-	-	65,513,217
31/05/2023	30/04/2026	$0.025	25,000,000	-	-	-	25,000,000
01/08/2023	30/04/2026	$0.025	61,000,000	-	-	(8,000,000)	53,000,000
08/12/2023	30/04/2026	$0.025	546,000,000	-	-	-	546,000,000
24/07/2024	30/04/2027	$0.008	-	63,313,500	-	-	63,313,500
24/07/2024	30/04/2027	$0.008	-	5,250,000	-	-	5,250,000
			772,513,217	68,563,500	-	(8,000,000)	833,076,717

2023 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/02/2022	14/02/2025	$0.008	75,000,000	-	-	-	75,000,000
23/02/2023	30/04/2026	$0.025	-	65,513,217	-	-	65,513,217
31/05/2023	30/04/2026	$0.025	-	25,000,000	-	-	25,000,000
01/08/2023	30/04/2026	$0.025	-	61,000,000	-	-	61,000,000
08/12/2023	30/04/2026	$0.025	-	546,000,000	-	-	546,000,000
			75,000,000	697,513,217	-	-	772,513,217

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.94 years (2023: 2.21 years)

For the unlisted options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value per option
24/07/2024	30/04/2027	$0.004	$0.008	110.00%	-	4.03%	$0.002

Performance rights

Set out below are summaries of performance rights granted:

2024	Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Lapsed/ expired/ other	Balance at the end of the year
Class A	11/02/2022	14/02/2025	16,875,000	-	(16,875,000)	-	-
Class B	11/02/2022	14/02/2025	16,875,000	-	(16,875,000)	-	-
Class C	11/02/2022	14/02/2025	11,250,000	-	(11,250,000)	-	-
Class D	01/08/2023	30/06/2024	20,533,333	-	-	(4,000,000)	16,533,333
Class E	01/08/2023	30/06/2024	17,966,667	-	-	(17,966,667)	-
Class F	01/08/2023	30/06/2024	12,833,333	-	-	(6,633,333)	6,200,000
Class G	01/08/2023	30/06/2026	12,833,333	-	-	(2,500,000)	10,333,333
Class H	01/08/2023	30/06/2026	12,833,334	-	-	(2,500,000)	10,333,334
			122,000,000	-	(45,000,000)	(33,600,000)	43,400,000

2023	Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Lapsed/ expired/ other	Balance at the end of the year
Class A	11/02/2022	14/02/2025	16,875,000	-	-	-	16,875,000
Class B	11/02/2022	14/02/2025	16,875,000	-	-	-	16,875,000
Class C	11/02/2022	14/02/2025	11,250,000	-	-	-	11,250,000
Class D	01/08/2023	30/06/2024	-	20,533,333	-	-	20,533,333
Class E	01/08/2023	30/06/2024	-	17,966,667	-	-	17,966,667
Class F	01/08/2023	30/06/2024	-	12,833,333	-	-	12,833,333
Class G	01/08/2023	30/06/2026	-	12,833,333	-	-	12,833,333
Class H	01/08/2023	30/06/2026	-	12,833,334	-	-	12,833,334
			45,000,000	77,000,000	-	-	122,000,000

All the performance rights were issued for nil consideration to employees and management. The performance rights convert into fully ordinary shares upon meeting the following performance conditions:

Class	Performance conditions	Fair value per right	Likelihood of vesting
A	Both of the following conditions occurring: - The volume-weighted average price ('VWAP') of TMK shares over 20 consecutive trading days being at least $0.02; and - Commencement of a drilling program within the Gurvantes XXXV area within three years from the date of issue.	$0.010[(1)]	Vested
B	Vest upon either of the following occurring: - Intersection of 25m of coal seams in any two of the first four wells within the Gurvantes XXXV Project area; or - 100 billion cubic feet of 2C (best estimate of contingent resources) Petroleum Resources Management System ('PRMS') compliant resource within the Gurvantes XXXV Project area.	$0.011[(2)]	Vested
C	Determination of a 100 billion cubic feet 2C PRMS compliant resource within the Gurvantes XXXV Project Area	$0.011[(2)]	Vested
D	Short Term Incentive ('STI') Component - HSES Management Plan and Implementation thereof.	$0.015[(2)]	Vested
E	STI Component - Successful long term test of PWP demonstrating proof of concept and ability to book reserves and sell PWP gas.	$0.015[(2)]	Lapsed
F	STI Component - Sourcing of funding for 2024 appraisal and development budget as part of the 3 year corporate plan	$0.015[(2)]	60% vested
G	Long Term Incentive (LTI) Component - 2P Reserves of not less than 100BCF (Gross) for the Project Area.	$0.015[(2)]	100%
H	LTI Component - Gas Sales Agreement for the sale of not less than 10TJ/Day	$0.015[(2)]	100%

(1) The Class A Performance Rights have been valued with the following assumptions:
- Volatility of 120%
- Implied life of 3 years
- Risk free rate of 1.59%
- Dividend yield of nil

(2) Performance Rights have been valued at the underlying share price on the date of issue.

Accounting policy for share-based payments

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

Upon vesting of the Performance Rights, the proceeds received (if any) net of any directly attributable transaction costs are allocated to share capital.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTE 18. Related party transactions

Parent entity
TMK Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 19.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

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

	Consolidated	
	2024 $	2023 $
Payment for goods and services:		
Expenses charged for services from Tsetsen Zantav[1] and his related entities	633,321	919,248

[1] Tsetsen Zantav is a significant shareholder of TMK Energy Limited and strategic advisor to the Board.

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

	Consolidated	
	2024 $	2023 $
Current receivables:		
Receivables from Tsetsen Zantav and his related parties	13,934	-
Current payables:		
Payables to Tsetsen Zantav and his related parties	(23,446)	-

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

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

NOTE 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2024 %	2023 %
Telmen Energy Limited	Australia	100.00%	100.00%
Telmen Resource LLC	Mongolia	100.00%	100.00%
Talon Energy Pte Ltd	Singapore	100.00%	100.00%
Talon Energy Mongolia LLC	Mongolia	100.00%	100.00%
Tamaska Oil and Gas Inc	Delaware USA	100.00%	100.00%
Tamaska Oil and Gas Texas LLC	Texas USA	100.00%	100.00%
Tamaska Energy LLC[1]	Louisiana USA	-	100.00%

[1] Tamaska Energy LLC has been dissolved during the year. There is no gain or loss in relation to the deregistration of Tamaska Energy LLC. There are no carried forward asset balances except for intercompany loan balances and investments which have been fully impaired and have nil impact on the Group. An amount of $1,265,059 previously recognised in the Foreign Currency Translation Reserve which relates to Tamaska Energy LLC has been recognised in the Consolidated Statement of Profit and Loss.

NOTE 20. Key management personnel disclosures

Compensation

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

	Consolidated	
	2024	2023
	$	$
Short-term employee benefits	979,953	813,467
Post-employment benefits	18,553	29,956
Share-based payments	538,148	398,137
	1,536,654	1,241,560

NOTE 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	$	$
Profit after income tax	3,233,833	2,860,406
Total comprehensive income	3,233,833	2,860,406

Statement of financial position

	Parent	
	2024	2023
	$	$
Total current assets	2,053,776	2,254,366
Total assets	22,387,081	17,040,511
Total current liabilities	435,419	260,106
Total liabilities	435,419	260,106
Equity		
Issued capital	56,443,082	48,990,071
Options	408,890	408,890
Share based payment reserve	2,478,362	1,771,780
Accumulated losses	(37,378,672)	(34,390,336)
Total equity	21,951,662	16,780,405

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities

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

Capital commitments

The parent entity had no capital commitments as at 31 December 2024 and 31 December 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTE 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2024	2023
	$	$
Audit services - BDO Audit Pty Ltd		
Audit and review of the financial statements	61,250	65,700

During the period BDO Audit Pty Ltd was appointed as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd. The change of auditor arose as a result of BDO Audit (WA) Pty Ltd restructuring its audit practice, whereby audits will be conducted by BDO Audit Pty Ltd, an authorised audit company, rather than BDO Audit (WA) Pty Ltd.

NOTE 23. Contingencies

The Company had no contingent liabilities or contingent assets at 31 December 2024 (31 December 2023: Nil).

As part of its exploration activities in Mongolia, the Company is required to contribute 3% of applicable exploration expenditure into a Mongolian government escrow account. These funds are restricted and will be used for land restoration at the end of the exploration phase.

As of 31 December 2024, the Company has contributed a total of approximately $121,000 USD to this escrow account. Payments are made based on budgeted spend and are subject to an annual reconciliation following an audit by the Mongolian government.

Under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, a provision has not been recognized as the total future restoration cost cannot be reliably estimated at this stage. However, the Company acknowledges the existence of this obligation and will continue to monitor and disclose any developments in future reporting periods.

NOTE 24. Commitments

The Company had no commitments at 31 December 2024 (31 December 2023: Nil).

NOTE 25. Events after the reporting period

On 4 March 2025, 375,000,000 listed options were issued as the free attaching options (1 option for 2 shares held) pursuant to the share placement held in November 2024, with additional 53,720,000 options were issued to advisors for their services.

Following the approval of shareholders, 100,000,000 listed options exercisable at $0.005 per option expiring 31 January 2028, were issued to directors and management as remuneration on 4 March 2025.

On 5 March 2025, 5,250,000 options have been cancelled by agreement between the Company and the shareholder in lieu of listed options on the same terms and conditions.

On 6 March 2025, 38,100,000 shares were issued to management in lieu of fees that were approved by shareholders on 19 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

As at 31 December 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Telmen Energy Limited	Body corporate	Australia	100.00%	Australia
Telmen Resource LLC	Body corporate	Mongolia	100.00%	Mongolia
Talon Energy Pte Ltd	Body corporate	Singapore	100.00%	Singapore
Talon Energy Mongolia LLC	Body corporate	Mongolia	100.00%	Mongolia
Tamaska Oil and Gas Texas LLC	Body corporate	USA	100.00%	Australia
Tamaska Oil and Gas Inc	Body corporate	USA	100.00%	Australia

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

The percentage of share capital disclosed for bodies corporate included in the statement represents the interest held by the Group in the subsidiary.

In developing the disclosures in the statement, the directors have considered the guidance in Taxation Ruling TR 2018/5 to determine the tax residency of each subsidiary. This determination considers factors such as the country of incorporation, the location of central management and control, the residency of directors, the location of board meetings, and the jurisdiction where day-to-day operations are conducted.

Directors’ declaration

31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors

Prof. John Warburton
Independent Non-Executive Chairman
TMK Energy Limited
28th March 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of TMK Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TMK Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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 31 December 2024 and of its financial performance for the year ended on that date; 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 11 to the Financial Report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group. The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in Note 3 and 11 of the Financial Report. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Assessing whether rights to tenure of the Group's area of interest remained current at balance date; • Considering the status of the ongoing exploration programmes by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 3 and Note 11 of the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

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

a) the financial report 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 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 27 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of TMK Energy Limited, for the year ended 31 December 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.

BDO Audit Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 28 March 2025

ADDITIONAL SHAREHOLDER INFOMRATION

The shareholder information set out below was applicable as at 26 March 2025.

Listing of the 20 largest shareholders in TMK

Position	Investor	Holding	%
1	TSETSEN ZANTAV	1,538,000,000	16.43%
2	MOLBEK PTY LIMITED <BRUCK FAMILY SUPER FUND A/C>	830,000,000	8.86%
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	545,226,361	5.82%
4	MR BRENDAN LAWRENCE STATS	341,450,000	3.65%
5	CITICORP NOMINEES PTY LIMITED	322,482,124	3.44%
6	MR GANZORIG VANCHIG	250,212,000	2.67%
7	MCMANAMEY INVESTMENT STRATEGIES PTY LTD <MIST A/C>	250,000,000	2.67%
8	MR RAYMOND JAMES ALLAN	216,349,616	2.31%
9	DUNEDIN CAPITAL ADVISORS PTY LTD	148,240,000	1.58%
10	MR BARRY FEICKERT	144,562,500	1.54%
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	122,027,787	1.30%
12	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	102,191,786	1.09%
13	UM VENTURES LLC	100,000,000	1.07%
14	AVIEMORE CAPITAL PTY LTD	92,250,000	0.99%
15	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	91,759,641	0.98%
16	SHENTON JAMES PTY LTD	80,000,000	0.85%
17	DELGERMAA ERKHEMBAYAR	80,000,000	0.85%
18	BOLORMAA ERKHEMBAYAR	80,000,000	0.85%
19	WYMAN INVESTMENTS PTY LTD <ROBERT FOOT PERSONAL A/C>	66,636,255	0.71%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	64,571,879	0.69%
	TOTAL	**5,465,959,949**	**58.38%**

Distribution of Shareholders

Spread of Holdings	Number of Ordinary Shareholders
1 - 1000	171
1001 - 5000	348
5001 - 10,000	516
10,001 - 100,000	1,372
100,001 and above	1,817
Total	**4,224**

Listing of the 20 largest holders of ASX:TMKO listed options

Position	Investor	Holding	%
1	MOLBEK PTY LIMITED <BRUCK FAMILY SUPER FUND A/C>	406,250,000	19.44%
2	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	137,500,000	6.58%
3	MCMANAMEY INVESTMENT STRATEGIES PTY LTD <MIST A/C>	125,000,000	5.98%
4	CITICORP NOMINEES PTY LIMITED	60,487,555	2.89%
5	BILGOLA NOMINEES PTY LIMITED	53,298,849	2.55%
6	MR BARRY FEICKERT	40,531,250	1.94%
7	MR MARK ANTHONY O'KANE	40,000,000	1.91%
8	RAMCAP PTY LTD	38,980,841	1.87%
9	SHENTON JAMES PTY LTD	37,500,000	1.79%
10	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	26,750,000	1.28%
11	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	26,256,783	1.26%
12	BNP PARIBAS NOMS PTY LTD	25,533,789	1.22%
13	PAC PARTNERS SECURITIES PTY LTD	25,314,500	1.21%
14	RESOURCE & LAND MANAGEMENT SERVICES PTY LTD <SKERMAN SUPER FUND A/C>	25,000,000	1.20%
15	TSETSEN ZANTAV	25,000,000	1.20%
16	MR NICHOLAS BIRD	25,000,000	1.20%
17	ROBERT BENZ	25,000,000	1.20%
18	EMERGING EQUITIES PTY LTD	24,647,075	1.18%
19	RAMCAP PTY LTD	24,584,375	1.18%
20	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	24,534,000	1.17%
	TOTAL	**1,217,169,017**	**58.25%**

Distribution of Shareholders

Spread of Holdings	Number of Shareholders
1 - 1000	16
1001 - 5000	19
5001 - 10,000	11
10,001 - 100,000	120
100,001 and above	388
Total	**554**

Listing of the 20 largest holders of ASX:TMKOB listed options

Position	Investor	Holding	%
1	CITICORP NOMINEES PTY LIMITED	59,845,116	7.41%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	27,143,079	3.36%
3	MR JOHN STEPHEN CALVERT	22,925,678	2.84%
4	RAMCAP PTY LTD	20,000,000	2.48%
5	RAMCAP PTY LTD	20,000,000	2.48%
6	MR BARRY FEICKERT	19,936,000	2.47%
7	STERNSHIP ADVISERS PTY LTD	18,833,333	2.33%
8	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	18,472,773	2.29%
9	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	17,141,681	2.12%
10	MR PAUL ANDREW GRAHAM	16,131,249	2.00%
11	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	12,206,632	1.51%
12	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	11,349,878	1.40%
13	PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	10,880,548	1.35%
14	RAMCAP PTY LTD	10,000,000	1.24%
15	AXSIM FUNDS MANAGEMENT PTY LTD <MAMAS SUPER FUND A/C>	9,912,629	1.23%
16	MR MARK ANTHONY O'KANE	9,250,000	1.14%
17	MR COLBY TODD HAUSER <AURORA INVESTMENT A/C>	8,335,880	1.03%
18	MR SOM NATH SAINI	7,586,861	0.94%
19	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	6,896,550	0.85%
20	BUTTONWOOD NOMINEES PTY LTD	6,556,683	0.81%
	TOTAL	**333,404,570**	**41.26%**

Distribution of Holders

Spread of Holdings	Number of Holders
1 - 1000	172
1001 - 5000	909
5001 - 10,000	466
10,001 - 100,000	1,161
100,001 and above	538
Total	3,246

Unmarketable Parcels

There were 2,683 shareholders holding less than a marketable parcel of shares.

Substantial Shareholders

Investor	Holding %
TSETSEN ZANTAV	16.43%
MOLBEK PTY LIMITED <BRUCK FAMILY SUPER FUND A/C>	8.86%

Voting Rights and Unlisted Securities

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held.

Performance Rights

Refer to Page 28 of the Annual Report for information on the Performance Rights that are on issue as of 28 March 2024. There are no voting rights attached to the Performance Rights.

Listed Options

Refer to Page 28 of the Annual Report for information on the Listed Options that are on issue as of 28 March 2024. There are no voting rights attached to the Listed Options.

Unlisted Options

Refer to Page 28 of the Annual Report for information on the Unlisted Options that are on issue as of 28 March 2024. There are no voting rights attached to the Options.

Corporate Governance

The Company's Corporate Governance Statement can be accessed at www.tmkenergy.com.au/corporate-governance

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