World leading materials technology | ASX:FGR

FIRST GRAPHENE LIMITED

ACN 007 870 760
ABN 50 007 870 760

ASX APPENDIX 4E – PRELIMINARY FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

(INCORPORATING INFORMATION PURSUANT TO ASX LISTING RULE 4.3A)

Table of Contents

ASX Appendix 4E

Details of the Reporting Period

Current reporting period:	30 June 2025
Previous corresponding reporting period:	30 June 2024
Functional Currency	Australian Dollars

Results for Announcement to the Market

	30 June 2025	30 June 2024 (Restated)	Change	
	$	$	$	%
Revenue from ordinary activities	**468,397**	492,003	(23,607)	(5%)
Loss from ordinary activities after tax attributable to members	**(5,401,029)**	(6,328,235)	927,206	15%
Net Loss for the period attributable to members	**(5,483,025)**	(6,328,235)	845,210	13%
Basic & Diluted (loss) per share (cents per share)	**(0.79)**	(1.00)	0.21	21%

Dividends

No dividends have been paid or are proposed to be paid by First Graphene Limited and there is no dividend reinvestment plan in place / operation for the year ended 30 June 2025 (2024:Nil).

Net Tangible Assets per share

	30 June 2025 Cents per Share	30 June 2024 Cents per Share (Restated)
Net Tangible Assets per share	0.59	0.74

Control Gained or Lost over Entities

In May 2025, 2D Fluidics Pty Ltd (a 66.67% subsidiary of the Group) was applied to be voluntarily deregistered and no longer a subsidiary of First Graphene Limited, after its technology was determined to be commercially unfeasible. Minority shareholders of 2D Fluidics Pty Ltd were paid a total of $98,547, representing their 33.33% right to the final net assets of the business, and First Graphene received the remaining share of $196,947. 2D Fluidics Pty Ltd was formally deregistered post year-end on 9 July 2025.

There have been no other changes in control, either gained or lost during the current reporting period.

Details of Associates and Joint Ventures

The were no associates and joint venture entities in the year ended 30 June 2025.

Foreign entities accounting framework

Foreign entities comply with International Financial Reporting Standards (IFRS).

Compliance Statement

The attached Annual Financial Report has been prepared using Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB")

Audit Status

The attached Annual Financial Report for the year ended 30 June 2025 is currently under the process of being audited by our external auditor, PKF Perth Pty Ltd.

Results Review for Financial Year 2025

The financial year ended 30 June 2025 (FY25) saw First Graphene Ltd. ("FGR" or the "Company") deliver a full year revenue of circa $468,000, covering Graphene sales and partner development projects. This was achieved via the Company's new and existing applications and segments, as well as the expanding project services segment of the business.

Key financial highlights for FY25 include:

Full Year ended 30 June	**2025** **A $1,000**	2024 A $1,000	Variance %
Sales Revenue	**468**	492	(5%)
Operating Profit / (Loss) from continuing operations	**(4,107)**	(4,618)	11%
Operating Cashflow	**(2,717)**	(2,815)	3%

Commercial demand continues for PureGRAPH®

The overall number of existing and new approved graphene-based applications produced by FGR increased during FY25, despite the delay of several client product launches impacting revenue. Demand and use of PureGRAPH® increased among existing clients, and early traction of distributor-driven revenue started to positively affect revenue during the year.

Strong fundamentals

First Graphene has continued to improve profit management, returning a marked improvement of 11% from continuing operations compared to FY24. First Graphene has also continued to improve cashflow management, which reinforces the Company's trajectory towards a cashflow breakeven point and will be supported by further measures in FY25 including improved project resourcing, core service and grant funded programs.

With a strong sales pipeline forecast for FY26, coupled with ongoing disciplined cash management, the next financial year will further solidify First Graphene's leading position within the global graphene manufacturing industry.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 (Restated) $
Continuing operations			
Revenue from contracts with customers	3	**468,397**	492,003
Cost of goods sold	9	**(367,275)**	(391,259)
Gross profit		**101,122**	100,744
Other operating income	4(a)	**805,282**	997,811
Research & development	4(b)	**(1,228,120)**	(1,742,284)
Selling & marketing	4(c)	**(458,517)**	(329,984)
Mineral lease maintenance	4(d)	**(134,897)**	(131,900)
General & administrative	4(e)	**(3,192,112)**	(3,514,195)
Loss from continuing operations before tax expense and finance		**(4,107,242)**	(4,617,872)
Non-Operating Income/Expense			
Share based payment expense	16	**(310,532)**	(385,743)
Finance income	5(a)	**24,883**	35,280
Finance expense	5(b)	**(990,746)**	(1,443,768)
Loss before tax expense from continuing operations		**(5,383,637)**	(6,412,103)
Income tax (expense)/benefit	6	**-**	-
Loss after tax from continuing operations		**(5,383,637)**	(6,412,103)
Loss before tax from discontinued operations	25	**(108,083)**	(2,664)
Income tax (expense)/benefit	6	**-**	-
Loss after tax		**(5,491,720)**	(6,414,766)
Other comprehensive income			
Items which may be reclassified to profit or loss			
Foreign currency translation difference on foreign operations		**46,277**	(10,889)
Total comprehensive loss for the year Attributable to the owners of First Graphene Limited		**(5,445,443)**	(6,425,655)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 30 June 2025

	Note	2025 $	2024 (Restated) $
Loss for the year attributable to:			
Owners of First Graphene Limited		**(5,483,025)**	(6,328,235)
Non-Controlling interests		**(8,695)**	(86,531)
		(5,491,720)	(6,414,766)
Total comprehensive loss for the year attributable to:			
Owners of First Graphene Limited		**(5,436,748)**	(6,339,124)
Non-Controlling interests		**(8,695)**	(86,531)
		(5,445,443)	(6,425,655)
Total comprehensive loss for the year attributable to:			
Continuing operations		-	-
Discontinued operations		**(8,695)**	(86,531)
Non-controlling interests		**(8,695)**	(86,531)
Total comprehensive loss for the year attributable to:			
Continuing operations		**(5,328,665)**	(6,336,460)
Discontinued operations		**(108,083)**	(2,664)
Owners of First Graphene Limited		**(5,436,748)**	(6,339,124)
Loss per share for the year from continuing operations attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	6	**(0.77)**	(1.00)
Diluted Loss per share (cents per share)	6	**(0.77)**	(1.00)
Loss per share for the year from discontinued operations attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	6	**(0.02)**	(0.00)
Diluted Loss per share (cents per share)	6	**(0.02)**	(0.00)
Loss per share for the year attributable to the owners of First Graphene Limited:			
Basic (loss) per share (cents per share)	6	**(0.79)**	(1.00)
Diluted Loss per share (cents per share)	6	**(0.79)**	(1.00)

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

Consolidated Statement of Financial Position

At 30 June 2025

	Note	2025 $	2024 (Restated) $
Assets			
Current assets			
Cash and cash equivalents	7	**2,612,941**	3,160,135
Inventories	8	**645,000**	820,000
Trade and other receivables		**115,838**	63,453
Other current assets	9	**236,998**	126,841
Total current assets		**3,610,777**	4,170,429
Non-current assets			
Property, plant and equipment	10	**1,586,833**	2,010,421
Right of use assets	24	**491,327**	412,263
Inventories	8	**2,356,249**	2,737,615
Intangible assets		**38,339**	78,288
Other assets	9	**-**	227,027
Total non-current assets		**4,472,748**	5,465,614
Total assets		**8,083,525**	9,636,043
Liabilities			
Current liabilities			
Trade and other payables	11	**246,089**	296,908
Employee liabilities	12	**271,537**	190,484
Financial liabilities	13	**2,556,000**	3,783,039
Lease liabilities	24	**178,615**	100,223
Total current liabilities		**3,252,241**	4,370,654
Non-current liabilities			
Lease liabilities	24	**338,105**	322,575
Total non-current liabilities		**338,105**	322,575
Total liabilities		**3,590,346**	4,693,229
Net assets		**4,493,179**	4,942,814
Equity			
Issued capital	16	**115,117,491**	110,748,042
Reserves	17	**6,852,854**	6,235,401
Accumulated losses		**(117,477,166)**	(112,139,885)
Capital and reserves attributable to owners of First Graphene Limited		**4,493,179**	4,843,558
Non-controlling interest		**-**	99,256
Total equity		**4,493,179**	4,942,814

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Issued Capital $	Share based payments reserve $	Translation reserve $	Other Reserve $	Accumulated losses $	Non-controlling interests $	Total $
As at 1 July 2024 (restated)	**110,748,042**	**6,322,666**	**(10,299)**	**(76,966)**	**(112,139,885)**	**99,256**	**4,942,814**
Loss for the year	-	-	-	-	(5,483,025)	(8,695)	**(5,491,720)**
Foreign currency translation	-	-	46,277	-	-	-	**46,277**
Total comprehensive loss for the year	**-**	**-**	**46,277**	**-**	**(5,483,025)**	**(8,695)**	**(5,445,443)**
Shares issued	4,577,000	-	-	-	-	-	**4,577,000**
Options issued	-	54,600	-	-	-	-	**54,600**
Disposal of subsidiary	-	-	-	76,966	-	(90,561)	**(13,595)**
Monies received for options issued	-	401,995	-	-	-	-	**401,995**
Share issue costs	(334,730)	-	-	-	-	-	**(334,730)**
Performance rights issued	-	310,538	-	-	-	-	**310,538**
Options expired	-	(81,945)	-	-	81,945	-	**-**
Performance rights exercised	127,179	(127,179)	-	-	-	-	**-**
Performance rights expired	-	(63,799)	-	-	63,799	-	**-**
As at 30 June 2025	**115,117,491**	**6,816,876**	**35,978**	**-**	**(117,477,166)**	**-**	**4,493,179**

	Issued Capital $	Share based payments reserve $	Translation reserve $	Other Reserve $	Accumulated losses $	Non-controlling interests $	Total $
As at 1 July 2023	**106,378,130**	**6,171,889**	**590**	**(76,966)**	**(105,811,650)**	**185,787**	**6,847,780**
Correction of prior period error (note 26)	(658,000)	-	-	-	-	-	(658,000)
As at 1 July 2023 (restated)	**105,728,130**	**6,171,899**	**590**	**(76,966)**	**(105,811,650)**	**185,787**	**6,189,780**
Loss for the year	-	-	-	-	(6,328,235)	(86,531)	**(6,414,766)**
Foreign currency translation	-	-	(10,889)	-	-	-	**(10,889)**
Total comprehensive loss for the year	**-**	**-**	**(10,889)**	**-**	**(6,328,235)**	**(86,531)**	**(6,425,655)**
Shares issued	4,812,916	-	-	-	-	-	**4,812,916**
Options issued	-	81,945	-	-	-	-	**81,945**
Disposal of subsidiary	-	-	-	-	-	-	**-**
Monies received for options issued	-	-	-	-	-	-	**-**
Share issue costs	(19,971)	-	-	-	-	-	**(19,971)**
Performance rights issued	-	303,799	-	-	-	-	**303,799**
Options expired	-	-	-	-	-	-	**-**
Performance rights exercised	234,967	(234,967)	-	-	-	-	**-**
Performance rights expired	-	-	-	-	-	-	**-**
As at 30 June 2024 (restated)	**110,748,042**	**6,322,666**	**(10,299)**	**(76,966)**	**(112,139,885)**	**99,256**	**4,942,814**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		**401,036**	1,144,215
Payments to suppliers and employees		**(3,833,162)**	(4,771,988)
Interest received		**26,665**	37,939
Interest paid		**(27,134)**	(40,729)
R&D and grant funding received		**715,502**	815,267
Net cash outflows from operating activities	19	**(2,717,093)**	(2,815,296)
Cash flows from investing activities			
Payments for property, plant and equipment		**(64,932)**	(52,484)
Payments to minority shareholders	25	**(98,543)**	-
Net cash outflows from investing activities		**(163,475)**	(52,484)
Cash flow from financing activities			
Proceeds from placement of shares	16	**2,387,000**	2,912,916
Proceeds from entitlement and shortfall offer options	16	**401,995**	-
Payment of share issue/capital raising costs		**(280,130)**	(19,971)
Finance lease payments		**(137,452)**	(79,605)
Net cash inflows from financing activities		**2,371,413**	2,813,340
Net decrease in cash and cash equivalents		**(509,155)**	(54,440)
Cash and cash equivalents at beginning of the year		**3,160,135**	3,225,954
Effect of exchange rate fluctuations on cash held		**(38,039)**	(11,379)
Cash and cash equivalents at end of the year	7	**2,612,941**	3,160,135

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

1. Basis of Preparation

First Graphene Limited ("First Graphene" or the "Company") is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is:

First Graphene Limited
1 Sepia Close
Henderson WA 6166

A description of the nature of operations and principal activities of FGR and its subsidiaries (collectively, the "Group") is included in the Directors' Report, which is not part of these financial statements.

The financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a historical cost basis except for assets and liabilities and share-based payments which are required to be measured at fair value. The basis of measurement is discussed further in the individual notes;
- is presented in Australian dollars;

Accounting policies

New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of new accounting standards and interpretations effective for annual periods beginning 1 July 2025. The effect of the adoption of these new accounting standards and interpretations did not have a material impact on the annual consolidated financial statements of the Group.

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective:

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of exchangeability, effective for annual reporting periods beginning on or after 1 January 2025;

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*, effective for annual reporting periods beginning on or after 1 January 2026;*

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*, effective for annual reporting periods beginning on or after 1 January 2026;*

AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*, effective for annual reporting periods beginning on or after 1 January 2026;*

AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures, effective for annual reporting periods beginning on or after 1 January 2026;

AASB 18 (FP) Appendix D Amendments to Other Australian Accounting Standards [for for-profit entities], effective for annual reporting periods beginning on or after 1 January 2027;

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective for annual reporting periods beginning on or after 1 January 2028;

AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, effective for annual reporting periods beginning on or after 1 January 2028.

Going Concern

For the year ended 30 June 2025 the entity recorded a loss of $5,491,714 (2024: $6,414,766) and had net cash outflows from operating activities of $2,717,093 (2024: $2,815,296).

The ability of the entity to continue as a going concern is dependent on securing additional funding through the sale of equity securities to either existing or new shareholders to continue to fund its operational and marketing activities.

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

The financial statements have been prepared on the basis the entity 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 for the following reasons:

• The entity expects to receive additional funds via the issue of equity securities to either existing or new shareholders; and

• In the event of further funds not being raised, the entity's activities would be wound back to a sustainable level.

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 which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the entity not continue as a going concern.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis of consolidation

The consolidated financial statements comprise the financial statements of First Graphene Limited and its subsidiaries as at 30 June 2025 (the Group).

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

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

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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained'
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Foreign currency translation

The financial report is presented in Australian dollars, which is First Graphene 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 rate at the date of the transaction, 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.

MATERIAL ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

KEY ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Provision for impairment of inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on prevailing spot metals process at the reporting date, less estimated costs to complete production and bring the product to sale. Inventory held at 30 June 2025 relates to raw materials, work in progress and finished goods and is held at the lower of cost and net realisable value. The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of any provision is assessed by considering recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

Convertible notes carried at fair value

On initial recognition, the value of the convertible notes was calculated based on the proceeds received. At each reporting date the fair value of the conversion feature within the financial liability is estimated using a valuation model that utilises various inputs to model share prices in different scenarios. Refer to Note 14.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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. Refer to note 16 for further information.

Lease term

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

2. Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the way the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

Graphene production

As the Company expands its graphene production and inventory, the Board monitors the Company based on actual verses budgeted expenditure incurred.

Research and development

As the Company expands its research inhouse and in conjunction with third parties, the Board monitors the Company based on actual verses budgeted expenditure incurred.

Corporate services

This segment reflects the overheads associated with maintaining the ASX listed FGR corporate structure, identification of new assets and general management of an ASX listed entity.

Mining Asset Maintenance

Although the Company has suspended its mineral exploration and development in Sri Lanka the Board monitors the Company based on actual verses budgeted expenditure incurred.

Business Segment	Graphene Production $		Research & Development $		Corporate Services $		Mining Asset Maintenance $		Total $	
	2025	2024	**2025**	2024	**2025**	2024 (Restated)	**2025**	2024	**2025**	2024 (Restated)
Product Revenue (Point in time)	**349,611**	303,141	-	-	-	-	-	-	**349,611**	303,141
Service Revenue (Over time)	**-**	-	**100,686**	188,862	**18,100**	-	-	-	**118,786**	188,862
Total Revenue	**349,611**	303,141	**100,686**	188,862	**18,100**	-	**-**	-	**468,397**	492,003
Operating Profit / (Loss) from Continuing operations	**(461,597)**	(559,987)	**(1,127,434)**	(1,456,351)	**(2,383,317)**	(2,469,633)	**(134,897)**	(131,900)	**(4,107,242)**	(4,617,872)
Depreciation Expense	**336,514**	350,109	**57,054**	20,924	**151,209**	136,014	**-**	-	**544,778**	507,047
Amortisation Expense	**107,416**	121,760	**48,068**	72,727	**-**	16,875	**-**	-	**155,483**	211,362
Segment assets	**3,268,950**	3,664,265	**1,796,198**	2,590,587	**3,009,925**	3,379,531	**8,451**	1,660	**8,083,524**	9,636,043
Segment liabilities	**-**	(174,210)	**(274,972)**	(15,168)	**(3,309,316)**	(4,494,214)	**(6,058)**	(9,637)	**(3,590,435)**	(4,693,229)

Geographical areas

In presenting the information on the basis of geographical areas, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

Geographical segments	2025 $ Revenue	2025 $ Total Non-Current Assets	2024 $ Revenue	2024 $ Total Non-Current Assets
Australia	**468,397**	**4,197,452**	492,003	5,384,524
United Kingdom	**-**	**275,296**	-	81,090
Sri Lanka	**-**	**-**	-	-
Total	**468,397**	**4,472,748**	492,003	5,465,614

Reconciliation of segment assets and liabilities to the Statement of Financial Position

Reconciliation of segment assets to the Statement of Financial Position

	2025 $	2024 $
Total segments assets	**13,915,445**	15,253,786
Inter-segment elimination	**(5,831,921)**	(5,617,743)
Total assets per statement of financial position	**8,083,524**	9,636,043

Reconciliation of segment liabilities to the Statement of Financial Position

	2025 $	2024 (Restated) $
Total segments liabilities	**24,387,025**	24,505,361
Inter-segment elimination	**(20,796,680)**	(19,812,132)
Total liabilities per statement of financial position	**3,590,435**	4,693,229

3. Revenue from contracts with customers

Accounting Policy

The Group accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of the consideration is probable.

Revenues from product sales are recognised when an identified performance obligation is satisfied, and the customer obtains and accepts control of the Company's product. Sales of product generally occur at a point in time, typically upon delivery to the customer.

Revenue from Services is based on contracts signed customers / development partners. The transaction price is allocated across each performance obligation based on contracted prices. The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance earned to date. Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms in accordance with stand-alone selling prices for each performance obligation.

Taxes collected from customers relating to product and service sales and remitted to governmental authorities are excluded from revenues. The Company expenses incremental costs of obtaining a contract as and when incurred because the expected amortisation period of the asset that the Company would have recognised is one year or less.

	Notes	**2025** **$**	2024 $
Types of goods			
Sale of Goods		**349,611**	303,141
Sales of Services		**118,786**	188,862
Total revenue from contracts with customers		**468,397**	492,003

The Group recognises revenue under IFRS 15, using the point in time criteria for Product Revenue and over time criteria for Service Revenue.

For Product Revenue, the customer obtains control of a promised asset and the entity satisfies a performance obligation. Considerations include, but are not limited to:

- The entity has a present right to payment for the asset.
- The customer has legal title to the asset.
- The entity has transferred physical possession of the asset to the customer.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

Revenue from Services is based on contracts signed customers / development partners.

- The transaction price is allocated across each performance obligation based on contracted prices.
- The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance earned to date.
- Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms.

4. Operating expenses and other income

Accounting Policy

All revenue is stated net of the amount of goods and services tax (GST).

Other revenue includes R&D credits received from the Australian & UK tax governments.

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited against the asset and is released to the Statement of Profit or Loss and Other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Statement of Profit or Loss and Other Comprehensive Income in the year of receipt.

Other revenue and expenses from continuing operations:

		Notes	2025 $	2024 (Restated) $
(a)	**Other income**			
	R&D tax incentive		**580,123**	815,267
	Grant income		**225,159**	182,544
			805,282	997,811
(b)	**Research & development**			
	Employee expenses		**644,857**	655,460
	Consultant and research programs		**314,960**	906,977
	Depreciation		**57,054**	20,924
	Amortisation		**48,068**	72,727
	Other		**163,181**	86,196
			1,228,120	1,742,284
(c)	**Selling & marketing**			
	Employee expenses		**223,504**	159,873
	Advertising & promotion		**219,136**	130,514
	Depreciation		**827**	2,292
	Other		**15,050**	37,305
			458,517	329,984
(d)	**Mining lease maintenance**			
	Employee expenses		**58,804**	43,733
	Rent of premises		**51,640**	57,348
	Other		**24,453**	30,819
			134,897	131,900
(e)	**General & administrative**			
	Employee expenses		**1,351,535**	1,547,898
	Travel and subsistence		**92,100**	128,458
	Software and equipment expenses		**102,222**	131,741
	Insurances		**140,570**	209,907
	Legal & other professional fees		**302,290**	291,612
	Audi, tax & company secretarial fees		**201,946**	104,457
	Share registry, listing and other corporate costs		**143,179**	168,919
	Depreciation		**486,897**	483,831
	Amortisation		**107,416**	138,635
	Loss on disposal of property, plant and equipment		**808**	14,546
	Other		**263,349**	292,565
			3,192,112	3,512,259

5. Finance income and expense

Accounting Policy

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

	Notes	2025 $	2024 (Restated) $
(a) Finance income			
Bank interest		**24,883**	35,280
		24,883	35,280
(b) Finance expense			
Finance Cost (i)		**(963,080)**	(1,403,039)
Interest – Right of use Asset		**(25,170)**	(20,584)
Other costs		**(2,616)**	(20,145)
		(990,746)	(1,443,768)

(i) The finance cost noted above is in accordance to the terms of the Share Placement Agreement with Specialty Materials Investments, LLC that the Company entered into on the 27th of May 2021 (Note 13). The expense recognises the value of the additional shares to be issued ($1,040,000 (2024:$900,000)) over the life of the contract) and the issuance shares at a discount to the prevailing market price per the terms of the agreement.

	Share price on issue date	**2025 $**	2024 $
20,000,000 shares issued @5c	9.5c	**-**	900,000
5,000,000 shares issued @4c	4.9c	**45,000**	-
5,000,000 shares issued @4c	4.7c	**35,000**	-
30,000,000 shares issued @2.5c	5.7c	**960,000**	-
Fair value adjustment	-	**(77,038)**	503,039
		536,961	1,403,039

6. Loss per share

Accounting Policy

Loss per share ("LPS") is the amount of post-tax profit attributable to each share. The group presents basic and diluted LPS data for ordinary shares. Basic LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.
Diluted LPS takes into account the dilutive effect of all potential ordinary shares, being unlisted employee share options on issue.

	Number of shares 2025	Number of shares 2024
Weighted average ordinary shares used in calculating basic earnings per share	**697,691,863**	630,062,694
Weighted average ordinary shares used in calculating diluted earnings per share	**697,691,863**	630,062,694

	2025 $	2024 $
Loss attributable to the owners of First Graphene used from continuing operations in calculating basic and diluted loss per share	**(5,374,942)**	(6,325,571)
Loss attributable to non-controlling interests used from continuing operations in calculating basic and diluted loss per share	**-**	-
	(5,374,942)	(6,325,571)

	2025 $	2024 $
Loss attributable to the owners of First Graphene used from discontinued operations in calculating basic and diluted loss per share	**(108,083)**	(2,664)
Loss attributable to non-controlling interests used from discontinued operations in calculating basic and diluted loss per share	**(8,695)**	(86,531)
	(116,778)	(89,195)
Loss attributable to the owners of First Graphene in calculating basic and diluted loss per share	**(5,483,025)**	(6,328,235)
Loss attributable to non-controlling interests in calculating basic and diluted loss per share	**(8,695)**	(86,531)
	(5,491,720)	(6,414,766)

	2025 $	2024 $
Loss per share for the year from continuing operations attributable to the owners of First Graphene Limited:		
Basic and diluted loss per share (cents per share)	(0.79)	(1.00)
Loss per share for the year from discontinued operations attributable to the owners of First Graphene Limited:		
Basic and diluted loss per share (cents per share)	(0.77)	(1.00)
Loss per share for the year attributable to the owners of First Graphene Limited:		
Basic and diluted loss per share (cents per share)	(0.02)	(0.00)

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements which would impact on the above EPS calculations.

7. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2025 $	2024 $
Cash at bank and in hand	**2,612,941**	3,160,135
	2,612,941	3,160,135

The Group's maximum exposure to financial risk is disclosed in note 14.

OPERATING ASSETS AND LIABILITIES

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section on page 28.

8. Inventories

Accounting Policy

Raw material, work in progress, finished goods and consumables are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories expected to be sold within 12 months after the Statement of financial position date are classified as current assets, all other inventories are classified as non-current.

Total Inventories	2025 $	2024 $
Raw materials	**1,995,196**	2,008,322
Work in progress	**6,406**	27,677
Finished goods	**999,647**	1,563,736
Inventories Gross	**3,001,249**	3,599,735
Less: Provision for impairment	**-**	(42,120)
Carrying amount	**3,001,249**	3,557,615
Disclosed as:		
Current	**645,000**	820,000
Non-current	**2,356,249**	2,737,615
Total inventory	**3,001,249**	3,557,615

The cost of inventories recognised as an expense during the year in respect of continuing operations was $367,275 (2024: $391,259).

9. Other assets

Accounting Policy

Other assets are recognised at amortised cost, less any allowance for expected credit losses.

	2025 $	2024 $
Current:		
Prepayments	**134,865**	126,841
Accrued income	**54,000**	-
VAT / GST receivable	**31,706**	-
Deposits paid	**16,428**	-
Total current	**236,998**	126,841
Non-current:		
Investment in unlisted company (see below)	-	227,027
Total non-current	-	227,027

The Group holds 11,429 ordinary shares of PlanarTech (Holdings) Ltd, an unlisted company incorporated in England and Wales, which was purchased for GBP 120,000. During the year, the Group decided to fully impair this investment which was revalued at AUD 242,595. This impairment was offset against a write off of deposits payable of AUD 197,190 to the same company and recognised in General and Administrative expenses.

10. Property, plant and equipment

Accounting Policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure which 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 – 3 to 15 years

Office Equipment – 3 to 5 years

Motor Vehicles – 8 years

Leasehold Improvements – Over the terms of the lease

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Key estimates and assumptions

Useful Life of Assets

The estimation of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

"Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated."

Reconciliations of the carrying value for each class of property, plant and equipment is set out below:

30 June 2025	Capital Work in Progress	Improvements	Plant and equipment	Office equipment	Motor vehicles	Total
Carrying amount at beginning of year	**48,000**	**-**	**1,942,244**	**16,087**	**4,090**	**2,010,421**
Additions	-	29,521	33,103	14,564	-	77,188
Disposal	-	-	(808)	-	-	(808)
Depreciation	-	(4,925)	(484,671)	(10,449)	(1,760)	(501,805)
Transfers	-	-	-	-	-	-
Movement due to foreign exchange	-	-	821	1,015	-	1,836
Carrying amount at end of year	**48,000**	**24,596**	**1,490,689**	**21,217**	**2,330**	**1,586,833**

30 June 2024	Capital Work in Progress		Plant and equipment	Office equipment	Motor vehicles	Total
Carrying amount at beginning of year	**150,890**	**-**	**2,294,163**	28,477	5,996	**2,479,526**
Additions	49,677	-	2,807	-	-	52,484
Disposal	(625)	-	(13,921)	-	-	(14,546)
Depreciation	-	-	(492,897)	(12,390)	(1,760)	(507,047)
Transfers	(151,942)	-	152,088	-	(146)	-
Movement due to foreign exchange	-	-	4	-	-	4
Carrying amount at end of year	**48,000**	**-**	**1,942,244**	**16,087**	**4,090**	**2,010,421**

11. Trade and other payables

Accounting Policy

Trade and other payables represent the liabilities for goods and services received by the entity which remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2025 **$**	2024 $
Current		
Trade payables	**176,905**	128,442
Other payables	**69,184**	168,465
	246,089	296,908

12. Employee liabilities

Accounting Policy

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

	2025 **$**	2024 $
Current		
Annual leave payable	**167,406**	128,482
Long service leave payable	**55,041**	-
Taxes payable	**49,289**	62,003
	271,539	190,485

13. Financial liabilities

Accounting Policy

Convertible notes were issued by the Group which include embedded derivatives. Convertible notes are initially recognised as financial liabilities at fair value.

On initial recognition the fair value of the convertible notes equated to the proceeds received and subsequently the convertible note is measured at fair value. The movements are recognised in profit and loss as finance costs except to the extent the movement is attributed to changes in the group's own credit risk status in which case, it is recognised in Other Comprehensive Income.

Terms and Conditions

The Company entered into a Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) on the 27th of May 2021.

- Total AUD amount that can be drawn down: $8,000,000
- Initial Placement Shares issued: 2,800,000 shares, which was incorrectly recognised as Share Capital at its market value at the issue date (27 May 2021) and incorrectly offset the Financial Liability during the year ended 30 June 2021. A prior year adjustment was entered to correct this error. Further details of this adjustment are provided in note 26.
- Fee paid: 1,021,276 shares at $0.235 per share
- Final AUD value of shares to be issued: $8,480,000 ("subscription amount")

Other Terms:

- The final number of shares to be issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount. The Purchase Price will initially be equal to $0.30 per share and reset after 10 August 2021 to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, rounded down to the next half a cent if the share price is at below 50 cents and whole cent if the share price is at above 50 cents, with no discount applicable to this formula. To the extent that Placement Shares are issued after six months, or 12 months, the Investor will receive a discount of, respectively, 3% or 6% to the foregoing Purchase Price formula.
- The Purchase Price will be the subject of a Floor Price of $0.16. If the Purchase Price formula were to result in a purchase price that is less than the Floor Price, the Company may refuse to issue shares and instead opt to repay the relevant subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.
- The Company will issue the Placement Shares in relation to all or part of each of the above investments on the Investor's request, during the period ending 42 months after the date of the investment (the period ending 30 November 2025).
- The Company has retained the right (but has no obligation) to repay the subscription amount in cash in lieu of issuing shares by way of a repayment of the subscription amount together with the difference between the market price of the shares and the Purchase Price (if any) in relation to the shares that would otherwise have been issued.

	2025 $	2024 (Restated) $
Current		
Convertible liabilities	**2,556,000**	3,783,039
	2,556,000	3,783,039

Opening Balance 1 July 2024	**3,783,039**
5,000,000 Shares at an issue price of $0.04 per Share on 30 Aug 2024	(200,000)
5,000,000 Shares at an issue price of $0.04 per Share on 30 Aug 2024	(200,000)
30,000,000 Shares at an issue price of $0.025 per Share on 30 Aug 2024	(750,000)
Fair Value Adjustment	77,039
Closing Balance at 30 June 2025	**2,556,000**

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS AND RISK

This section outlines how the Group manages its capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

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

The Board's policy in relation to capital management is to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Group's need for additional funding by way of either share issues or loan funds depending on market conditions at the time. The Board defines working capital in such circumstances as its excess liquid funds over liabilities and defines capital as being the ordinary share capital of the Company, plus retained earnings, reserves and net debt. In order to maintain or adjust the capital structure, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or reduce debt.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirement.

14. Financial Risk Management

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and other receivables, deposits with banks, local money market instruments and short-term investments. The accounting policy with respect to these financial instruments is described in note 1.

Financial risk management structure:

Board of Directors

The Board is ultimately responsible for ensuring there are adequate policies in relation to risk oversight and management and internal control systems. The Group's policies are designed to ensure financial risks are identified, assessed, addressed and monitored to enable achievement of the Group's business objectives.

(b) Financial risks

Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligation resulting in financial loss to the Group. Credit risk is managed on a group basis and structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparties. The Group has no significant concentrations of credit risk.

It is the Group's policy to place funds generated internally and from deposits with clients with high quality financial institutions. The Group does not employ a formalised internal ratings system for the assessment of credit exposures. Amounts due from and to clients and dealers represents receivables sold and payables for securities purchased which have been contracted for but not yet settled on the reporting date, respectively. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis.

Exposure to credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the statement of financial position and the notes to the financial statements. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The Group's maximum exposure to credit risk without taking account of any collateral or other credit enhancements at the reporting date was $2,612,941 (2024: $3,160,135).

The Company banks with Westpac Banking Corporation (Westpac). Westpac's long term credit ratings are A+ (Fitch Ratings), Aa3 (Moody's Investors Service) and AA- (Standard & Poor's).

	Group	
	2025 **$**	2024 $
Cash and cash equivalents	**2,612,941**	3,160,135
	2,612,941	3,160,135

Impairment of financial assets

The group holds trade receivables that are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the AASB 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward- looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2025 was determined to be nil.

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

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

For the purposes of the Group's disclosures regarding credit quality, its financial assets have been analysed as follows:

	Neither Past Due nor individually impaired $	Past due but not individually impaired $	Individually impaired $	Total $	Impairment allowance $	Total carrying amount $
Consolidated 30 June 2025						
Trade receivables	**115,837**	-	-	**115,837**	-	**115,837**
	115,837	**-**	**-**	**115,837**	**-**	**115,837**
Consolidated 30 June 2024						
Trade receivables	63,453	-	-	63,453	-	63,453
	63,453	-	-	63,453	-	63,453

Financial assets past due but not individually impaired

For the purpose of this analysis an asset is considered past due when any payment due under the contractual terms is received one day past the contractual due date. The majority of these transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis. Credit risk is also mitigated as securities held for the counterparty by the Group can ultimately be sold should the counterparty default. There were no renegotiated financial assets during the year.

Collateral pledged or held

There is no collateral held as security by the Group or its controlled entities.

Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast cash requirements and cash flows.

The primary objective of the Group is to manage short-term liquidity requirements in such a way as to minimise financial risk. The Group maintains sufficient cash resources to meet its obligations, cash deposits are repayable on demand.

The tables below present the cash flows receivable and payable by the Group under financial assets and liabilities by remaining contractual maturities at the reporting date. The amounts disclosed are the contractual, undiscounted cash flows.

	Weighted average effective interest rate	Floating interest rate	Fixed interest		Non-interest bearing		
	%	Within one year $	Within one year $	1-5 years $	Within one year $	1-5 years $	Total $
30 June 2025							
Cash and cash equivalents	0.87	**2,432,784**	**73,569**	-	**106,588**	-	**2,612,941**
Total Financial assets at 30 June 2025		**2,432,784**	**73,589**	-	**106,588**	-	**2,612,941**
Trade and other payables		-	-	-	**246,089**	-	**246,089**
Financial liabilities		-	-	-	**2,556,000**	-	**2,556,000**
Lease Liabilities		-	-	-	**178,615**	**338,105**	**516,720**
Total financial liabilities at 30 June 2025		**-**	**-**	**-**	**2,980,704**	**338,105**	**3,318,809**
30 June 2024 (Restated)							
Cash and cash equivalents	1.21	2,615,014	72,481	-	472,640	-	3,160,135
Total Financial assets at 30 June 2024		2,615,014	72,481	-	472,640	-	3,160,135
Trade and other payables		-	-	-	296,908	-	296,908
Financial liabilities		-	-	-	3,783,039	-	3,783,039
Lease Liabilities		-	-	-	100,223	322,575	422,798
Total financial liabilities at 30 June 2024 (Restated)		-	-	-	4,180,170	322,575	4,502,745

Trade and other payables and financial liabilities are expected to be paid as follows:

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
30 June 2025				
Trade and other payables (refer note 11)	246,089	-	-	-
Financial liabilities (refer note 13)	2,556,000	-	-	-
	2,802,089	-	-	-
30 June 2024 (Restated)				
Trade and other payables (refer note 11)	296,908	-	-	-
Financial liabilities (refer note 13)	3,783,039	-	-	-
	4,079,947	-	-	-

Market Risk

Market risk is the risk the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Foreign exchange risk

The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency which is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's profitability can be significantly affected by movements in the $US/$A exchange rates, and to a lesser degree, though movements in the Sri Lankan Rupee verses the Australian dollar. Through reference to industry standard practices, and open market foreign currency trading patterns within the past 12 months, the group set the level of acceptable foreign exchange risk.

The Group seeks to manage this risk by holding foreign currency in $US GBP£ and Sri Lankan Rupee.

Sensitivity analysis

The following table does not include intra group financial assets and liabilities. It summaries the sensitivity of the Group's financial assets and liabilities to external parties at 30 June 2025 to foreign exchange risk, based on foreign exchange rates as at 30 June 2025 and sensitivity of +/-5%:

	30 June 2025 rate (cents)
US$/A$	0.6552
GBP/A$£	0.4782
LKR/A$	196.47

	Foreign exchange risk	
	2025 $	2024 $
Change in loss due to:		
Improvement in AUD by 5%	**(41,063)**	(76,697)
Decline in AUD by 5%	**41,063**	76,697
Change in equity due to:		
Improvement in AUD by 5%	**(41,063)**	(76,697)
Decline in AUD by 5%	**41,063**	76,697

(ii) Interest rate risk

Group

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash position. A change of 10 basis points in interest rates at the reporting date would result in a change of profit or loss by the amounts shown below. This analysis assumes all other factors remain constant.

Profile

At reporting date, the interest rate profile of the Group's financial instruments was:

		Interest rate risk			
	2025	**-10bps**		**+10bps**	
	$	**Profit**	**Equity**	**Profit**	**Equity**
Floating rate instruments					
Cash at bank	**2,506,353**	**(2,506)**	**-**	**2,506**	**-**
	2,506,353	**(2,506)**	**-**	**2,506**	**-**

		Interest rate risk			
	2024	**-10bps**		**+10bps**	
	$	**Profit**	**Equity**	**Profit**	**Equity**
Floating rate instruments					
Cash at bank	2,615,014	(2,615)	-	2,615	-
	2,615,014	(2,615)	-	2,615	-

(c) Net fair values

Fair value versus carrying amount

Fair value of financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments which are carried in the financial statements.

Methodologies and assumptions

For financial assets and liabilities which are liquid or have short term maturities it is assumed the carrying amounts approximate to their fair value.

		30 June 2025		30 June 2024 (Restated)	
	Note	**Carrying amount $**	**Net fair value $**	Carrying amount $	Net fair value $
Assets carried at amortised cost					
Trade and other receivables		**115,837**	**115,837**	63,453	63,453
Total financial assets		**115,837**	**115,837**	63,453	63,453
Liabilities carried at amortised cost					
Trade and other payables	12	**246,089**	**246,089**	296,908	296,908
Financial liabilities	13	**2,556,000**	**2,556,000**	3,783,039	3,783,039
Total Financial Liabilities		**2,802,089**	**2,802,089**	4,079,947	4,079,947

Fair value hierarchy

The Group classified the fair value of the financial instruments in the table below according to the fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – values based on prices or valuation techniques that are not based on observable market data.

			Fair value measurement using:		
	Note	**Total** **$**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**
Financial liabilities measured at fair value - 2025					
Convertible liabilities	13	**2,556,000**	**-**	2,556,000	-
Total financial liabilities		**2,556,000**	**-**	2,556,000	-

There were no transfers between Level 1, Level 2 and Level 3 during 2025.

			Fair value measurement using:		
	Note	**Total** **$**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**
Financial liabilities measured at fair value – 2024 (Restated)					
Convertible liabilities	13	**3,783,039**	**-**	3,783,039	-
Total financial liabilities		**3,783,039**	**-**	3,783,039	-

15. Issued capital

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

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.

(a) Ordinary shares	2025 $	2024 (Restated) $	2025 Number	2024 Number
Issued and fully paid	**115,725,930**	111,406,042	**659,251,723**	659,251,723
Movements in shares on issue				
At the beginning of the year	**110,748,042**	105,728,130	**659,251,723**	590,205,277
Exercise of performance rights	**127,179**	234,967	**1,821,834**	3,531,821
Entitlement issue(i)	**2,190,000**	1,900,000	**40,000,000**	20,000,000
Shares issued during Placement	**2,387,000**	2,912,916	**47,740,000**	45,514,625
Share issue costs	**(334,730)**	(19,971)	**-**	-
At the end of the year	**115,117,491**	110,748,042	**748,813,557**	659,251,723

(i) Repayment of borrowings as per the share placement agreement – Refer Note 14.

	2025 Number	2024 Number
(b) Share options		
Unlisted share options		
At the beginning of the year	**4,500,000**	15,000,000
Options issued	**86,389,682**	4,500,000
Options exercised	**-**	-
Options expired	**(4,500,000)**	(15,000,000)
At the end of the year	**86,389,682**	4,500,000

	2025 Number	2024 Number
(c) Performance rights		
Unlisted performance rights		
At the beginning of the year	**2,331,041**	1,745,888
Performance rights issued	**13,235,378**	4,116,974
Performance rights converted	**(1,821,384)**	(3,531,821)
Performance rights expired / lapsed	**1,364,337**	-
At the end of the year	**12,380,248**	2,331,041

Refer note 16 for further details on performance rights issued.

16. Share based payments

Accounting Policy

The value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options (the vesting period), ending on the date on which the relevant employees become fully entitled to the option (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- The grant date fair value of the option;
- The current best estimate of the number of options that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period, the likelihood of non-market performance conditions being met;
- The current best estimate of additional performance rights to be issued in lieu of cash salary increase;
- The expired portion of the vesting period.

Until an option has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.

Share based payment expense

The Group recognised total share-based payment expenses as follows:

	2025 $	2024 $
Options issued to Marketing Consultants	**-**	81,945
Performance rights issued to employees	**131,043**	128,519
Performance rights issued to KMPs	**179,489**	175,279
Total	**310,532**	385,743

Share Options

The Company granted share options to directors, consultants, brokers and institutional investors. The options are exercisable at set prices and the exercisable terms varied to suit each grant of options.

	2025		2024	
	Number of Options	**Weighted average exercise price (cents)**	Number of Options	Weighted average exercise price (cents)
Outstanding 1 July	**4,500,000**	9.4	15,000,000	25.0
Issued	86,398,682	8.5	4,500,000	9.4
Exercised	**-**	-	-	-
Traded / Sold	**-**	-	-	-
Lapsed	(4,500,000)	9.4	(15,000,000)	25.0
Outstanding 30 June	**86,398,682**	8.5	4,500,000	9.4

The weighted average remaining contractual life of the options is 2.0 years (2024: 0.6 years).

Grant Date	Expiry Date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired/ lapsed during the year Number	Balance at the end of the year Number	Vested and un-exercisable during the year Number
Unlisted options:								
9 Feb 2024	9 Feb 2025	$0.07	1,000,000	-	-	(1,000,000)	-	-
9 Feb 2024	9 Feb 2025	$0.09	1,500,000	-	-	(1,500,000)	-	-
9 Feb 2024	9 Feb 2025	$0.11	2,000,000	-	-	(2,000,000)	-	-
14 Apr 2025	14 Apr 2027	$0.0875	-	6,000,000	-	-	6,000,000	6,000,000
Listed options:								
16 Apr 2025	30 Jun 2027	$0.085	-	75,648,682	-	-	75,648,682	75,648,682
26 May 2025	30 Jun 2027	$0.085	-	4,750,000	-	-	4,750,000	4,750,000

Unlisted options

During the current year, the expired options were granted to marketing consultants during the prior year.

During the current year, the Company and Foster Stockbroking Pty Limited and Ord Minnett Limited (Brokers) entered into a mandate letter agreement under which the Company appointed Brokers as the joint lead managers for the Placement (note 16) and as brokers to place Shortfall under the Entitlement Offer. As part of the Entitlement Offer, the Brokers received fees equal to 6% (plus GST) of the capital raised under the Placement. These fees totalled $143,220 (excluding GST) and were recognised in share issue costs. The Brokers were also granted options (Broker Options).

The Broker Options granted during the year were 6,000,000 with an exercise price of $0.0875 and valued using the Black Scholes model. The other valuation inputs are outlined below:

	Grant date	Spot price	Expiry date	Volatility	Risk free rate	Value per option
Broker Options	14/4/25	$0.039	14/04/27	80%	3.748%	$0.0091

The Broker Options vested immediately during the year had a total valuation of $54,600 and recognised in share issue costs.

Listed options

The Entitlement Offer was made as a pro-rata non-renounceable entitlement issue of 1 option for every 4 shares held by Eligible Shareholders registered at 5 March 2025 at an issue price of $0.005 per option. Fractional entitlements will be rounded up to the nearest whole number. The Entitlement Offer Options will expire on 30 June 2027 and have an exercise price of 8.5 cents per option. The Entitlement Offer closed on 7 April 2025, and 42,687,450 Entitlement Offer Options were granted on 16 April 2025. Proceeds totalling $213,438 were received with respect to these options.

Any Entitlement not taken up pursuant to the Entitlement Offer formed the Shortfall Offer. The Shortfall Offer was a separate offer and remained open up to 26 May 2025. The issue price for each option to be granted under the Shortfall Offer shall be $0.005, being the price at which options have been offered under the Entitlement Offer. Options granted under the Shortfall Offer were granted on the same terms as the Entitlement Offer Options (including the issue price). 32,961,232 Shortfall Offer Options were initially granted on 16 April 2025, at the same date when the Entitlement Offer Options were granted. Proceeds totalling $164,806 were received with respect to these options. When the Shortfall Offer closed on 26 May 2025, 4,750,000 Shortfall Offer Options were granted. Proceeds totalling $23,750 were received with respect to these options.

Hence, the total proceeds with respect to the above options were $401,995.

Performance rights

Old Incentive Award Plan

Performance Rights (PRs) in three separate tranches (Tranches 1 to 3) were granted to employees following the release of the Company's full financial year results from the year ended 30 June 2022 to the year ended 30 June 2024. The employees had an option to convert each of these PRs to a fully paid ordinary share in the Company up to three years from the grant date. At the time of allotment of the PRs, the Company recognised a share-based payment expense, with a corresponding increase in reserves. When the employee chooses to convert their PRs to ordinary shares, the Company recognises an increase in equity with a corresponding decrease in reserves previously recognised.

Tranche 3 PRs issued to Employees & KMPs

During the year, the company granted 1,914,072 Tranche 3 PRs as follows to employees and Key Management Personnel with respect to the financial results from the year ended 30 June 2024.

	Number of Performance Rights	Date of Grant	Share Price A$	Vesting Date
Employees	972,317	01/09/2024	0.049	01/09/2024
KMP	941,755	01/09/2024	0.049	01/09/2024
	1,914,072			

The above PRs had a total valuation of $93,790, of which $46,146 related to KMP and $47,644 related to non-KMP. 167,424 performance rights were issued to the NEDs in error on 1 September 2024 and subsequently cancelled on the same date.

New Incentive Award Plan

The company issued 7,200,000 PRs to its CEO and Non-Executive Directors (KMP) as announced to the ASX in the Company's Notice of Meeting for its 2024 Annual General Meeting, when the following terms of the PRs of the New Incentive Plan were approved and applicable to certain employees of the Group:

Vesting Conditions	Tranche 1 Vested	Tranche 2 Unvested	Tranche 3 Unvested	Total
Share Price[1]	$0.07	$0.11	$0.17	
Sales (AUD)[2]	$1.5 million	$2.0 million	$5.0 million	
Personal KPI[3]	To be achieved	To be achieved	To be achieved	
Service Condition[4]	Remain employed	Remain employed	Remain employed	

Notes:

1. 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting i.e. 25% of the Performance Rights in a Tranche will be measured against this vesting condition. This is valued using a hybrid share option pricing model.
2. Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting i.e. 40% of the Performance Rights in a Tranche will be measured against this vesting condition. These rights have been valued at the share price on the grant date.

3. 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and
4. 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY25 Sales revenue is $1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

The PRs have expiry dates as follows: Tranche 1: 3 years from grant; Tranche 2: 4 years from grant; Tranche 3: 5 years from grant.

Details of the PRs issued to the KMP of the Group during the 2024 Annual General Meeting, and subsequently vested and lapsed during the current year, were as follows:

KMP Name	Tranche 1 PRs	Tranche 2 PRs	Tranche 3 PRs	Total
Michael Bell	2,000,000	2,000,000	2,000,000	6,000,000
Andrew Goodwin	100,000	100,000	100,000	300,000
Michael Quinert	100,000	100,000	100,000	300,000
Warwick Grigor	200,000	200,000	200,000	600,000
Total	**2,400,000**	**2,400,000**	**2,400,000**	**7,200,000**
Number of rights vested	**1,880,787**	**-**	**-**	**1,880,787**
Number of rights lapsed	**519,213**	**-**	**-**	**519,213**

The Tranche 1 PRs vested during the current year were valued at the 2024 Annual General Meeting of 8 November 2024 at a price of $0.038 per share. The Tranche 1 PRs vested above had a total valuation of $71,470.

The Tranche 2 and Tranche 3 PRs without market vesting conditions (Conditions 2 to 4), totalling 1,800,000 for each Tranche, were also valued at the 2024 Annual General Meeting of 8 November 2024 at a price of $0.038 per share.

The Tranche 2 and Tranche 3 PRs with market vesting conditions (Condition 1), totalling 600,000 for each Tranche, were valued using a hybrid share option pricing model. The inputs to the valuation are outlined below:

Tranche	Grant Date	Spot price	Exercise Price	Expiry	Share price target	Volatility	Risk free rate	Value per right
2	8/11/25	$0.038	$Nil	8/11/28	$0.11	70%	4.075%	$0.0099
3	8/11/25	$0.038	$Nil	8/11/29	$0.17	70%	4.080%	$0.01

The Tranche 2 PRs vest up to 30 June 2026, and the Tranche 3 PRs vest up to 30 June 2027. For the current financial year, the total valuation of the Tranche 2 PRs is $37,119 and the total valuation of the Tranche 3 PRs is $24,755.

Hence, the total vested charge for KMPs was $71,470 and the total unvested charge was $61,874 for the current financial year.

Details of the PRs granted to other employees of the group on 9 April 2025 were as follows:

Tranche	No. of PRs	No. of PRs vested	No. of PRs lapsed
1	1,090,000	929,841	160,159
2	1,090,000	-	-
3	1,090,000	-	-

The Tranche 1 PRs vested above during the current year were valued at a price of $0.042 per share, giving a valuation of $39,053.

In addition to the above, the Commercial Managers of the Group were entitled PRs equal to 5% of their total sales revenue generated divided by the 20-day VWAP up to 30 June 2025. These totalled 683,833 PRs and were valued at the 30 June 2025 share price of $0.024, giving a valuation of $16,413.

Number of Performance Rights = (5% x SR) / Share Price

The Tranche 2 and Tranche 3 PRs without market vesting conditions (Conditions 2 to 4), totalling 915,000 for each Tranche, were also valued at at a price of $0.042 per share.

The Tranche 2 and Tranche 3 PRs with market vesting conditions (Condition 1), totalling 175,000 for each Tranche, were valued using a Parisian barrier option model. The inputs to the valuation are outlined below:

Tranche	Grant Date	Spot price	Exercise Price	Expiry	Share price target	Implied Parisian barrier	Volatility	Risk free rate	Value per right
2	9/4/25	$0.04	$Nil	8/11/28	$0.11	$0.14	75%	3.25%	$0.0099
3	9/4/25	$0.04	$Nil	8/11/29	$0.17	$0.21	75%	3.55%	$0.0125

The Tranche 2 PRs vest up to 30 June 2026, and the Tranche 3 PRs vest up to 30 June 2027. For the current financial year, the total valuation of the Tranche 2 PRs is $18,940 and the total valuation of the Tranche 3 PRs is $12,722.

Hence, the total vested charge for other employees was $55,467 and the total unvested charge was $31,712 for the current financial year.

The table below summarises performance rights granted to employees and key management personnel:

Grant Date	Expiry Date	Balance at start of the year	Granted during the year	Converted during the year	Expired/ lapsed during the year	Balance at the end of the year	Vested and exercisable during the year
		Number	Number	Number	Number	Number	Number
Unlisted performance rights:							
21 Sep 2021	30 Sep 2026	60,000	-	-	-	60,000	60,000
02 Sep 2022	25 Nov 2024	635,888	-	(393,633)	(242,225)	-	-
14 Nov 2022	14 Nov 2025	150,000	-	-	-	150,000	150,000
14 Nov 2022	14 Nov 2026	200,000	-	-	(42,741)	157,259	157,259
14 Nov 2022	14 Nov 2027	400,000	-	-	(232,576)	167,424	167,424
11 Sep 2023	25 Nov 2025	885,153	-	(323,517)	-	561,636	561,636
01 Sep 2024	25 Nov 2026	-	1,914,072	(1,004,664)	-	809,418	809,418
8 Nov 2024	8 Nov 2027	-	2,400,000	-	(519,219)	1,880,787	1,880,787
8 Nov 2024	8 Nov 2028	-	2,400,000	-	-	2,400,000	-
8 Nov 2024	8 Nov 2029	-	2,400,000	-	-	2,400,000	-
9 Apr 2025	8 Nov 2027	-	1,090,000	-	(160,159)	929,841	929,841
9 Apr 2025	8 Nov 2028	-	1,090,000	-	-	1,090,000	-
9 Apr 2025	8 Nov 2029	-	1,090,000	-	-	1,090,000	-
30 Jun 2025	8 Nov 2029	-	683,883	-	-	683,883	683,883

17. Reserves and accumulated losses

Accounting Policy

The share-based payments reserve holds the directly attributable cost of services provided pursuant to the options issued to corporate advisors, directors, employees and past directors of the Group.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18. Commitments and contingencies

The Group has no commitments which are not recorded on the statement of financial position as at 30 June 2025 (2024: Nil).

In respect of the Group's mining site under care and maintenance in Sri Lanka, damages may be payable for the year ended 30 June 2017. As these damages are in the process of being assessed by the Sri Lankan courts, the magnitude of this liability cannot be determined at the date of this report.

19. Statement of cash flow reconciliation

	2025 $	2024 $
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net Loss	**(5,491,720)**	(6,414,766)
Adjusted for:		
Depreciation	**544,778**	507,047
Amortisation	**155,483**	211,362
Net impairment of unlisted investment	**45,399**	-
Loss on disposal of subsidiary (note 25)	**81,999**	-
Loss on sale of property, plant and equipment	**808**	14,546
Share based payments expensed	**310,532**	385,743
Non-cash finance cost	**962,962**	1,403,039
Foreign exchange loss	**50,022**	3,388
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	**(52,274)**	283,043
Decrease in inventory	**556,367**	416,636
(Increase)/decrease in prepayments	**(3,737)**	599,223
Increase in other assets	**(46,721)**	-
Increase/(decrease) in trade and other payables	**169,009**	(224,557)
Net cash (used in) operating activities	**(2,717,093)**	(2,815,296)

(b) Non-cash investing and financing activities

	2025 $	2024 $
ROU Asset recognised or remeasured (note 24)	**229,453**	(28,253)
Shares issued under Incentive Award Plan	**183,360**	68,832
Non-cash investing and financing activities	**412,813**	40,579

20. Auditors' remuneration

On 3 June 2025, the Group (including its overseas subsidiaries) changed auditors from BDO Audit Pty Ltd and related network firms to PKF Perth. The Group obtained their services as detailed below:

Auditors' remuneration	2025 $	2024 $
Remuneration of the auditor of the Group for:		
- Audit services – BDO Audit Pty Ltd	**81,564**	80,249
- Audit services – PKF Perth	**40,550**	-
- Taxation services – BDO Services Pty Ltd	**58,935**	53,608
	181,049	133,857

21. Events since the end of the financial year

On 29 July 2025, the Group issued 50,000,000 shares at an issue price of $0.02 per share to Specialty Materials Investments, LLC (the Investor) as per the Share Placement Agreement.

Also, a total of 53,500 shares were issued after listed options were exercised at $0.085 per share.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

22. Related party transactions

Compensation for key management personnel

The key management personnel compensation included in employee benefits expense (note 4) and share-based payments (note 16), is as follows:

	2025 $	2024 $
Short term employee benefits	**532,402**	775,955
Post Employment benefits	**51,942**	54,670
Share based payments	**179,490**	195,630
	763,833	1,026,255

Transactions with other related parties

There were no loans to/from related parties in 2025 (2024: Nil)

Subsidiaries

The consolidated financial statements include the financial statements of First Graphene Limited and the subsidiaries listed in the following table:

	Principal activity in the year	Proportion of voting rights and shares held 2025	2024	Class of shares held	Place of Incorporation
First Graphene (UK) Ltd	Research and development	100%	100%	Ordinary	England & Wales
MRL Investments (Pvt) Ltd	Holding company	100%	100%	Ordinary	Sri Lanka
MRL Graphite (Pvt) Ltd	Administrative services for graphite mine	100%	100%	Ordinary	Sri Lanka
2D Fluidics Pty Ltd *	Dormant	-	66.67%	Ordinary	Australia

* 2D Fluidics Pty Ltd was in the process of being voluntary deregistered at the balance sheet date, and was subsequently deregistered on 9 July 2025

23. Results of the parent company

	2025 $	2024 (Restated) $
Current Assets		
Cash and cash equivalents	**2,580,663**	2,616,612
Trade and other receivables	**114,276**	58,650
Inventory	**820,000**	820,000
Other current assets	**123,035**	119,540
Total current assets	**3,637,973**	3,614,802
Non-current assets		
Property, plant and equipment	**1,527,908**	2,007,619
Right of use asset	**313,295**	412,263
Inventory	**2,181,249**	2,737,615
Investment in subsidiaries	**116,373**	214,379
Investment	**-**	227,027
Total non-current assets	**4,138,825**	5,598,903
Total assets	**7,776,798**	9,213,705
Liabilities		
Current liabilities		
Trade and other payables	**2,719,367**	4,082,651
Employee liabilities	**244,715**	162,975
Lease Liabilities	**108,321**	100,223
Total current liabilities	**3,072,403**	4,345,849
Non-current liabilities		
Lease Liabilities	**233,309**	322,575
Total non-current liabilities	**233,309**	322,575
Total liabilities	**3,305,712**	4,668,424
Net Assets	**4,481,086**	4,545,281
Equity		
Issued capital	**115,117,491**	110,748,042
Share based payments reserve	**6,816,875**	6,322,665
Other reserves	**97**	97
Accumulated losses	**(117,453,377)**	(112,525,522)
Total equity	**4,481,086**	4,545,281
Results of the parent entity:		
Loss for the period	**(5,073,592)**	(6,444,381)
	(5,073,592)	(6,444,381)

24. Right of Use (ROU) Assets and Lease Liabilities

Accounting policy

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of

costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	ROU Asset (a)	**ROU Accum. Dep** (b)	**Total ROU Asset** (a) + (b)	**Lease Liability** (c)	**Net ROU Assets** (a) + (b) – (c)
Carrying amount at beginning of year	**1,101,946**	**(689,683)**	**412,263**	**422,798**	**(10,535)**
Remeasurement of lease liability	8,448	-	8,448	8,448	-
Addition	221,005	-	221,005	221,005	-
Depreciation	-	(150,389)	(150,389)	-	(150,389)
Lease payments	-	-	-	(160,701)	160,701
Interest charge	-	-	-	25,170	(25,170)
Carrying amount at end of year	**1,331,400**	**(840,072)**	**491,327**	**516,720**	**(25,393)**

The remeasurement of the liability for both the ROU asset and liability relates to the lease for the manufacturing plant at 1 Sepia Close, Henderson.

The addition relates to the office and warehouse lease for First Graphene (UK) Ltd, which was entered into for a period of three years from December 2024.

25. Discontinued Operations

Accounting Policy

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

Voluntary deregistration of 2D Fluidics

In May 2025, 2D Fluidics Pty Ltd (a 66.67% subsidiary of the Group) was applied to be voluntarily deregistered and no longer a subsidiary of First Graphene Limited, after its technology was determined to be commercially unfeasible.

Minority shareholders of 2D Fluidics Pty Ltd were paid a total of $98,547, representing their 33.33% right to the final net assets of the business, and First Graphene received the remaining share of $196,947. The loss on disposal of this subsidiary was $81,999. 2D Fluidics Pty Ltd was formally deregistered post year-end on 9 July 2025.

Financial performance information

	Year ended 30 June 2025 $	Year ended 30 June 2024 $
Gross profit/(loss)	-	-
General and administrative	**(27,865)**	(5,323)
Operating Loss before tax expense and finance	**(27,865)**	(5,323)
Non-operating income/expense		
Loss on disposal of subsidiary	**(81,999)**	-
Finance income	**1,781**	2,660
Loss before tax expense	**(108,083)**	(2,664)
Income tax (expense)/benefit	**-**	-
Loss after tax	**(108,083)**	(2,664)

Financial position information

	2025 $	2024 $
Current Assets		
Cash and cash equivalents	**-**	321,568
Total current assets	**-**	321,568
Total assets	**-**	321,568
Total liabilities	**-**	-
Net Assets	**-**	321,568

Cash flow information

	2025 **$**	2024 $
Net cash from operating activities	**(26,081)**	(2,664)
Finance income	**(98,543)**	-
Net decrease in cash and cash equivalents from discontinued operations	**(124,624)**	(2,664)

26. Correction of prior period error

During the year ended 30 June 2025, an overall review of the Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) and respective treatments was carried out. As part of this exercise, it was found that the historic treatment of the Initial Placement Shares issued was incorrectly applied, which resulted in adjustments to the previously reported financial liability and share capital. As the matter identified related to periods preceding 1 July 2023, the impact was recognised as an adjustment to the opening balances as at 1 July 2023 in accordance with the requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2025 is as follows:

	30 June 2024			**Opening balance at 1 July 2023**		
	Previously stated $	**Adjustments $**	**Restated $**	**Previously stated $**	**Adjustments $**	**Restated $**
Consolidated Statement of Financial Position						
Financial liabilities	(3,125,039)	(658,000)	(3,783,039)	(3,622,000)	(658,000)	(4,270,000)
Net assets	5,600,814	(658,000)	4,942,814	6,847,780	(658,000)	6,189,780
Issued capital	111,406,042	(658,000)	110,748,042	106,378,130	(658,000)	105,720,130