



(Formerly known as Hexagon Energy Materials Limited)

ABN 27 099 098 192

ANNUAL REPORT

YEAR ENDED 30 JUNE 2025



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CORPORATE DIRECTORY

Board of Directors

Charles Whitfield – Non-Executive Chairman
Garry Plowright – Non-Executive Director
Andrew Kirk – Non-Executive Director
Philipp Kin – Non-Executive Director
Brent Gardner – Non-Executive Director

Officers of the Company

Stephen Hall – Chief Executive Officer
Joan Dabon – Company Secretary – Appointed 1 September 2024

Registered Office & Principal Place of Business

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West Perth WA 6005

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Website: www.nh3ce.com

Domicile and Country of Incorporation

Australia

Australian Business Number

27 099 098 192

Auditors

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
Website: www.bdo.com.au

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, WA 6000
Website: www.automic.com.au

Securities Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange - Perth
ASX Code - NH3

CHAIRMAN'S LETTER

Dear fellow shareholders,

It is hard to believe that this is the first year that I'm writing to you as an NH3 Clean Energy shareholder rather than a Hexagon shareholder. So much has happened in the past 12 months.

I looked back at my Chairman's letter for the 2024 Report and Accounts, in which I wrote "...after a long period of wait and see we are now on the cusp of a flood of critical milestones which will radically change the development stage and risk profile of the project and hence the Company valuation." Hopefully, you will agree that we have made good on that prediction.

Since that time, the team has delivered the Pre-FEED results doubling the NPV of the WAH2 project. We announced an Indication of Gas Supply from Chevron; a MoU with AGIG for the pipeline; an export agreement with PPA; a CCS MoU with Woodside and partners; and, possibly most exciting of all, a Joint Development Agreement for clean ammonia bunkering of the "Iron Corridor" with the Pilbara Ports Authority and bunker ship developer Oceania Marine. This progress has caught the attention of the mining and shipping industry as well as the WA Government. At the time of writing, the stock is up over 150% in the year since the last Chairman's letter.

That all said, I don't want to linger on the past when there is so much ahead of us. The next twelve months will see a further acceleration in the development of the Company. For the WAH2 Project, we are entering the home straight toward a Final Investment Decision in 2026. This involves not only technical work to refine plant and equipment specifications, including RFPs for specific elements of the build, but also choices around our development partners for the build and operation of the plant. In parallel with this, the regulatory approval pathway is already underway. The third workstream is commercial, in which MoUs and framework agreements get advanced to definitive commercial agreements. While individually these may not seem particularly glamorous tasks, each step brings the project closer to first production and a re-rating of the project valuation towards the NPV of the business.

While all this is going on, the senior management team is using industry and demand insights from our strategic discussions to plot the macro pathway for the future of the Company. The ambition of NH3 and its team has never been to be a one project Company. While we have spoken about phase 2 of the WAH2 Project taking production to 1.3m tonnes / year, we haven't spoken much about what lies beyond that. What is becoming apparent is that clean ammonia bunkering fuel will be a large and global market. NH3 has found itself in the fortunate position of being a leader in the field and we don't intend to squander that position. Planning is underway now for expansion beyond phase 2, beyond the Maitland site and beyond the shores of Australia. Members of the team have a track record of building multibillion dollar businesses with operations on several continents and, while we are not trying to run before we can walk, we also are not going to sit on our hands and let others overtake the enviable position we have achieved.

This brings me to my final point. Members of the team have put a huge amount of work into transforming the Company into what it is today, some for significantly below-market compensation. In addition, members of the management have contributed in the capital raises during the year that have been critical to funding the progress that has been made. It has been part of the philosophy of the Board that we deliver value to shareholders before asking for recognition. However, I feel that we are now at a point where, not only do they deserve recognition for what they have built but, as they are also critical in the upcoming execution of the WAH2 Project and the expansion of the Company, it is essential that they are retained and incentivised to meet future targets that will continue to deliver great returns to investors.

One of the critical elements of success in this Company has been the community of supportive shareholders that we have. At this year's AGM, I will be asking you once again for your support for those resolutions that will enable the business to reach its potential.

I thank you for your ongoing trust and support and look forward to seeing as many of you as possible at the AGM and other investor events.

With my warm regards,



Charles Whitfield
Non-Executive Chairman
26 September 2025

DIRECTORS' REPORT

Your Directors present their report on NH3 Clean Energy Ltd ('NH3' or 'Company') (formerly known as Hexagon Energy Materials Limited) and its controlled entities ('Consolidated Entity' or 'Group') for the year ended 30 June 2025.

1. BOARD OF DIRECTORS

The Directors of the Company in office at the date of this report or at any time during the financial year are:

Name	Position	Period of Directorship
Charles Whitfield	Non-Executive Director	Appointed 22 August 2016
	Non-Executive Chairman	Appointed 5 May 2017
Garry Plowright	Non-Executive Director	Appointed 10 June 2015
Andrew Kirk	Non-Executive Director	Appointed 17 May 2022
Philipp Kin	Non-Executive Director	Appointed 11 August 2023
Brent Gardner	Non-Executive Director	Appointed 22 September 2025

2. INFORMATION ON THE BOARD OF DIRECTORS

The following information is current as at the date of this report.

Charles Whitfield - Non-Executive Chairman	
Mr Whitfield is an experienced executive with over 20 years' experience in finance and commercial development of early-stage technology and specialist resource companies. He holds a Masters in Business Administration (majoring in Finance and Strategy) from Columbia Business School (New York) and a Bachelor of Economics from the University of Exeter (UK).	
Mr Whitfield was an executive Director for Galaxy Resources Limited where he had responsibility for strategy and finance during the significant turnaround of Galaxy from a distressed company to one of the pre-eminent lithium companies.	
Mr Whitfield is a Director of Drumrock Capital which invests in, and provides advice to, turnaround and early-stage technology and specialist resource companies. He was formerly a Managing Director with Citigroup where he held the position of Head of the Corporate Equity Solutions Group (Asia Pacific) and, prior to this, worked for the Deutsche Bank where he was Head of the Strategic Equity Group (Asia Pacific).	
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	Chairman
Interests in shares & Performance rights	Direct – Ordinary shares – 4,526,214 Indirect – Ordinary shares – 3,073,211 Indirect – Performance rights – 8,060,107

Garry Plowright - Non-Executive Director	
Mr Plowright is an experienced executive with over 25 years' experience in finance, commercial and technical development with gold, base metals and iron ore exploration and mining developments in Australia and worldwide. Roles included overseeing the supply and logistics of project services, capital raising, corporate governance and compliance, project management, mining and environmental approvals and regulations, contract negotiations, tenure management, land access, stakeholder and community engagement. Mr Plowright has extensive experience in mining law and has provided services to the industry in property acquisitions, project generation and joint venture negotiations.	
Mr Plowright has held global operational and corporate roles with Gindalbie Metals Ltd, Mt Edon Gold Ltd, Pacmin Mining, Atlas Iron Ltd, Tigris Gold (South Korea) and Westland Titanium (New Zealand).	
Other current directorships	Non-Executive Director of Fenix Resources Limited (ASX: FEX)
Former directorships in last 3 years	None
Special responsibilities	None
Interests in shares	Indirect – Ordinary shares – 1,000,000

DIRECTORS' REPORT

Andrew Kirk – Non-Executive Director

Mr Kirk worked for Woodside for 17 years where he developed their corporate LNG strategies. More recently he has been working in the hydrogen industry establishing Green Hydrogen Asia in Malaysia to transition the heavy vehicle market from diesel to renewable Hydrogen, and as EVP LNG and Sustainable Fuels for B.Grimm LNG Limited in Bangkok. He has provided commercial and strategic advice to Hexagon since August 2021 on the company's Hydrogen strategy and projects.

Mr Kirk holds a Bachelor of Applied Science (Geology) and a Post-Graduate Diploma (Petroleum Geology) from Curtin University. He completed the Accelerated Development Program (ADP63) at London Business School.

Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	None
Interests in shares & Performance rights	Direct – Ordinary shares – 3,048,659 Direct – Performance rights – 6,045,083

Philipp Kin – Non-Executive Director

Mr Kin has a wealth of experience in the energy sector and a specific background in project financing. His career has spanned stockbroking, investment banking, mergers and acquisitions, debt capital markets, equity capital markets and oil, gas and energy research in roles including Lead WA LNG Asset Economist at Shell, Head of Oil and Gas Research at Royal Bank of Scotland, Senior Investment Relations Advisor at Oil Search, and Director of Corporate Finance at Baillieu Holst. While with Shell Mr Kin worked on both offshore and onshore exploration projects, the development of conventional and unconventional hydrocarbon projects, and commercial projects including assisting the Gorgon LNG team to Final Investment Decision. Recently Mr Kin was a Director at BurnVoor Corporate Finance, a boutique firm specialising in debt and equity capital markets.

Currently Mr Kin is the Managing Director of Helios Energy Limited an onshore Texas oil and gas explorer and producer.

Other current directorships	Managing Director of Helios Energy Ltd (ASX: HE8) - Appointed 15 Nov 2024
Former directorships in last 3 years	None
Special responsibilities	None
Interests in shares & Performance rights	Indirect – Ordinary shares – 879,285 Direct – Performance rights – 3,224,045

Brent Gardner – Non-Executive Director

Brent is a Director and leads Strategic Technical Advisory Consulting for the Asia Pacific region at Wood plc, a global leader in engineering and project delivery for the energy sector. His career spans strategic and technical roles across the Pilbara, with a strong focus on delivering large-scale clean energy projects.

He has worked on the construction and commissioning of LNG projects such as Pluto and NWS LNGV, advised on low-carbon marine fuel bunkering, and contributed to natural gas processing systems for ammonia production and export. Brent also pioneered subsea liquid ammonia export studies in Australia, supported lenders and investors with technical and economic due diligence on hydrogen and fuel processing projects, and undertook construction and logistics studies across Australia and North America. His advisory work further extends to CO₂ capture, storage and transport facilities.

Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	None
Interests in shares	None

DIRECTORS' REPORT

3. INFORMATION ON THE OFFICERS OF THE COMPANY

Stephen Hall

Chief Executive Officer

Mr Hall is an experienced executive with over 30 years of experience in the energy sector across the full value chain and asset lifecycle. Prior to joining Hexagon Mr Hall spent 28 years with Woodside Energy before founding an independent business advisory firm to provide strategic and commercial support to the energy sector.

At Woodside Mr Hall held roles including Vice President Strategy Power & New Markets, Vice President Strategic Planning, and Vice President Northwest Shelf Development. Through these roles he developed broad leadership experience and expertise in corporate strategy, new business development, commercial structuring, negotiations, project development and delivery, and stakeholder management.

Joan Dabon

Company Secretary – Appointed 1 September 2024

Ms Dabon is a Chartered Secretary with over 9 years' experience in providing company secretarial and corporate advisory services to ASX and NSX listed companies across a variety of sectors including mining and resources, manufacturing, automotive, energy, logistics and distribution. She has also acted as company secretary for public unlisted and proprietary companies, monitoring and managing their corporate governance and compliance frameworks. Joan has Juris Doctor degree and is an associate member of the Governance Institute of Australia.

Ian Gregory

Company Secretary – Resigned 1 September 2024

Mr Gregory has over 30 years' experience in the provision of company secretarial and business administration services in a variety of industries, including exploration, mining, mineral processing, oil and gas, banking, insurance, and aquaculture. Prior to founding his own consulting business in 2005, he was the Company Secretary of the Iluka Resources Limited group of companies, the Company Secretary and Compliance Manager of IBJ Australia Bank Limited, the Australian operations of The Industrial Bank of Japan, as well as the Company Secretary of the Griffin Coal Mining group of companies. Mr Gregory currently consults on company secretarial and governance matters to a number of listed and unlisted companies.

Mr Gregory holds a Bachelor of Business from Curtin University, is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

4. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2025 and the number of meetings attended by each Director.

Directors	Meetings attended	Eligible to attend
Charles Whitfield	6	6
Garry Plowright	6	6
Andrew Kirk	5	6
Philipp Kin	6	6

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Group, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Board Charter.

DIRECTORS' REPORT

5. CORPORATE INFORMATION

NH3 is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ('ASX'). NH3 has prepared a consolidated financial report encompassing the entities that it controlled during the financial year (refer note 24).

6. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

NH3 Clean Energy Limited (ASX: NH3) is an Australian company focused on Future Energy project development and Future Energy materials exploration and project development.

NH3 is developing a business to deliver decarbonised hydrogen (low-emission ammonia) into export and domestic markets at scale, via its WAH₂ Project.

NH3 100% owns the McIntosh Nickel-Copper-PGE project and the Halls Creek Gold and Base Metals project in Western Australia. The Company has an earn-in arrangement on its McIntosh graphite property.

7. REVIEW OF BUSINESS RISKS

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

The Board reviews the risks of the Group and the action plans to address these risks on a regular basis.

a) Operating Risks

The operations of the Company may be affected by various factors:

With respect to the WAH₂ Project, this includes failure to appropriately engineer and design all elements of the project, failure to efficiently construct and commission the project and, once operational, failure of contracted feedstock supply (including gas and water) or services (including CO₂ transport and CO₂ sequestration).

With respect to the Company's mineral assets, this includes failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, commissioning, operational and technical difficulties encountered in mining.

In addition, there are generic risks that affect all aspects of the Company's operations. These include mechanical failure or plant breakdown, unanticipated costs, adverse weather conditions, industrial and environmental accidents, health incidents including pandemic diseases, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

b) Environmental Risks

The operations and proposed activities of the Company are subject to the environmental laws and regulations of the jurisdiction. As with most industrial, exploration and mining operations, the Company's activities are expected to have an impact on the environment, particularly if the WAH₂ Project or a mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

c) Economic

General economic conditions, movements in interest, inflation and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

DIRECTORS' REPORT

d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i) general economic outlook;
- ii) introduction of tax reform or other new legislation;
- iii) interest rates and inflation rates;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital; and
- vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

e) Additional requirements for capital

The Company must have sufficient capital to fund its WAH₂ Project and exploration activities, along with other working capital requirements. At 30 June 2025 the Group had cash and cash equivalents of \$606,194.

Any additional equity financing would dilute shareholdings, and additional debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programs as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

f) Speculative investment

Potential investors should consider that any investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares.

8. ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to environmental regulations in relation to its exploration and development activities. The Directors are not aware of any significant breaches during the period covered by this report.

9. CURRENCY

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

10. DIVIDENDS

No dividends were paid during the financial year ended 30 June 2025 (2024: nil) and no dividend is recommended for the current year.

DIRECTORS' REPORT

11. FINANCIAL REVIEW

For the year ended 30 June 2025, the loss for the Consolidated Entity after providing for income tax was \$531,238 (2024: loss of \$1,555,503).

The Consolidated Entity's main expenses were as follows:

	30-Jun-25	30-Jun-24
	\$	\$
Research and development expenses	315,697	544,562
Corporate and administration expenses	911,394	742,130
Exploration and evaluation expenditure	275,367	264,375
Impairment of exploration and evaluation expenditure	4,004	151,481
Personnel expenses and director fees	390,063	497,776
Gain on deregistration of Ebony Energy	(1,342,978)	-

Cashflows

The major items of cash receipts / (expenditures) during the year were:

	30-Jun-25	30-Jun-24
	\$	\$
Receipts:		
Receipt of funds in relation to WA Graphite transaction with GCM	-	200,000
Receipt of research and development income tax concessions	407,557	493,528
Proceeds from the issue of convertible notes	300,000	1,000,000
Proceeds from the issue of shares, net of costs	834,059	-
Proceeds from subscriptions received in advance	503,500	-
Expenditures:		
Payments to suppliers and employees ⁽¹⁾	(1,322,142)	(1,081,541)
Payments for research and development expenses	(332,984)	(673,183)
Payments for exploration and evaluation expenses	(274,256)	(287,530)
Payments for exploration and evaluation assets	(241,678)	(227,236)
Payments for development expenditure - WAH ₂ Project	(372,355)	-

(1) Employee payments that relate specifically to the Company's projects are included in "Payments for exploration and evaluation expenses", "Payments for exploration and evaluation assets" & "Payments for development expenditure - WAH₂ Project".

DIRECTORS' REPORT

12. CORPORATE

Management Changes

On 1 September 2024, Ian Gregory resigned as Company Secretary and the Company appointed Joan Dabon as Company Secretary of the Company.

On 22 September 2025, the Company appointed Brent Gardner to its board as an independent Director, effectively immediately.

Change of Company Name and ASX Ticker

Following receipt of shareholder approval at the AGM held on 29 November 2024, the Australian Securities and Investments Commission officially recorded the change of the Company's name from Hexagon Energy Materials Ltd (ASX:HXG) to NH3 Clean Energy Ltd (ASX:NH3) on 6 December 2024.¹

Capital Structure

During the financial year, the Company completed a placement to raise \$732,500 at \$0.018 per fully paid ordinary share, conducted in three tranches;

- Tranche 1: Completed 19 December 2024 through the issue of 31,133,328 ordinary shares, raising \$560,400.
- Tranche 2: Completed 8 January 2025 through the issue of 5,555,556 ordinary shares, raising \$100,000.
- Tranche 3: 4,005,556 ordinary shares, raising \$72,100 pertaining to director commitments is expected to settle following the receipt of shareholder approval at the next general meeting, subsequent to 30 June 2025.

On 26 March 2025, the Company completed a placement to raise \$300,000 at \$0.02 per fully paid ordinary share to professional and sophisticated investors.

At 30 June 2025, the Company had 564,604,785 ordinary shares, 45,136,600 performance rights and 13 convertible notes.

13. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the following Review of Operations.

14. PLANNED DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

The likely developments of the Company are expected to be as follows:

- **WAH₂ Project:** Through this project, NH3 intends to supply clean ammonia to the decarbonising powerhouse economies of the Asia Pacific, including Japan and South Korea. This will be done by leveraging ammonia's advantages as a hydrogen carrier, its direct use in clean power generation, and as a source of decarbonised fuel for bulk carriers transporting iron ore from Australia to Asia.
Pre-FEED engineering for the WAH₂ project was completed in January 2025. FEED entry is anticipated by Q4 2025, leading to a final investment decision in Q4 2026 and the start of production in late 2029.
- **McIntosh Project – Ni-Cu-PGEs:** Acquisition and analysis of geophysical data to identify new, and rank existing, prospective targets and progressing value accretive transactions for shareholders.
- **McIntosh Project – Graphite:** Progress value accretive transaction via the earn-in arrangement with Green Critical Minerals.
- **Halls Creek Project – Gold and Base Metals:** Secure strategic partner to advance exploration of Gold and Platinum Group Elements ('PGE') potential.

¹ ASX:NH3 Change of Company Name and ASX Ticker, 3 December 2024

DIRECTORS' REPORT

15. REVIEW OF OPERATIONS

During the financial year, NH3 was focused on progressing its Future Energy Projects and Future Energy Materials long-term growth strategy outlined in the Company's 29 November 2024 Annual General Meeting.

WAH₂ Project

The WAH₂ Project is NH3's flagship project to supply low-emissions ammonia to the decarbonising powerhouse economies of the Asia Pacific, including Japan and South Korea, and the maritime sector. The project is well placed as Asia's energy transition drives an increasing demand for low emissions energy.

The WAH₂ Project made substantial progress through the year with the completion of Pre-FEED technical studies in January 2025 and entering preliminary commercial agreements regarding all key inputs and services.

A favourable macro environment saw considerable momentum building in the market for low-emissions ammonia as a marine fuel.

(i) Technical Project Delivery

Technical activities are being led by Petrofac Asset Solutions Australia Ltd as lead engineer and Topsoe A/S as technology provider.

All pre-FEED technical work was completed during the year, which involved considerable evaluation of the interrelationships between plant cost, efficiency and emissions profile. A single design basis for FEED has been defined that preserves the flexibility to optimise product price and emissions intensity during operations to meet customer preferences. This flexibility also allows the project to adjust emissions considering the eligibility criteria of any potential government subsidies.

Efficiencies have increased Phase 1 production capacity from 600 kTPA to 650 kTPA.

Updated capex and opex estimates in line with AACE Class 3/4 (- 30/+30% with an 80% confidence interval) were a key deliverable from the Pre-FEED technical work.

Detailed FEED planning and progression of infrastructure-related optimisation opportunities is ongoing.

(ii) Commercial Project Delivery

During the year, in parallel to the technical Pre-FEED studies, the Company developed and de-risked the project by securing preliminary non-binding commercial agreements for key elements of the project (in addition to existing Land² and Water³ agreements) including:

- Confidential regarding majority gas supply for the first phase of WAH₂⁴.
- A Memorandum of Understanding with the Australian Gas Infrastructure Group (AGIG) regarding transport of CO₂ to either of the two sequestration sites being considered⁵.
- A Memorandum of Understanding with Pilbara Ports outlining collaboration intended to support ammonia export from the WAH₂ Project⁶.
- A Memorandum of Understanding with the Angel Carbon Capture and Storage Project Joint Venture (Angel CCS JV) operated by Woodside Energy Ltd for carbon capture and sequestration services for the WAH₂ Project⁷.
- A Joint Development Agreement with Pilbara Ports Authority and Oceania Marine Energy with the objective of establishing low-emissions ammonia bunkering operations at the Port of Dampier by 2030⁸.

² ASX:HGX Hexagon Secures Land for WAH₂ Project, 15 May 2023

³ ASX:HGX WAH₂ Project – Water Supply Key Terms Agreement, 11 March 2024

⁴ ASX:NH3 Hexagon and Chevron Australia agree on Indication of Gas Supply for WAH₂ Project, 4 November 2024

⁵ ASX:NH3 NH3 and Australian Gas Infrastructure Group sign Memorandum of Understanding on CO₂ Transportation for WAH₂ Project, 10 December 2024

⁶ ASX:NH3 NH3 and Pilbara Ports sign MOU on Ammonia Shipment for WAH₂ Project, 11 February 2025

⁷ ASX:NH3 and Angel CCS Project sign MoU for WAH₂ Project, 5 June 2025

⁸ ASX:NH3 NH3, Pilbara Ports and Oceania Marine Energy sign Joint Development, 10 June 2025

DIRECTORS' REPORT

The indicative pricing provided by these agreements and ongoing confidential discussions is reflected in the Pre-FEED economics updating earlier assumptions, increasing confidence and reducing uncertainty.

Confidential commercial discussions continue to progress with potential off-takers, strategic partners and financiers supported by the WAH₂ Project data room. Ongoing feedback highlights that the WAH₂ base case ammonia price is considered competitive not only in Australia but in an international context; and that WAH₂ is considered the leading clean ammonia project in Australia.

(iii) Project Economics

Updated economics based on the results of Pre-FEED and content of commercial agreements⁹ demonstrate that the WAH₂ Project exhibits strong economic viability.

The Phase 1 Base Case delivers NPV₈ of A\$493M at an Internal Rate of Return (IRR) of 11.6%. This base case is resilient, retaining positive NPV₈ across key downsides. It is expected project financing will increase equity returns, conservatively increasing Phase 1 Base Case NPV₈ to A\$607M at IRR of 14.4%.

Phase 2 indicates significant growth, with the combined Phase 1 and 2 Base Case delivering an NPV₈ of A\$951M, and an IRR of 12.5%. Project financing could conservatively increase equity returns to A\$11,087M at an IRR of 15.0%.

Identified opportunities related to infrastructure sharing have the potential to improve base case economics further. These will continue to be progressed in parallel to FEED.

(iv) Land Allocation

NH3 has been allocated a 40-hectare site by the Western Australian Government in its preferred location of the Maitland Strategic Industrial Area (SIA), close to existing services, an existing infrastructure corridor and established export routes.

The Company has executed a Key Terms Agreement for an Option to Lease and Lease with DevelopmentWA¹⁰. The Option to Lease has been agreed in-principle with final approvals pending document finalisation.

Figure 1: Location of WAH₂ Project



⁹ ASX:NH3 Pre-FEED Results Indicate Doubling of Value for NH3's WAH₂ Project, 24 February 2025

¹⁰ ASX:HXG Hexagon Secures Land for WAH₂ Project, 15 May 2023

(v) Regulatory Approvals

A Regulatory Approvals Plan for the WAH₂ Project has been developed and is being progressed.

Planning for baseline environmental surveys continued through the financial year with surveys expected to commence during Q3, 2025.

The Company continued to engage with the Western Australian Government towards gaining recognition as a preferred project under the State's Leading Agency Framework.

(vi) Market Developments

During the year, several macro factors further reinforced the view that NH3's strategy is appropriate for meeting the needs of the clean ammonia market.

NH3 has consistently stated that the most effective way to meet the needs of Asian power generators and maritime shipping is to use established technology that can produce clean ammonia that meets customer emissions, cost and volume needs. This approach contrasts to that of electrolysis-based ammonia and hydrogen projects. The reality of the economics of these other projects continues to see many fall by the wayside.

In terms of the international landscape, the Company feels that several recent changes have been helpful in terms of Australia's case vs that of other potential suppliers from the US and Middle East. Increasing uncertainty regarding cross-border tariffs, energy transition legislation and access to potential subsidies in the US has caused a change in the risk equation for many producers and customers. Additionally, concerns over shipping routes, most notably the Panama Canal and the Suez Canal/Straights of Hormuz, has highlighted the advantage of the short, efficient and low-risk route from Northern Western Australia to Asia.

In April 2025, the International Maritime Organisation announced its Net Zero Framework¹¹ which sets mandatory emissions limits and a global pricing mechanism for ships over 5,000 gross tonnes from 2027. This framework, set to be formally adopted in October 2025, would substantially increase the incentive to use clean ammonia as a fuel for the bulk carrier ships that export Australia's iron ore.

The Western Australian Government has voiced its support for clean ammonia and clean ammonia bunkering as a part of its clean energy economic strategy.

McIntosh Project

The McIntosh Project comprises 16 exploration tenements spanning 503km² in the East Kimberley region of Western Australia.

Graphite

The McIntosh graphite project continues to progress via the earn-in arrangement with Green Critical Minerals ('GCM'). The earn-in arrangement provided GCM the right to earn up to 80% interest in the Graphite Mineral Rights only across NH3's McIntosh Project tenements. The tenements remain wholly held and managed by NH3.

On 1 July 2024 and 8 July 2024, GCM released ASX announcements 'Major Mineral Resource Estimate Upgrade for the McIntosh Graphite Project' and 'Clarification and Retraction Announcement' respectively which reported an updated mineral resource estimate of 30.2 Mt grading 4.40% total graphitic carbon, a 26% increase over the previous estimate.

On 30 June 2025, GCM released the results of its Pre-Feasibility Study for McIntosh. Highlights of GCM's PFS announcement include:

- A pre-tax NPV₈ of A\$340 M and a post-tax NPV₈ of A\$235 M.
- A pre-tax IRR of 29.6%, post-tax 25.3%;
- 32.5-year mine life with the potential for substantial increases with further metallurgical test work and exploration; and
- The McIntosh Graphite Project is the 4th largest graphite resource in Australia, with a JORC compliant Mineral Resource Estimate ('MRE') of more than +30Mt.

¹¹ IMO 'IMO approves net-zero regulations for global shipping', 11 April 2025.

DIRECTORS' REPORT

Legal Proceedings

GCM previously commenced legal proceedings in the Supreme Court of Western Australia against the Company and its wholly owned non-core subsidiary McIntosh Resources Pty Ltd with respect to information disclosure warranties in the parties' earn-in agreement. NH3 strongly refutes GCM Graphite's claims, considers them to be without merit, and is vigorously defending them.

Ni-Cu-PGEs

McIntosh lies in the centre of an area known for active Ni-Cu-PGE extraction and is surrounded by well-established Nickel and/or PGE producers, exporters and substantial Ni-Cu-PGE JORC resources. During the year, NH3 undertook additional appraisal work to further establish the prospective geology of the project.

Ceylon (USA) Project – Graphite

The Ceylon Graphite Project is located on the northeast end of the Alabama Graphite Belt and covers approximately 500 acres in Coosa County, Alabama. The Project is a historic mine active during World Wars I and II. It is 80% owned by NH3.

The Company had a binding Earn-In and Option Agreement signed on the project with South Star Battery Metals Corp (HXG ASX Announcement 7 December 2021). The agreement provided the right for South Star to acquire 75% in the project in return for C\$750,000 in expenditure on the project and delivery of a Preliminary Economic Assessment (PEA) within the deadlines agreed.

South Star announced on 10 October 2024 that it had completed its Preliminary Economic Assessment (PEA), which included an updated mineral resource estimate of 52.2 Mt of Inferred pit-constrained Mineral Resources, a significant increase from the previous estimate of 22 Mt.

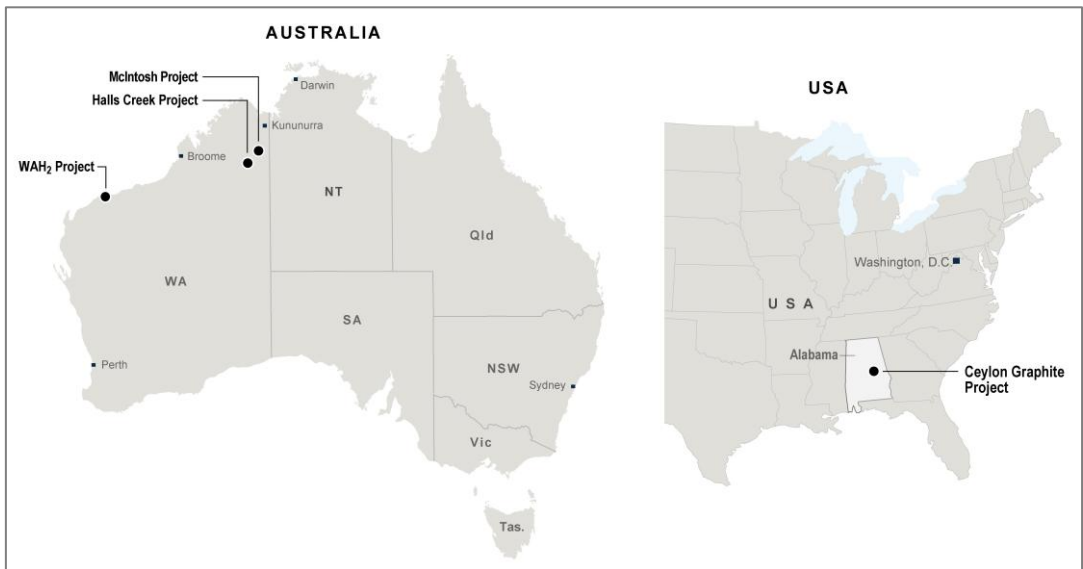
In December 2024, NH3 notified South Star that it wished to exercise its put option for its residual interest in the project back to South Star for which the Company received 356,365 ordinary shares in South Star Battery Metals Corp, worth CAD200,000 at the time of the transaction.

Halls Creek Project – Gold and Base Metals

NH3's Halls Creek project lies approximately 100 kilometres to the Southwest of McIntosh and has demonstrated significant potential for Au-Base Metal-PGE in prospective anomalous areas.

During the year, the Company consolidated data sets and progressed plans for additional exploration to be undertaken within these prospective areas.

Figure 2: NH3's Project Locations



DIRECTORS' REPORT

Competent Persons' Attributions

Exploration Results

The information within this report that relates to exploration results, including geological data for the McIntosh Project and Halls Creek Project is based on information generated and compiled by Ms. Sarah Dyer. Ms. Dyer is a consultant to the Company and has 12 years of experience as a Geologist. Sarah Dyer is a member of AusIMM (305853), and Australian Institute of Geoscientists (5509) and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves and he consents to the inclusion of the above information in the form and context in which it appears in this report.

16. INTEREST IN EXPLORATION TENEMENTS

NH3 Clean Energy Limited held the following interests in exploration tenements at 30 June 2025:

McIntosh, WA ¹				
Tenement	Ownership Status	Application Date	Grant Date	Expiry Date
E80/3864	100% Hexagon	29/01/2007	08/04/2008	7/04/2026
E80/3906	100% Hexagon	16/03/2007	03/12/2008	2/12/2026
E80/3907	100% Hexagon	16/03/2007	03/12/2008	2/12/2026
E80/3928	100% Hexagon	17/04/2007	02/06/2009	1/06/2027
E80/4688	100% Hexagon	15/02/2012	25/10/2012	24/10/2026
E80/4732	100% Hexagon	24/08/2012	14/11/2013	13/11/2025
E80/4733	100% Hexagon	28/08/2012	15/11/2013	14/11/2025
E80/4734	100% Hexagon	29/08/2012	17/09/2014	16/09/2026
E80/4739	100% Hexagon	20/09/2012	14/11/2013	13/11/2025
E80/4825	100% Hexagon	28/08/2013	03/09/2014	2/09/2026
E80/4841	100% Hexagon	03/12/2013	27/08/2014	26/08/2026
E80/4842	100% Hexagon	03/12/2013	27/08/2014	26/08/2026
E80/4879	100% Hexagon	12/05/2014	23/07/2015	22/07/2027
E80/4931	100% Hexagon	16/12/2014	12/08/2015	11/08/2025 ²
E80/5151	100% Hexagon	13/10/2017	05/07/2019	4/07/2029
E80/5157	100% Hexagon	13/11/2017	05/07/2019	4/07/2029

Halls Creek, WA				
Tenement	Ownership Status	Application Date	Grant Date	Expiry Date
E80/4793	100% Hexagon	17/05/2013	03/11/2014	2/11/2026
E80/4794 ⁴	100% Hexagon	17/05/2013	03/09/2014	2/09/2026
E80/4795	100% Hexagon	17/05/2013	10/12/2014	9/12/2026
E80/5126 ^{3 4}	75% Hexagon	15/08/2017	25/10/2019	24/10/2029
E80/5689	100% Hexagon	31/08/2021	20/07/2022	19/07/2027
E80/5690	100% Hexagon	31/08/2021	20/07/2022	21/07/2027
P80/1817 ⁴	100% Hexagon	05/09/2013	07/10/2014	⁵

¹ Green Critical Minerals has the right to earn up to 80% interest in the Graphite Mineral Rights only across NH3's McIntosh Project tenements.

The tenements will remain wholly held/managed by NH3 (NH3:ASX Announcement 14 February 2022).

² Extension of term has been lodged but not granted at the time of signing this report.

³ P80/1814, P80/1815, P80/1816, P80/1818 were amalgamated during the financial year into E80/5126.

⁴ Application for exemption from expenditure was refused, however the Company is lodging submissions with DMPE, as it believes the tenements should not be forfeited.

⁵ The extension of time lodged in May 2020 was refused by the DMPE, the amalgamation application into E80/5126 is keeping P80/1817 alive.

DIRECTORS' REPORT

17. INDEMNIFICATION OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and Company Secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and company secretary of the Company, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that the Company will meet, to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The Company paid a premium during the year, in respect of a director and officer insurance policy, insuring the Directors of the Company, the Company Secretary, and executive officers of the Company against any liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

18. PROCEEDINGS ON BEHALF OF THE COMPANY

On 13 June 2024, the Company announced that the Company's McIntosh graphite rights earn-in partner GCM Graphite Pty Ltd had filed a writ of summons in the Supreme Court of Western Australia against the Company and its wholly owned non-core subsidiary McIntosh Resources Pty Ltd with respect to information disclosure warranties in the parties earn-in agreement.

NH3 strongly refutes GCM Graphite's claims, considers them to be without merit, and continues to vigorously defend them.

19. REMUNERATION REPORT – AUDITED

This report for the year ended 30 June 2025 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent company.

Individual KMP disclosure

Details of KMP of the Group who held office during the financial year are as follows:

Directors	Position	Appointment Date	Resignation Date
Charles Whitfield	Non-Executive Director and Non-Executive Chairman	22 August 2016 5 May 2017	- -
Garry Plowright	Non-Executive Director	10 June 2015	-
Andrew Kirk	Non-Executive Director	17 May 2022	-
Philipp Kin	Non-Executive Director	11 August 2023	-
Brent Gardner	Non-Executive Director	22 September 2025	-

Other KMP	Position	Appointment Date	Resignation Date
Stephen Hall	Chief Executive Officer	1 September 2023	-

DIRECTORS' REPORT

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options or Rights
- H Value of Shares to KMP
- I Voting and comments made at the Company's 2024 Annual General Meeting
- J Loans to KMP
- K Loans from KMP
- L Other transactions with KMP

A. Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of Hexagon comprises the Board of Directors.

The performance of the Group depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B. Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

DIRECTORS' REPORT

➤ Non-Executive Director Remuneration

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

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

In accordance with the Constitution, the existing Shareholders of the Company have determined in general meeting that the maximum non-executive Director remuneration to be \$300,000 in total, per annum.

As at 30 June 2025, non-executive director fees were \$40,000 per annum (2024: \$40,000 per annum) for each Director.

As at 30 June 2025, the Chairman was entitled to receive fees of \$65,000 per annum (2024: \$65,000). A Director will not be entitled to receive Directors' fees if he or she is employed by the Company in a full-time executive capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director will also be reimbursed for out-of-pocket expenses incurred as a result of their Directorship or any special duties.

The remuneration of Non-Executive Directors is detailed in Table 1 and Table 2, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

➤ Executive Directors and Key Management Personnel Remuneration

The Company aims to reward the executive Directors and Key Management Personnel ('KMP') with a level and mix of remuneration commensurate with their position and responsibilities within the Company and to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of Executives is detailed in Table 1 and Table 2, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

C. Remuneration and Performance

The following table shows the share price, market capitalisation and the losses of the Group as at 30 June 2025 for the last five financial years:

	2025	2024	2023	2022	2021
Share price at end of financial year (\$)	0.032	0.01	0.01	0.016	0.07
Market capitalisation at end of financial year (\$M)	18.07	5.13	5.13	8.21	30.77
Loss for the financial year (\$)	531,238	1,555,503	955,210	14,393,804	1,813,077
Director and KMP remuneration	939,897	666,650	245,600	780,659	653,926

DIRECTORS' REPORT

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

The Company may issue options or rights to provide an incentive for KMP which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

The Company did not engage remuneration consultants during the 2025 financial year to review management and other staff remuneration packages.

D. Details of Remuneration

During the financial year ended 30 June 2025 and 30 June 2024, KMP received short-term employee benefits, post-employment benefits, share-based payments and employee benefits expenses.

Table 1: Remuneration of Directors and other KMP of the Group for the year ended 30 June 2025:

	Short Term Employee Benefits			Long Term Employee Benefits	Post-Employment Benefits	Share-based Payments	Total	Share-based Payments Related %
	Salary & Fees	Bonus	Consulting fees	Leave Entitlements	Super-annuation	Performance Rights		
	\$	\$	\$	\$	\$	\$	\$	
30-Jun-25								
Directors								
Charles Whitfield	65,000	-	85,000	-	-	74,255	224,255	33%
Garry Plowright	40,000	-	-	-	4,600	-	44,600	-
Andrew Kirk	40,000	-	-	-	4,600	55,691	100,291	56%
Philipp Kin	40,000	-	5,000	-	4,600	29,702	79,302	37%
Sub-Total	185,000	-	90,000	-	13,800	159,648	448,448	-
Other KMP								
Stephen Hall	360,250	-	-	10,945	30,000	90,254	491,449	18%
Sub-Total	360,250	-	-	10,945	30,000	90,254	491,449	-
Total	545,250	-	90,000	10,945	43,800	249,902	939,897	-

Table 2: Remuneration of Directors and other KMP of the Group for the year ended 30 June 2024:

	Short Term Employee Benefits			Long Term Employee Benefits	Post-Employment Benefits	Share-based Payments	Total	Share-based Payments Related %
	Salary & Fees	Bonus	Consulting fees	Leave Entitlements	Super-annuation	Performance Rights		
	\$	\$	\$	\$	\$	\$	\$	
30-Jun-24								
Directors								
Charles Whitfield	65,000	-	85,000	-	-	-	150,000	-
Garry Plowright	40,000	-	-	-	4,400	-	44,400	-
Andrew Kirk	40,000	-	-	-	4,400	-	44,400	-
Philipp Kin	43,333	-	56,000	-	4,767	-	104,100	-
Sub-Total	188,333	-	141,000	-	13,567	-	342,900	-
Other KMP								
Stephen Hall ¹	296,250	-	-	-	27,500	-	323,750	-
Sub-Total	296,250	-	-	-	27,500	-	323,750	-
Total	484,583	-	141,000	-	41,067	-	666,650	-

¹ Appointed 1 September 2023

DIRECTORS' REPORT

Table 3: Shareholdings of KMP (Direct and Indirect Holdings)

30-Jun-24	Balance at 1/07/2024	Shares Purchased on Market	Balance at 30/06/2025
Directors			
Charles Whitfield	5,001,214	400,000	5,401,214
Garry Plowright	1,000,000	-	1,000,000
Andrew Kirk	1,000,000	400,000	1,400,000
Philipp Kin	-	-	-
Sub-Total	7,001,214	800,000	7,801,214
Other KMP			
Stephen Hall	-	400,000	400,000 ¹
Sub-Total	-	400,000	400,000
Total	7,001,214	1,200,000	8,201,214

Note 1: Subsequent to year end, on 4 July 2025, an associate of Stephen Hall was issued 833,333 Shares under the placement announced to ASX on 30 June 2025.

Table 4: Performance Rights of KMP (Direct and Indirect Holdings)

30-Jun-24	Balance at 1/07/2024	Granted as Remuneration	Balance at 30/06/2025	Vested & Exercised	Vested & Exercisable	Unvested	Granted Fair Value	% Vested During Year
Directors								
Charles Whitfield	-	10,258,318	10,258,318	-	-	10,258,318	\$194,908	-
Garry Plowright	-	-	-	-	-	-	-	-
Andrew Kirk	-	7,693,742	7,693,742	-	-	7,693,742	\$146,181	-
Philipp Kin	-	4,103,330	4,103,330	-	-	4,103,330	\$77,963	-
Sub-Total	-	22,055,390	22,055,390	-	-	22,055,390	\$419,052	
Other KMP								
Stephen Hall	-	12,822,894	12,822,894	-	-	12,822,894	\$243,635	-
Sub-Total	-	12,822,894	12,822,894	-	-	12,822,894	\$243,635	
Total	-	34,878,284	34,878,284	-	-	34,878,284	\$662,687	

On 12 August 2025, the Company issued 9,628,164 fully paid ordinary shares, as Tranche 1, 4 and 12 of the Company's performance rights vested, as the following vesting conditions were met:

- Tranche 1 – Announcement of entry into Memoranda of Understanding (MOU(s)) or equivalent for a minimum of 75% of gas supply (sufficient for Front End Engineering Design (FEED) entry),
- Tranche 4 – Announcement of entry into MOU(s) or equivalent for 100% CO2 sequestration,
- Tranche 12 – Share Price above \$0.04 for 4 weeks (calculated as 20-day VWAP).

The following shares were issued on conversion of performance rights to KMP;

- Charles Whitfield (Non-Executive Chairman): 2,198,211 ordinary shares,
- Andrew Kirk (Non-Executive Director): 1,648,659 ordinary shares,
- Philipp Kin (Non-Executive Director): 879,285 ordinary shares,
- Stephen Hall (Chief Executive Officer): 2,747,763 ordinary shares.

DIRECTORS' REPORT

E. Contractual Arrangements

Agreement with Chairman – Charles Whitfield

On 4 May 2017, the Company and Charles Whitfield entered into an agreement containing the terms and conditions under which he will provide his services as Non-Executive Chairman of the Company and an agreement containing the terms and conditions under which he will provide his services as a Consultant to the Company.

The agreement for Non-Executive Chairman Services:

- has no specified term;
- involves the payment to Charles Whitfield of annual director's fees of \$65,000, plus the reimbursement of all reasonable business expenses;
- participation in the employee share option plan at the discretion of the Board and subject to shareholder approval;
- has provision for 90 days' notice for termination by either the Company or Charles Whitfield; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.
-

The agreement for Consulting Services:

- has no specified term;
- involves the payment to Charles Whitfield of annual consulting fees of \$85,000, plus the reimbursement of all reasonable business expenses;
- participation in the employee share option plan at the discretion of the Board and subject to shareholder approval;
- has provision for 90 days' notice for termination by either the Company or Charles Whitfield; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Non-Executive Director – Garry Plowright

The agreement for Non-Executive Director Services:

- has no specified term;
- annual director fees of \$40,000 plus superannuation, plus the reimbursement of all reasonable business expenses;
- has provision for termination by either the Company or Garry Plowright; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Non-Executive Director – Andrew Kirk

The agreement for Non-Executive Director Services:

- has no specified term;
- annual director fees of \$40,000 plus superannuation, plus the reimbursement of all reasonable business expenses;
- has provision for termination by either the Company or Andrew Kirk; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

DIRECTORS' REPORT

Agreement with Non-Executive Director – Philipp Kin

The agreement for Non-Executive Director Services:

- has no specified term;
- annual director fees of \$40,000 plus superannuation, plus the reimbursement of all reasonable business expenses;
- has provision for termination by either the Company or Philipp Kin; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

The agreement for Consulting Services:

- commencing 1 June 2023 until 1 August 2024;
- involves the payment to Philipp Kin of \$1,000 per day excluding GST, on a one day per week basis or as agreed in advance;
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Non-Executive Director – Brent Gardner

The agreement for Non-Executive Director Services:

- has no specified term;
- annual director fees of \$40,000 plus superannuation, plus the reimbursement of all reasonable business expenses;
- has provision for termination by either the Company or Brent Gardner; and
- otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Chief Executive Officer – Stephen Hall

On 1 September 2023, the Company and Stephen Hall entered into an agreement containing the terms and conditions under which he will provide his services as Chief Executive Officer of the Company.

Mr Hall's Chief Executive Officer agreement:

- has no specified term;
- annual salary of \$350,000 plus superannuation,
- eligible to participate in Executive Performance Incentives offered by the Company from time to time under the LTIP (Executive Performance Incentives). The Executive Performance Incentives and applicable KPIs will be agreed between the Company and Stephen Hall. Mr Hall will only be entitled to option or share based payments with respect to Executive Performance Incentives.
- the Company may end Mr Hall's employment at any time by giving 3 months' written notice.
- Mr Hall may end his employment at any time by giving the Company 3 months' written notice.
- has provision for termination by either the Company or Stephen Hall; and otherwise contains standard terms relating to confidentiality, conflicts of interest and representations and warranties.

Agreement with Company Secretary – Joan Dabon, Source Governance

Ms Joan Dabon was appointed Company Secretary on 1 September 2024. Ms Dabon was engaged on an on-going consultancy style agreement. Services are invoiced monthly based on an agreed hourly fee of \$300 plus GST.

F. Share-based Compensation

The Company may reward Directors and senior management for their performance and align their remuneration with the creation of shareholder wealth by issuing share options and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

DIRECTORS' REPORT

Options

No incentive-based options were issued as remuneration to Directors or other KMP during the year ended 30 June 2025.

Employee Share Loan Scheme Shares

No employee share loan scheme shares were issued as remuneration to Directors or other KMP during the year ended 30 June 2025.

Performance Rights

During the financial year, at the Company's AGM, shareholders approved the long-term incentive plan ('new plan') for KMP. The purpose of the new plan was to:

- (a) Assist in the reward, retention and motivation of Eligible Persons;
- (b) Align the interest of Eligible Persons more closely with the interest of Shareholders by providing an opportunity for Eligible Persons to receive an equity interest in the form of Awards; and
- (c) Provide Eligible Persons with the opportunity to share in any future growth in value of the Company.

The following performance rights were issued to KMP on 23 December 2024, following receipt of shareholder approval at the Company's annual general meeting held on 29 November 2024:

- Charles Whitfield (Non-Executive Chairman): 10,258,318 performance rights,
- Andrew Kirk (Non-Executive Director): 7,693,742 performance rights,
- Philipp Kin (Non-Executive Director): 4,103,330 performance rights,
- Stephen Hall (Chief Executive Officer): 12,822,894 performance rights.

The model and assumptions for the performance rights are shown in the table below:

	Tranche 1-5		Tranche 6-11		Tranche 12		Tranche 13		Tranche 14	
	Directors	Employees / Consultants	Directors	Employees / Consultants	Directors	Employees	Directors	Employees	Directors	Employees
Grant Date	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24
Backstop Date	31/12/25	31/12/25	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26
Expiry Date	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Share Price	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021
Risk-free Rate	N/A	N/A	N/A	N/A	3.94%	3.83%	3.94%	3.83%	3.94%	3.83%
Volatility	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rights Issued	7,876,925	9,503,597	9,452,310	10,829,850	1,575,385	915,921	1,575,385	915,921	1,575,385	915,921
Value per Right	\$0.021	\$0.021	\$0.021	\$0.021	\$0.016	\$0.016	\$0.011	\$0.011	\$0.008	\$0.008
Probability	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A
Total Fair Value of Rights	\$165,415	\$199,576	\$198,499	\$227,427	\$25,206	\$14,655	\$17,329	\$10,075	\$12,603	\$7,327

Tranche 1 to Tranche 11 performance rights are straight-forward, non-market-based performance rights, with no consideration upon achievement. Accordingly, the fair value of the performance rights is by direct reference to the share price on grant date. For the Directors, the grant date is deemed to be the date the performance rights were approved at the Annual General Meeting. For Employees and Consultants, the grant date is deemed to be the date offer letters were sent to each person. The Board believes that the probability of achieving the non-market vesting conditions (Tranche 1 to Tranche 11) is 100%.

DIRECTORS' REPORT

Tranche 12 to Tranche 14 performance rights are market-based performance rights. Accordingly, the fair value of the performance rights has been determined using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment. The model takes into consideration that the Rights may vest at any time up until expiry, given that the 20-day VWAP of the Company's shares exceed the respective VWAP barrier for each tranche of Rights. The Board does not need to assess a separate probability estimate for the market conditions in the market-based performance rights because the market price of the equity instrument already reflects the market's expectation of the future performance and probability of vesting.

G. Equity Instruments Issued on Exercise of Remuneration Options or Rights

There were no other remuneration options, rights or shares exercised during the year ended 30 June 2025.

H. Value of Shares to KMP

No short or long-term incentive-based shares were issued as remuneration to KMP during the year ended 30 June 2025.

I. Voting and comments made at the Company's 2024 Annual General Meeting

The Company received 80% "Yes" votes on a poll in respect of its Remuneration Report for the 2024 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

J. Loans to KMP

There were no loans made to any KMP during the year ended 30 June 2025 (2024: nil).

K. Loans from KMP

There were no loans from any KMP during the year ended 30 June 2025 (2024: nil).

L. Other transactions with KMP

Charles Whitfield - Non-Executive Chairman

Drumrock Capital Ltd, an entity associated with Charles Whitfield, provided consulting services totaling \$85,000 to the Company during the financial year (2024: \$85,000).

During the financial year, NH3 deregistered Ebony Energy Pty Ltd, as a result, a liability with respect to Ebony Energy for Director fees accrued prior to the acquisition were dissolved with the deregistration. An entity associated with Charles Whitfield was a creditor with respect to Ebony Energy for Director fees accrued prior to the acquisition, with a book value in Ebony Energy's accounts at 30 June 2024 of \$195,085.

Philipp Kin - Non-Executive Director

Philipp Kin provided Consulting Services totaling \$5,000 to the Company during the financial year (2024: \$56,000).

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

During the financial year, the Company issued performance rights to Directors and key management personnel, refer note 19: Share Based Payment.

There were no other transactions with KMP during the financial year ending 30 June 2025.

DIRECTORS' REPORT

20. GOVERNANCE

The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. The Company believes that the adoption of good corporate governance adds value for stakeholders and enhances investor confidence.

The Company's corporate governance statement is available on the Company's website, in a section titled "Corporate Governance": <https://nh3cleanenergy.com/company/corporate-governance/>.

21. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments other than their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

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

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

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, BDO Audit Pty Ltd and its related practices:

	30-Jun-25	30-Jun-24
	\$	\$
Remuneration for other services		
Taxation services	13,802	13,260
Technical advice including R&D Claims	28,870	24,007
Total Non-Audit Services	42,672	37,267

22. EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 4 July 2025, the Company issued 71,817,413 fully paid ordinary shares, made up of the following:

- 21,950,016 Shares issued under the Company's capacity under ASX Listing Rule 7.1A at \$0.03 per share to raise \$658,500, before costs.
- 49,867,397 Shares issued pursuant to the approval of Shareholders obtained at the Company's Annual General Meeting, held on 29 November 2024, as conversion of nine convertible notes, plus interest at \$0.02 per share.

On 12 August 2025, the Company issued 9,628,164 fully paid ordinary shares on vesting and conversion of performance rights. The following shares were issued on conversion of performance rights to KMP;

- Charles Whitfield (Non-Executive Chairman): 2,198,211 ordinary shares,
- Andrew Kirk (Non-Executive Director): 1,648,659 ordinary shares,
- Philipp Kin (Non-Executive Director): 879,285 ordinary shares,
- Stephen Hall (Chief Executive Officer): 2,747,763 ordinary shares.

On 27 August 2025, the Company commenced the Front-End Engineering and Design ('FEED') phase of its flagship WAH2 clean ammonia project, with approvals and commercial workstreams now formally underway.

DIRECTORS' REPORT

On 12 September 2025, the Company signed a Commitment Agreement with Pilbara Ports Authority regarding the Company's intended lease of land at the Port of Dampier. The Commitment Agreement contemplates NH3 leasing a parcel of approximately 7.5 ha of land at the Port of Dampier to support the ammonia loading operations of its planned WAH2 clean ammonia Project.

On 15 September 2025, the Company advised the market that it was advancing the regulatory approval component of FEED for its WAH₂ Project with an on-site fauna survey starting immediately. The survey will cover the entire 40 ha land allocation and provide data for the initial Phase 1 development and areas earmarked for future expansion.

On 22 September 2025, the Company appointed Brent Gardner to its board as an independent Director, effectively immediately. Brent is a Director and leads Strategic Technical Advisory Consulting for the Asia Pacific region at Wood plc, a global leader in engineering and project delivery for the energy sector. His career spans strategic and technical roles across the Pilbara, with a strong focus on delivering large-scale clean energy projects.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

23. AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration forms part of the Directors' Report and is attached on page 28.

Signed in accordance with a resolution of the Board of Directors.



Charles Whitfield
Chairman
26 September 2025



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Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF NH3 CLEAN ENERGY LIMITED

As lead auditor of NH3 Clean Energy Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of NH3 Clean Energy Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish at the end.

Neil Smith
Director

BDO Audit Pty Ltd
Perth
26 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Note	30-Jun-25 \$	30-Jun-24 \$
Other income	6	411,429	705,224
Exchange differences on translation of foreign currencies		(875)	(403)
Research and development expenses	7	(315,697)	(544,562)
Corporate and administration expenses	7	(911,394)	(742,130)
Exploration and evaluation expenditure	7	(275,367)	(264,375)
Fair value losses on financial assets at FVTPL	11	(96,395)	-
Finance costs		(145,535)	(60,000)
Impairment of exploration and evaluation expenditure		(4,004)	(151,481)
Gain on deregistration of Charge Minerals		188,067	-
Gain on deregistration of Ebony Energy	14	1,342,978	-
Personnel expenses and director fees	7	(390,063)	(497,776)
Share based payments	19	(334,382)	-
Loss from continuing operations before income tax		(531,238)	(1,555,503)
Income tax expense	8	-	-
Loss from continuing operations after income tax		(531,238)	(1,555,503)
Total comprehensive loss for the year		(531,238)	(1,555,503)
Loss from continuing operations for the year is attributable to:			
Owners of NH3 Clean Energy Ltd		(531,238)	(1,555,503)
		(531,238)	(1,555,503)
Total comprehensive loss for the year is attributable to:			
Owners of NH3 Clean Energy Ltd		(531,238)	(1,555,503)
		(531,238)	(1,555,503)
Loss per share attributable to ordinary equity holders			
- Basic and diluted loss per share (\$)	9	(0.001)	(0.003)

The Consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30-Jun-25	Restated (i) 30-Jun-24
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	10(a)	606,194	980,515
Trade and other receivables		23,859	39,135
Financial assets at FVTPL	11	91,673	-
Total current assets		721,726	1,019,650
Non-current assets			
Trade and other receivables		-	3,600
Plant and equipment		496	4,134
Exploration and evaluation assets	12	3,291,138	3,029,745
Development expenditure - WAH2 Project	13	414,351	-
Total non-current assets		3,705,985	3,037,479
Total assets		4,427,711	4,057,129
LIABILITIES			
Current liabilities			
Trade and other payables	14	350,228	413,957
Provisions		10,945	-
Subscriptions received in advance	15	503,500	-
Borrowings	16	1,565,641	1,000,000
Total current liabilities		2,430,314	1,413,957
Non-current liabilities			
Other payables	14	-	1,342,978
Total non-current liabilities		-	1,342,978
Total liabilities		2,430,314	2,756,935
Net assets		1,997,397	1,300,194
EQUITY			
Contributed equity	17	77,170,064	76,276,005
Reserves	18	334,382	-
Accumulated losses	20	(75,507,049)	(74,975,811)
Total equity		1,997,397	1,300,194

(i) The adoption of AASB 2020-1 (issued March 2020) resulted in a restatement of the convertible note at 30 June 2024 from non-current to current liabilities.

*The Consolidated Statement of Financial Position
should be read in conjunction with the Notes to the Financial Statements.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024	76,276,005	-	(74,975,811)	1,300,194
Comprehensive income:				
Loss for the year	-	-	(531,238)	(531,238)
Total comprehensive loss for the year	-	-	(531,238)	(531,238)
Transactions with owners in their capacity as owners:				
Shares issued	960,400	-	-	960,400
Cost of placement	(66,341)	-	-	(66,341)
Share based payments	-	334,382	-	334,382
At 30 June 2025	77,170,064	334,382	(75,507,049)	1,997,397

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023	76,276,005	(73,420,308)	2,855,697
Comprehensive income:			
Loss for the year	-	(1,555,503)	(1,555,503)
Total comprehensive loss for the year	-	(1,555,503)	(1,555,503)
Transactions with owners in their capacity as owners:			
At 30 June 2024	76,276,005	(74,975,811)	1,300,194

*The Consolidated Statement of Changes in Equity
should be read in conjunction with the Notes to the Financial Statements.*

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	30-Jun-25 \$	30-Jun-24 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	1,486
Payments to suppliers and employees		(1,322,142)	(1,081,541)
Payments for research and development expenses		(332,984)	(673,183)
Payments for exploration and evaluation expenses		(274,256)	(287,530)
Receipt of funds in relation to WA Graphite transaction with GCM		-	200,000
Receipt of research and development income tax concessions		407,557	493,528
Interest received		3,772	20,017
Net cash used in operating activities	10(c)	(1,518,053)	(1,327,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		100	95
Payments for exploration and evaluation assets	12	(241,678)	(227,236)
Payments for development expenditure - WAH2 Project		(372,355)	-
Net cash used in investing activities		(613,933)	(227,141)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares, net of costs		834,059	-
Proceeds from subscriptions received in advance	15	503,500	-
Proceeds from the issue of convertible notes	16	300,000	1,000,000
Proceeds from borrowings		121,200	-
Payments for finance costs		(1,094)	-
Net cash provided by financing activities		1,757,665	1,000,000
Net decrease in cash and cash equivalents		(374,321)	(554,364)
Cash and cash equivalents at the beginning of the year		980,515	1,534,879
Cash and cash equivalents at the end of the year	10(a)	606,194	980,515

*The Consolidated Statement of Cash Flows
should be read in conjunction with the Notes to the Financial Statements.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

NH3 Clean Energy Limited (referred to as 'NH3' or the 'Company' or 'Parent Entity') (formerly known as Hexagon Energy Materials Limited) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Financial Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries. The Group is primarily involved in resources, energy materials, and clean energy.

2. BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. NH3 is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 26 September 2025.

(a) Compliance with IFRS

The consolidated financial statements of the Consolidated Entity also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(b) Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

(c) Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2025 the group recorded a loss of \$531,238 (2024: \$1,555,503), net cash outflows from operating activities of \$1,518,053 (2024: \$1,327,223), net cash outflows from investing activities of \$613,933 (2024: \$227,141) and working capital deficiency of \$1,708,588 (2024: working capital deficiency of \$394,307). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raising or other fund-raising activities to continue its operational activities in the next 12 months. The Directors consider that additional working capital will be able to be raised as required and that the Group will continue as a going concern and as such the financial report has been prepared on 'a going concern' basis. In arriving at this position, the Directors have considered the following matters:

- The Group has the ability to defer some of its expenditure to conserve working capital if necessary;
- Should it be required, the Directors are satisfied that the Company could raise additional funds by either a form of equity raising such as a share purchase plan or entitlements issue or from the sale of non-core assets to fund on-going exploration commitments and for working capital.

The Directors are satisfied that there are sufficient opportunities to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

4. MATERIAL ACCOUNTING POLICY

(a) Foreign Currency Translation

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars (AUD). The functional currency of the subsidiaries of the Group is based on their domicile.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income on a net basis within other income or other expenses.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position,
- Income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Standards issued but not yet effective

Certain new and amended accounting standard and interpretations have been issued but are not mandatory for financial year ended 30 June 2025. They have been adopted in preparing the financial statement for the year ended 30 June 2025 (with exception of the below) and are not expected to impact the entity in the period of initial application.

AASB 18 (issued June 2024) – Presentation and disclosure in financial statements

Effective for annual reporting periods beginning on or after 1 January 2027. AASB 18 replaces AASB 101 – Presentation of Financial Statements and requires income and expenses to be classified in profit or loss as one of the five categories, being investment, financing, income taxes, discounted operation and operating (which is the residual category). There are also two mandatory sub-totals:

- Operating profit or loss
- Profit or loss before financing and income taxes, which comprises operating profit or loss and all investing income and expenses.

AASB 2020-1 (issued March 2020): Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current.

The entity has reclassified its convertible debt instruments at 30 June 2024 from non-current to current liabilities. These instruments have been classified as current liabilities because the conversion feature fails the 'fixed for fixed' test to be classified as an equity instrument.

Non-current liabilities have therefore decreased and current liabilities have increased by \$1,000,000 in the restated comparative balance sheet for 30 June 2024 comparatives.

(c) Other Accounting Policies

Other material accounting policy information is included in the relevant notes. These policies have been consistently applied to all years presented, unless otherwise stated.

5. KEY JUDGEMENTS AND ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exploration & evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to mining assets.

Development costs

The Group capitalises costs for the WAH2 Project that meet the requirements of AASB 138 – Intangible Assets. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed and that future economic benefits will be available as a result of development activities, alongside the other requirements of AASB 138.

In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits of the project and the value of costs relating to the project, in particular the quantity of staff time spent on qualifying development activities.

Legal Proceedings

On 13 June 2024, the Company announced that the Company's McIntosh graphite rights earn-in partner GCM Graphite Pty Ltd had filed a writ of summons in the Supreme Court of Western Australia against the Company and its wholly owned non-core subsidiary McIntosh Resources Pty Ltd with respect to information disclosure warranties in the parties earn-in agreement.

NH3 strongly refutes GCM Graphite's claims, considers them to be without merit, and continues to vigorously defend them.

6. OTHER INCOME

	30-Jun-25	30-Jun-24
	\$	\$
Interest income	3,772	10,115
WA Graphite transaction with GCM (i)	-	200,000
Research and development income tax concession	407,557	493,528
Other revenue	100	1,581
	411,429	705,224

- (i) During the prior financial year, NH3's McIntosh Graphite Project remained under a Mineral Rights Earn-In Agreement with Green Critical Minerals Pty Ltd (GCM) which saw NH3 receive the second tranche payment of \$200,000 from GCM. Under the terms of the agreement, NH3 is free carried through to a decision to mine at McIntosh and for any downstream value-added components of the value chain developed by GCM.

Recognition and Measurement

Research and Development Incentives

The research and development incentive which is received annually based on the previous financial years research and development expenditure is recognised when there is reasonable assurance that the Company will comply with the required conditions for that incentive to be received. Where refundable, the refund is treated as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EXPENSES

	30-Jun-25	30-Jun-24
	\$	\$
Research and development expenses (i)		
Consulting expenses	277,416	516,635
Legal expenses	38,281	27,927
	315,697	544,562
Corporate and administration expenses		
Accounting and finance expenses	156,950	141,942
Compliance and regulatory expenses	421,360	277,015
Consulting and corporate expenses	160,000	181,000
Depreciation expense	3,638	5,878
Investor relations and promotional expenses	83,624	57,162
Insurance expense	27,903	26,850
IT expenses	20,794	16,087
Rent expense	18,784	25,091
Travel and accommodation expenses	7,661	3,238
Other administration expenses	10,680	7,867
	911,394	742,130
Exploration and evaluation expenditure		
Exploration and evaluation expenditure on McIntosh Project	275,367	264,375
	275,367	264,375
Personnel expenses and director fees		
Wages and salaries, including superannuation	235,863	340,276
Director fees and other benefits	154,200	157,500
	390,063	497,776

(i) Research and Development Expense

The Group expenses all research costs as incurred. The Group will only record a development asset in accordance with the policy set out in Note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE

	30-Jun-25	30-Jun-24
	\$	\$
Accounting loss before income tax	(531,238)	(1,555,503)
Tax at the Australian tax rate of 30% (2024: 30%)	(159,371)	(466,651)
Share-based payments	100,315	-
Research & development benefits	(122,267)	(148,058)
Other permanent differences	287,132	660
Deferred tax assets not brought to account	(105,809)	614,049
Income tax expense/benefit	-	-
Deferred tax liability		
Research and development assets/exploration	987,341	908,924
Other temporary differences	-	-
	987,341	908,924
Offset of deferred tax assets	(987,341)	(908,924)
Net deferred tax liability recognised	-	-
Unrecognised deferred tax asset		
Capital losses	3,000	-
Tax losses	11,601,340	11,442,654
Expenses taken into equity	221,966	40,675
Other temporary differences	2,231,461	2,655,972
	14,057,767	14,139,301
Offset of deferred tax liabilities	(987,341)	(908,924)
Net deferred tax assets	13,070,426	13,230,377

The future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities and passing the required continuity of ownership and same business test rules at the time the losses are expected to be utilised.

9. EARNINGS PER SHARE

	30-Jun-25	30-Jun-24
Net loss attributable to the ordinary equity holders of the Group (\$)	(531,238)	(1,555,503)
Weighted average number of ordinary shares for basic loss per share (No.)	535,956,567	512,915,901
Continuing operations		
- Basic and diluted loss per share (\$)	(0.001)	(0.003)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-25	30-Jun-24
	\$	\$
Cash on hand and at bank	596,194	960,500
Short-term deposits	10,000	20,015
	606,194	980,515

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in Note 21: Financial Risk Management.

(c) Reconciliation of net cash flows from operating activities to loss for the year after tax

	30-Jun-25	30-Jun-24
	\$	\$
Loss after income tax	(531,238)	(1,555,503)
Adjustments for:		
Depreciation	4,004	5,878
Exchange differences on translation of foreign currencies	875	403
Fair value losses on financial assets at FVTPL	96,395	-
Finance costs	145,535	60,000
Impairment of exploration and evaluation expenditure	4,004	151,481
Gain on deregistration of Charge Minerals	(188,067)	-
Gain on deregistration of Ebony Energy	(1,342,978)	-
Gain on disposal of plant and equipment	(100)	(95)
Share based payments	334,382	-
Change in operating assets and liabilities		
Decrease in receivables	18,876	4,768
(Increase) / decrease in trade payables and accruals	(70,686)	5,845
Decrease in employee entitlements	10,945	-
Net cash outflow from operating activities	(1,518,053)	(1,327,223)

(d) Non-cash financing and investing activities

No non-cash financing and investing activities have occurred during the year ended 30 June 2025.

11. FINANCIAL ASSETS AT FVTPL

	30-Jun-25	30-Jun-24
	\$	\$
Financial assets at FVTPL (i)	91,673	-
	91,673	-

(i) In December 2024, NH3 notified South Star that it wished to exercise its put option for its residual interest in the project back to South Star for which the Company received 356,365 ordinary shares in South Star Battery Metals Corp, worth CAD200,000 at the time of the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. EXPLORATION AND EVALUATION ASSETS

	30-Jun-25	30-Jun-24
	\$	\$
Carrying amount of exploration and evaluation expenditure	3,291,138	3,029,745
Movement reconciliation		
Balance at the beginning of the financial year	3,029,745	2,869,923
Exploration expenditure during the year	265,397	287,303
Acquisition of tenements	-	24,000
Impairment of exploration and evaluation expenditure (i)	(4,004)	(151,481)
Balance at the end of the financial year	3,291,138	3,029,745

(i) Impairment of exploration and evaluation expenditure:

In line with accounting standards and policies the Company is required to assess exploration and evaluation assets for impairment for each reporting period.

Recognition and Measurement:

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The Company is required to assess its exploration and evaluation assets for impairment if one or more of the following facts and circumstances exist:

- (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

Accounting Policy:

In the year ending 30 June 2020, the Group changed its accounting treatment of its graphite exploration and evaluation expenditure in accordance with standard AASB 6: Exploration for and Evaluation of Mineral Resources. Prior to 30 June 2020, the Group capitalised exploration and evaluation expenditure and carried forward the expenditures to the extent that they were expected to be recouped through the successful development. The result of the accounting change meant that the Group expenses all graphite exploration and evaluation expenditure until a time where an asset is in development.

The Group continues to capitalise exploration and evaluation expenditure in relation to its Gold Project and performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. All costs associated with the Hall's Creek tenements, such as drilling, soil sampling, drafting, assay testing, soil sample storage, tenement management, and salaries directly related to the Project have been capitalised, whilst costs such as pre-tenure application costs have been expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DEVELOPMENT EXPENDITURE – WAH2 PROJECT

	30-Jun-25	30-Jun-24
	\$	\$
Carrying amount of development expenditure	414,351	-
Movement reconciliation		
Balance at the beginning of the financial year	-	-
Development expenditure during the year	414,351	-
Balance at the end of the financial year	414,351	-

In January 2025 the Company completed its Pre-FEED engineering and design work for its WAH2 Clean Ammonia Project. Pre-FEED technical work involved considerable evaluation of the interrelationships between plant cost, efficiency and emissions profile. A single design basis for FEED was defined which preserves the flexibility to optimise product price and emissions intensity during operations to meet customer preferences.

As a result of the technical work and project economics from the Pre-FEED engineering and design work for the WAH2 Project, the Board have therefore capitalised all WAH2 Project expenditure from 1 January 2025 as the Company has entered the development phase of the Project.

Development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; when the Group is able to use or sell the asset; when the Group has sufficient resources and intent to complete the development; and when its costs can be measured reliably. Development costs are not currently amortised. Amortisation will begin on the date the asset is available for use and in the condition necessary for it to operate as intended.

14. TRADE AND OTHER PAYABLES

	30-Jun-25	30-Jun-24
	\$	\$
CURRENT		
Trade payables	204,265	314,401
Other payables and accrued expenses	145,963	99,556
	350,228	413,957
	30-Jun-25	30-Jun-24
	\$	\$
NON-CURRENT		
Other payables and accrued expenses (i)	-	1,342,978
	-	1,342,978

- (i) During the financial year, NH3 deregistered Ebony Energy Pty Ltd. As a result, several Contingent Liability Agreements (CLAs) with entities linked to certain Directors and other parties associated with Ebony Energy, which were accrued before NH3's acquisition of Ebony, were terminated upon Ebony's deregistration. The original CLAs from December 2017 specified that the lenders would be paid in cash once Ebony had available excess cash. Excess cash was defined as having at least A\$2 million in the bank after all contingent liabilities had been settled, no such event occurred and as a result the liability was extinguished.

Liquidity risk exposure

The Group's exposure to liquidity risk is discussed in Note 21: Financial Risk Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SUBSCRIPTIONS RECEIVED IN ADVANCE

	30-Jun-25	30-Jun-24
	\$	\$
Subscriptions received in advance	503,500	-
	503,500	-

At 30 June 2025, the Company received \$503,500 as shares received in advance. The shares for these subscriptions were issued subsequent to year end, on the 4th of July 2025.

16. BORROWINGS

	30-Jun-25	Restated 30-Jun-24
	\$	\$
CURRENT		
Loan facility (i)	132,885	-
Convertible notes payable (ii)	1,432,756	1,000,000
	1,565,641	1,000,000

Movement reconciliation - Loan facility

Balance at the beginning of the financial year	-	-
Loan funds received	121,200	-
Interest accrued on loan facility	11,685	-
Balance at the end of the financial year	132,885	-

Movement reconciliation - Convertible notes

Balance at the beginning of the financial year	1,000,000	-
Convertible notes issued	300,000	1,000,000
Interest accrued on convertible notes	132,756	-
Balance at the end of the financial year	1,432,756	1,000,000

	30-Jun-25	Restated 30-Jun-24
	\$	\$
NON-CURRENT		
Convertible notes payable (ii)	-	-
	-	-

(i) Key terms of the loan facility:

- Lender: Innovation Structured Finance Co., LLC.
- Interest Rate: 17% p.a.
- Maturity Date: 30 November 2025.
- Loan Amount: \$121,000.
- Security over all of the Company's present and future right, title and interest in its R&D Expenditure refund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) The adoption of AASB 2020-1 (issued March 2020) resulted in a restatement of the convertible note at 30 June 2024 from non-current to current liabilities.

Key terms of the Convertible Notes:

- There are 13 Convertible Notes with an issue price of \$100,000 each. Each may be converted into fully paid shares in the future at a minimum floor price of \$0.02 per share or higher, depending on the Company's share price at the time of conversion.
- Interest Rate: 12%.
- Maturity Date: 21 December 2025.
- The Convertible Notes are unsecured.
- Lender: Professional & Sophisticated Investors, via Investorlink Direct Pty Ltd as the Convertible Note Agent.
- Transactions costs were \$60,000.

Liquidity risk exposure

The Group's exposure to interest risk is discussed in Note 20: Financial Risk Management.

Recognition and Measurement:

Convertible notes issued by the Group can be converted to share capital at the option of the holder or at the option of the issuer in certain circumstances. The notes issued are hybrid financial liabilities, comprising a host debt liability and multiple embedded derivative liabilities. The Company has elected upon initial recognition of the convertible notes to recognise the whole instrument as a financial liability carried at fair value through profit or loss. On initial recognition the fair value of the convertible note equates to the fair value of consideration paid, as no gain or loss on initial recognition can be recognised per the requirements of the accounting standards AASB 9. The fair value of the financial liabilities is carried through profit or loss (i.e. the convertible note portion). The convertible notes are classified as a current liability as they mature on 21 December 2025.

On 4 July 2025, the Company issued 49,867,397 Shares, pursuant to the approval of Shareholders obtained at the Company's Annual General Meeting, held on 29 November 2024, as conversion of nine convertible notes, plus interest, at \$0.02 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. CONTRIBUTED EQUITY

a. Issued and fully paid

	30-Jun-25		30-Jun-24	
	\$	No.	\$	No.
Fully paid ordinary shares	77,170,064	564,604,785	76,276,005	512,915,901
	77,170,064	564,604,785	76,276,005	512,915,901

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

b. Movement Reconciliation

ORDINARY SHARES			Quantity	\$
Balance 30 June 2023			512,915,901	76,276,005
Balance 30 June 2024			512,915,901	76,276,005
Shares issued (i)	19/12/2024	\$0.018	31,133,328	560,400
Shares issued (i)	8/01/2025	\$0.018	5,555,556	100,000
Shares issued (ii)	26/03/2025	\$0.020	15,000,000	300,000
Cost of placement				(66,341)
Balance 30 June 2025			564,604,785	77,170,064

- (i) During the financial year, the Company completed a placement to raise \$732,500 at \$0.018 per fully paid ordinary share, conducted in three tranches;
- Tranche 1: Completed 19 December 2024 through the issue of 31,133,328 ordinary shares, raising \$560,400.
 - Tranche 2: Completed 8 January 2025 through the issue of 5,555,556 ordinary shares, raising \$100,000.
 - Tranche 3: 4,005,556 ordinary shares, raising \$72,100 pertaining to director commitments is expected to settle following the receipt of shareholder approval at the next general meeting, subsequent to 30 June 2025.
- (ii) On 26 March 2025, the Company completed a placement to raise \$300,000 at \$0.02 per fully paid ordinary share to professional and sophisticated investors.

c. Capital Risk Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. RESERVES

	30-Jun-25 \$	30-Jun-24 \$
Performance rights reserve	334,382	-
	334,382	-
Movement Reconciliation		
Balance 30 June 2024	-	-
Vesting expenses relating to performance rights during the period (i)	334,382	-
Balance 30 June 2025	334,382	-

(i) Refer Note 19 Share based payments for further detail on the performance rights.

19. SHARE BASED PAYMENTS

	Number of Performance Rights	Share-based payment at 30-Jun-25	Remaining share- based payment expense at 30-Jun-25
Performance rights reserve	45,136,600	\$334,382	\$543,730
Total	45,136,600	\$334,382	\$543,730

During the financial year, at the Company's AGM, shareholders approved the long-term incentive plan ('new plan') for KMP. The purpose of the new plan was to:

- (a) Assist in the reward, retention and motivation of Eligible Persons;
- (b) Align the interest of Eligible Persons more closely with the interest of Shareholders by providing an opportunity for Eligible Persons to receive an equity interest in the form of Awards; and
- (c) Provide Eligible Persons with the opportunity to share in any future growth in value of the Company.

On 23 December 2024, the Company issued 45,136,600 performance rights to KMP and consultants. The following performance rights were issued to KMP, following receipt of shareholder approval at the Company's annual general meeting held on 29 November 2024:

- Charles Whitfield (Non-Executive Chairman): 10,258,318 performance rights,
- Andrew Kirk (Non-Executive Director): 7,693,742 performance rights,
- Philipp Kin (Non-Executive Director): 4,103,330 performance rights,
- Stephen Hall (Chief Executive Officer): 12,822,894 performance rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The model and assumptions for the performance rights are shown in the table below:

	Tranche 1-5		Tranche 6-11		Tranche 12		Tranche 13		Tranche 14	
	Directors	Employees / Consultants	Directors	Employees / Consultants	Directors	Employees	Directors	Employees	Directors	Employees
Grant Date	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24	29/11/24	9/12/24
Backstop Date	31/12/25	31/12/25	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26	31/12/26
Expiry Date	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29	28/11/29	8/12/29
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Share Price	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021	\$0.021
Risk-free Rate	N/A	N/A	N/A	N/A	3.94%	3.83%	3.94%	3.83%	3.94%	3.83%
Volatility	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rights Issued	7,876,925	9,503,597	9,452,310	10,829,850	1,575,385	915,921	1,575,385	915,921	1,575,385	915,921
Value per Right	\$0.021	\$0.021	\$0.021	\$0.021	\$0.016	\$0.016	\$0.011	\$0.011	\$0.008	\$0.008
Probability	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A
Total Fair Value of Rights	\$165,415	\$199,576	\$198,499	\$227,427	\$25,206	\$14,655	\$17,329	\$10,075	\$12,603	\$7,327

Tranche 1 to Tranche 11 performance rights are straight-forward, non-market-based performance rights, with no consideration upon achievement. Accordingly, the fair value of the performance rights is by direct reference to the share price on grant date. For the Directors, the grant date is deemed to be the date the performance rights were approved at the Annual General Meeting. For Employees and Consultants, the grant date is deemed to be the date offer letters were sent to each person.

Tranche 12 to Tranche 14 performance rights are market-based performance rights. Accordingly, the fair value of the performance rights has been determined using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment. The model takes into consideration that the Rights may vest at any time up until expiry, given that the 20-day VWAP of the Company's shares exceed the respective VWAP barrier for each tranche of Rights.

The performance conditions of each Tranche of Performance rights are shown in the table below. Management have allocated 100% as achievement of the performance conditions is more probable than not.

Tranche	Performance Conditions
1	Announcement of entry into Memoranda of Understanding (MOU(s)) or equivalent for a minimum of 75% of gas supply (sufficient for Front End Engineering Design (FEED) entry)
2	Announcement of entry into Land Option to Lease and Water Supply Agreements
3	Announcement of entry into MOU(s) or equivalent for a minimum of 75% ammonia offtake (sufficient for FEED entry)
4	Announcement of entry into MOU(s) or equivalent for 100% CO2 sequestration
5	Announcement that the Board has made a decision to commence FEED
6	Announcement of entry into Gas Supply Agreements (sufficient for Final Investment Decision (FID))
7	Announcement of entry into Ammonia Offtake Agreements (sufficient for FID)
8	Announcement of entry into CO2 Sequestration Agreements
9	Announcement of entry into Financing Agreement(s) (sufficient for FID)
10	Announcement that primary environmental approvals have been received from relevant Government Agencies
11	Announcement that Board has made FID decision
12	Share Price above \$0.04 for 4 weeks (calculated as 20-day VWAP)
13	Share Price above \$0.08 for 4 weeks (calculated as 20-day VWAP)
14	Share Price above \$0.12 for 4 weeks (calculated as 20-day VWAP)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. ACCUMULATED LOSSES

	30-Jun-25	30-Jun-24
	\$	\$
Movement reconciliation		
Balance at the beginning of the financial year	(74,975,811)	(73,420,308)
Net loss during the year	(531,238)	(1,555,503)
Balance at the end of the financial year	(75,507,049)	(74,975,811)

21. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors.

The main risks arising for the Group are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	30-Jun-25	30-Jun-24
	\$	\$
Financial assets		
Cash and cash equivalents	606,194	980,515
Trade and other receivables	23,859	42,735
Financial assets at FVTPL	91,673	-
	721,726	1,023,250
Financial liabilities		
Trade and other payables	350,228	1,756,935
Subscriptions received in advance	503,500	-
Borrowings	1,565,641	1,000,000
	2,419,369	2,756,935
Net exposure	(1,697,643)	(1,733,685)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Market Risk

(i) Interest rate risk

The Group is exposed to interest rate risk due to variable interest being earned on its interest-bearing bank accounts. At the end of the reporting period, the Group had the following interest-bearing financial instruments:

	30-Jun-25		30-Jun-24	
	Weighted average interest rate	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.05%	606,194	1.35%	980,515

Sensitivity

Within this analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 30 June 2025, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	\$	\$	\$	\$
Judgements of reasonably possible movements:				
+ 1.0% (100 basis points)	6,062	9,805	6,062	9,805
- 1.0% (100 basis points)	(6,062)	(9,805)	(6,062)	(9,805)

The other financial instruments of the Group that are not included in the above table, such as convertible notes, are interest bearing and expose the Group to fair value risk, which has been disclosed below in note 20 (d) Fair value estimation.

(b) Price Risk

The Group's exposure to equity securities price risk arises from investment held by the Group and classified in the Statement of Financial Position at fair value through Profit or Loss (FVTPL).

Sensitivity

The impact of the increase / decrease of 10% on equity and post-tax profit for the financial year is as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	\$	\$	\$	\$
Judgements of reasonably possible movements:				
+ 10%	9,167	-	9,167	-
- 10%	(9,167)	-	(9,167)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. During the year credit risk has principally arisen from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets included in the Consolidated Statement of Financial Position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group has no significant concentrations of credit risk within the Group except for the following:

- Note 10: Cash and cash equivalents: Cash held with Westpac Banking Corporation.

(i) Cash

The Group's primary banker is Westpac Banking Corporation which has a rating of AA- from Standards & Poor's. The Board considers the use of this financial institution to be sufficient in the management of credit risk.

	30-Jun-25	30-Jun-24
	\$	\$
Cash at bank and short-term bank deposits:		
Financial institutions - Standard & Poor's rating of AA-	606,194	980,515
	606,194	980,515

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Directors and Management monitor the cash outflow of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Group had at reporting date were trade payables and lease liabilities incurred in the normal course of the business. Trade payables were non-interest bearing and were paid within the normal 30-60 day terms of creditor payments.

The following table reflects the respective undiscounted cash flows for financial liabilities existing at 30 June 2025:

Contractual maturities of financial liabilities	<6 months \$	>6-12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
30-June-25					
Trade and other payables	350,228	-	-	350,228	350,228
Subscriptions received in advance	503,500	-	-	503,500	503,500
Loan facility	132,885	-	-	132,885	132,885
Borrowings *	1,432,756	-	-	1,432,756	1,432,756
	2,419,369	-	-	2,419,369	2,419,369
30-Jun-24					
Trade and other payables	413,957	-	1,342,978	1,756,935	1,756,935
Borrowings *	-	-	1,000,000	1,000,000	1,000,000
	413,957	-	2,342,978	2,756,935	2,756,935

* Convertible notes are based on contractual cash flows unless conversion to equity elected earlier by the note holder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value estimation

(ii) Cash & cash equivalents

The carrying amount is fair value, due to the liquid nature of these assets.

(iii) Other receivables

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature.

(iv) Convertible note liability

The convertible note liability is recorded at its fair value and subsequently measured at fair value at each reporting period or until settlement, with fair value movements recognised in the statement of profit or loss as a finance cost.

(v) Fair value measurement hierarchy

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (b) Level 2 – a valuation technique uses inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (ie as prices), or indirectly (ie derived from prices); or
- (c) Level 3 – a valuation technique uses inputs that are not based on observable market data (unobservable inputs).

The table below classifies financial instruments recognized in the consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 7 Financial Instruments Disclosures.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Year ended 30 June 2025				
Financial assets at FVTPL	91,673	-	-	91,673
Borrowings				
Loan facility	-	(132,885)	-	(132,885)
Borrowings	-	(1,432,756)	-	(1,432,756)
	91,673	(1,565,641)	-	(1,473,968)

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period.

The convertible notes are determined at fair value. These instruments are classified as level 2 financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. SEGMENT REPORTING

Reportable Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors and the CEO.

The Group operates in two operating segments, mineral exploration in Australia and WAH₂ Project. This is the basis in which internal reports are provided to the Directors and CEO for assessing performance and determining the allocation of resources within the Group.

(i) Segment performance

	Exploration	WAH ₂ Project	Total
	\$	\$	\$
30-Jun-25			
Revenue			
Research & development income tax concession	43,773	363,784	407,557
Unallocated expenses net of unallocated income	-	-	3,872
Total segment revenue			411,429

Reconciliation of segment results to net loss before tax

Amounts not included in segment results but reviewed by the Board

- Business development	-	(315,697)	(315,697)
- Exploration and evaluation expenditure	(275,367)	-	(275,367)
- Impairment of exploration and evaluation expenditure	(4,004)	-	(4,004)
- Corporate and administration expenses	-	-	(347,599)
Net loss before tax from continuing operations			(531,238)

	Exploration Australia	WAH ₂ Project	Total
	\$	\$	\$
30-Jun-24			
Revenue			
WA Graphite transaction with GCM	200,000	-	200,000
Research & development income tax concession	348,171	145,357	493,528
Unallocated expenses net of unallocated income	-	-	11,696
Total segment revenue			705,224

Reconciliation of segment results to net loss before tax

Amounts not included in segment results but reviewed by the Board

- Business development	-	(544,562)	(544,562)
- Exploration and evaluation expenditure	(264,375)	-	(264,375)
- Impairment of exploration and evaluation expenditure	(151,481)	-	(151,481)
- Corporate and administration expenses	-	-	(1,300,309)
Net loss before tax from continuing operations			(1,555,503)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Segment assets

	Exploration Australia	WAH ₂ Project	Total
	\$	\$	\$
30-Jun-25			
Segment assets	3,291,138	414,351	3,705,489
Unallocated assets			
- Cash and cash equivalents			606,194
- Trade and other receivables			23,859
- Financial assets at FVTPL			91,673
- Plant and equipment			496
Total assets			4,427,711
30-Jun-24			
Segment assets	3,029,745	-	3,029,745
Unallocated assets			
- Cash and cash equivalents			980,515
- Trade and other receivables			42,735
- Plant and equipment			4,134
Total assets			4,057,129

(iii) Segment liabilities

	Exploration Australia	WAH ₂ Project	Total
	\$	\$	\$
30-Jun-25			
Segment liabilities	94,456	31,996	126,452
Unallocated liabilities			
- Trade and other payables			223,776
- Provisions			10,945
- Unissued shares			503,500
- Borrowings			1,565,641
Total Liabilities			2,430,314
30-Jun-24			
Segment liabilities	69,627	14,077	83,704
Unallocated liabilities			
- Trade and other payables			1,673,231
- Borrowings			1,000,000
Total Liabilities			2,756,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity.

	30-Jun-25	30-Jun-24
	\$	\$
Short-term benefits	635,250	625,583
Long-term benefits	10,945	-
Post-employment benefits	43,800	41,067
Share-based payments	249,902	-
	939,897	666,650

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report.

Charles Whitfield - Non-Executive Chairman

Drumrock Capital Ltd, an entity associated with Charles Whitfield, provided consulting services totaling \$85,000 to the Company during the financial year (2024: \$85,000).

During the financial year, NH3 deregistered Ebony Energy Pty Ltd, as a result, a liability with respect to Ebony Energy for Director fees accrued prior to the acquisition were dissolved with the deregistration. An entity associated with Charles Whitfield was a creditor with respect to Ebony Energy for Director fees accrued prior to the acquisition. These rights had a book value in Ebony Energy's accounts at 30 June 2024 of \$195,085.

Philipp Kin - Non-Executive Director

Philipp Kin provided Consulting Services totaling \$5,000 to the Company during the financial year (2024: \$56,000).

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

During the financial year, the Company issued performance rights to Directors and key management personnel, refer note 19: Share Based Payment.

There were no other transactions with KMP during the financial year ended 30 June 2025.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. PARENT ENTITY INFORMATION

The Parent Entity of the Consolidated Entity is NH3 Clean Energy Limited.

	30-Jun-25	30-Jun-24
	\$	\$
Current assets	721,726	1,019,650
Non-current assets	3,705,985	1,694,501
Total assets	4,427,711	2,714,151
Current liabilities	2,430,314	1,413,957
Total liabilities	2,430,314	1,413,957
Net assets	1,997,397	1,300,194
Issued capital	77,170,064	76,276,005
Reserves	334,382	-
Accumulated losses	(75,507,049)	(74,975,811)
Total equity	1,997,397	1,300,194
Loss after income tax	(531,238)	(3,966,939)
Total comprehensive income	(531,238)	(3,966,939)

Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of NH3.

Commitments, Contingencies and Guarantees of the Parent Entity

The Parent Entity has no contractual commitments for the acquisition of property, plant and equipment.

The Parent Entity has no contingent liabilities and or contingent assets or guarantees at balance date.

Controlled Entities of the Parent Entity	Percentage Owned		Country of Incorporation
	2025	2024	
Ebony Energy Pty Ltd (i)	-	100%	Australia
Pedirka Basin Pty Ltd (ii)	-	100%	Australia
Halls Creek Resources Pty Ltd	100%	100%	Australia
McIntosh Resources Pty Ltd	100%	100%	Australia
Advanced Particle Group Pty Ltd	100%	100%	Australia
Hexagon Holdings Australia Pty Ltd	100%	100%	Australia
WAH2 Clean Energy Pty Ltd	100%	100%	Australia
Hexagon Clean Energy Properties Pty Ltd	100%	100%	Australia
Hexagon Clean Energy Operations Pty Ltd	100%	100%	Australia
Hexagon Holdings USA Inc (iii)	-	100%	United States of America
Charge Minerals LLC (iv)	-	80%	United States of America

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (i) On 20 June 2025, the Company completed the ASIC application to deregister Ebony Energy Pty Ltd, the deregistration occurred on 20 August 2025.
- (ii) On 9 April 2025, the Company completed the ASIC application to deregister Pedirka Basin Pty Ltd, the deregistration occurred on 11 June 2025.
- (iii) On 26 May 2025, the Company completed the State of Delaware short form certificate of dissolution to deregister Hexagon Holdings USA, Inc.
- (iv) On 20 May 2025, the Company completed the State of Alabama article of dissolution to deregister Charge Minerals LLC.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Legal Proceedings with GCM

On 13 June 2024, the Company announced that the Company's McIntosh graphite rights earn-in partner GCM Graphite Pty Ltd had filed a writ of summons in the Supreme Court of Western Australia against the Company and its wholly owned non-core subsidiary McIntosh Resources Pty Ltd with respect to information disclosure warranties in the parties earn-in agreement.

NH3 strongly refutes GCM Graphite's claims, considers them to be without merit, and continues to vigorously defend them. If a commercial resolution cannot be reached and the proceedings continue then, based on information from Ensign Legal, we consider a reasonable estimate of costs to be incurred by NH3 up to and including the hearing would be in the range of \$200,000 to \$300,000.

Other than the matter referred to within Note 5, there are no other contingent liabilities as at 30 June 2025.

26. COMMITMENTS

Future exploration

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

	30-Jun-25	30-Jun-24
	\$	\$
Exploration obligations to be undertaken:		
Payable within one year	1,243,421	578,085
Payable within one year and five years	784,707	128,301
	2,028,128	706,386

Other than the commitments noted above, there has been no other material change in the Groups commitments during the year.

27. DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. AUDITOR'S REMUNERATION

	30-Jun-25	30-Jun-24
	\$	\$
BDO Audit Pty Ltd		
Remuneration paid or payable for:		
- Auditing and reviewing the financial reports	60,278	51,175
Non-audit services:		
- Taxation services - BDO Tax (WA) Pty Ltd	13,802	13,260
- Technical advice including R&D claims - BDO Tax (WA) Pty Ltd	28,870	24,007
Total auditors' remuneration	102,950	88,442

29. EVENTS AFTER END OF FINANCIAL YEAR

On 4 July 2025, the Company issued 71,817,413 fully paid ordinary shares, made up of the following:

- 21,950,016 Shares issued under the Company's capacity under ASX Listing Rule 7.1A at \$0.03 per share to raise \$658,500, before costs.
- 49,867,397 Shares issued pursuant to the approval of Shareholders obtained at the Company's Annual General Meeting, held on 29 November 2024, as conversion of nine convertible notes, plus interest at \$0.02 per share.

On 12 August 2025, the Company issued 9,628,164 fully paid ordinary shares on vesting and conversion of performance rights. The following shares were issued on conversion of performance rights to KMP;

- Charles Whitfield (Non-Executive Chairman): 2,198,211 performance rights,
- Andrew Kirk (Non-Executive Director): 1,648,659 performance rights,
- Philipp Kin (Non-Executive Director): 879,285 performance rights,
- Stephen Hall (Chief Executive Officer): 2,747,763 performance rights.

On 27 August 2025, the Company commenced the Front-End Engineering and Design ('FEED') phase of its flagship WAH2 clean ammonia project, with approvals and commercial workstreams now formally underway.

On 12 September 2025, the Company signed a Commitment Agreement with Pilbara Ports Authority regarding the Company's intended lease of land at the Port of Dampier. The Commitment Agreement contemplates NH3 leasing a parcel of approximately 7.5 ha of land at the Port of Dampier to support the ammonia loading operations of its planned WAH2 clean ammonia Project.

On 15 September 2025, the Company advised the market that it was advancing the regulatory approval component of FEED for its WAH₂ Project with an on-site fauna survey starting immediately. The survey will cover the entire 40 ha land allocation and provide data for the initial Phase 1 development and areas earmarked for future expansion.

On 22 September 2025, the Company appointed Brent Gardner to its board as an independent Director, effectively immediately. Brent is a Director and leads Strategic Technical Advisory Consulting for the Asia Pacific region at Wood plc, a global leader in engineering and project delivery for the energy sector. His career spans strategic and technical roles across the Pilbara, with a strong focus on delivering large-scale clean energy projects.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Entity	Type of Entity	Trustee, partner or participant in joint venture	% of share of capital held	Country of Incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
NH3 Clean Energy Ltd	N/A	N/A	N/A	Australia	Australia	N/A
Halls Creek Resources Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
McIntosh Resources Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
Advanced Particle Group Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
Hexagon Holdings Australia Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
WAH2 Clean Energy Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
Hexagon Clean Energy Properties Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A
Hexagon Clean Energy Operations Pty Ltd	Body Corporate	N/A	100%	Australia	Australia	N/A

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DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 17 to 25 of the Directors' report (as part of audited Remuneration Report), for the year ended 30 June 2025, comply with section 300A of the *Corporations Act 2001*.
5. The Directors have been given the declarations by the Non-Executive Chairman and Chief Operating Officer required by section 295A.
6. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001* and is signed for and on behalf of the Directors by:

Charles Whitfield
Chairman
26 September 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of NH3 Clean Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NH3 Clean Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

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

Key audit matters

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

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 12 to the Financial Report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in Note 12 of the Financial Report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Assessing whether rights to tenure of the Group's area of interest remained current at balance date;• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;• Considering whether any facts or circumstances existed to suggest impairment testing was required; and• Assessing the adequacy of the related disclosures in Note 12 of the Financial Report.

Capitalisation of Development Costs

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 13 to the Financial Report, the carrying value of capitalised development costs represents a significant milestone within the Group with the WAH2 project advancing into the development phase. The Group's accounting policy and key judgements applied in recognising and measuring these intangible assets are outlined in Note 13.</p> <p>In accordance with AASB 138 <i>Intangible Assets</i>, the recognition and recoverability of development expenditure requires significant judgement by management, including assessment of technical feasibility, future economic benefits, and reliable measurement of costs. Given the complexity and subjectivity involved, this area is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing management's assessment on whether development costs meet the recognition criteria under AASB 138; • For a sample of capitalised development costs, obtaining an understanding of the nature of the development activities undertaken and evaluating the assessment of capitalisation criteria to confirm alignment with AASB 138 and the entity's accounting policy; and • Assessing the adequacy of the related disclosures in Notes 13 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

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

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 25 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of NH3 Clean Energy Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd



Neil Smith

Director

Perth, 26 September 2025

SHAREHOLDER INFORMATION

The Company provides the Additional Information below as required under Listing Rule 4.10 and is current as at 15 September 2025.

1. Fully paid ordinary shares

- There are a total of 646,050,362 ordinary fully paid shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 2,793.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

2. Distribution of Holders

Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	90	17,924	0.00%
above 1,000 up to and including 5,000	271	1,054,889	0.16%
above 5,000 up to and including 10,000	562	4,407,496	0.68%
above 10,000 up to and including 100,000	1,351	51,830,020	8.02%
above 100,000	519	588,740,033	91.13%
Totals	2,793	646,050,362	100.00%

Performance Rights

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	6	35,508,436	100.00%
Totals	6	35,508,436	100.00%

Convertible Notes

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	2	4	100.00%
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	-	-	-
Totals	2	4	100.00%

3. Unmarketable parcels

There are 935 shareholders who hold less than a marketable parcel of shares, amounting to 5,601,332 shares or 0.87% of issued capital.

4. Substantial shareholders of ordinary fully paid shares

Rank	Holder Name	Securities	% of Issued
1	CITICORP NOMINEES PTY LIMITED	60,031,300	9.29%

SHAREHOLDER INFORMATION

5. Restricted Securities

There are no shares on issue that are subject to voluntary escrow restrictions or mandatory escrow restriction.

6. Share buy-backs

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

7. Voting Rights

Ordinary Shares

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

- (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

Performance Rights

There are no voting rights attached to any class of performance rights that are on issue.

Convertible Notes

There are no voting rights attached to any class of convertible notes that are on issue.

8. Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: <https://nh3cleanenergy.com/company/corporate-governance/>

SHAREHOLDER INFORMATION

9. Top 20 holders

Ordinary Shares

Rank	Holder Name	Securities	% of Issued
1	CITICORP NOMINEES PTY LIMITED	60,031,300	9.29% ¹
2	INVESTORLINK DIRECT PORTFOLIO PTY LIMITED	28,315,150	4.38%
3	MS KEERATI PLODPRONG	27,770,109	4.30%
4	MR CHETAN HEGDE	25,732,181	3.98%
5	BNP PARIBAS NOMS PTY LTD	18,010,044	2.79%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,241,856	2.20%
7	MR DAVID JAMES HARRINGTON	13,166,667	2.04%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,495,720	1.93%
9	SPORTPIX PTY LTD <SPORTPIX SUPER A/C>	10,167,000	1.57%
10	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	10,074,926	1.56%
11	INVESTORLINK SUPER PTY LTD	7,900,000	1.22%
12	JOWJIN PTY LTD <KEERATI A/C>	7,565,110	1.17%
13	BS PLAY PTY LTD	7,500,000	1.16%
14	SIMON PATRICK DOWD	6,727,733	1.04%
15	COROBAB PTY LTD <THE COOTE A/C>	6,222,222	0.96%
16	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	6,215,702	0.96%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,081,033	0.94%
18	THE STEPHENS GROUP SUPER FUND PTY LTD <STEPHENS GROUP S/F A/C>	6,000,000	0.93%
19	MR ROBERT SCOTT COOTE	5,899,606	0.91%
20	DIEKMAN HOLDINGS (NSW) PTY LTD <THE ELJAC SUPER FUND A/C>	5,540,822	0.86%
20	CONNECT5 HOLDINGS PTY LTD <KIMBJB FAMILY A/C>	5,540,822	0.86%
Total		291,198,003	45.07%

Note 1: The Company has not been notified of this holding under the substantial holding provisions of Part 6C.1 of the Corporations Act 2001 (Cth).

Convertible Notes

Rank	Holder Name	Securities	% of Issued
1	INVESTORLINK DIRECT PORTFOLIO PTY LTD	3	75.00%
2	JANE ADAMSON <JANE ADAMSON SUPER A/C>	1	25.00%
Total		4	100.00%



GLOSSARY OF TECHNICAL TERMS

CCS	Carbon Capture and Sequestration
FEED	Front End Engineering and Design
PEA	Preliminary Economic Assessment
PGE	Platinum Group Element
PFS	Preliminary Feasibility Study
R&D	Research and Development