

ChemX Materials Limited

ABN 88 644 982 123

Interim Report - 31 December 2024

ChemX Materials Limited
Corporate directory
31 December 2024

Directors

Nigel Purves
Francis Douglas
Robert Whitton

Company secretary

Louisa Ho

**Registered office and principal place
of business**

Level 2, 350 Kent Street
Sydney NSW 2000

Share register

Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
Perth WA 6000
Phone: 1300 850 505

Auditor

William Buck Audit (VIC) Pty Ltd
Level 20, 181 William Street
Melbourne Vic 3000

Solicitors

Steinepreis Paganin
Level 14 QV1 Building 250 St Georges Terrace
Perth WA 6000

Stock exchange listing

ChemX Materials Limited shares are listed on the Australian Securities Exchange
(ASX code: CMX)
Trading in CMX securities has been suspended since 19 December 2024.

Website

www.chemxmaterials.com.au

ChemX Materials Limited
Directors' report
31 December 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of ChemX Materials Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the six-month period ended 31 December 2024.

Directors

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

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

Principal activities

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

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$7,186,524 (31 December 2023: \$1,911,696).

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

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

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

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

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

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

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

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

ChemX Materials Limited
Directors' report
31 December 2024

Asset Impairment

The Directors determined that the carrying value of plant and equipment, exploration and evaluation assets as at 31 December 2024, should be fully impaired as there was insufficient information available to form a view on the respective recoverable amounts.

Further information is set out in the following sections:

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

Significant changes in the state of affairs

Aside from the matters referred to in the review of operations above, there were no significant changes in the state of affairs of the Group during the financial period other than those stated on the review of operations.

Matters subsequent to the end of the financial period

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

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

The DOCA was subject to the receipt of \$145,000 by the Administrators from BCP, the removal of all PPSR charges against the Company; ASIC, ASX and shareholder approval, and the removal of the directors of the Company to be replaced with nominees of BCP. The Administrators received \$145,000 from the Proposer subsequent to the end of the reporting period.

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

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

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

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

On 1 May 2025, the Company:

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

On 27 May 2025, director Warrick Hazeldine resigned.

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

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

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

ChemX Materials Limited
Directors' report
31 December 2024

On 31 July 2025, the Company announced:

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

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

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

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

None of the above matters or circumstances are considered to be events requiring adjustment to the carrying values of assets and liabilities as at 31 December 2024.

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

Likely developments, strategy and risks

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

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

Potential risks include:

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

Auditor's independence declaration

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

ChemX Materials Limited
Directors' report
31 December 2024

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Nigel Purves', is written over a large, light grey watermark that says 'For personal use only'.

Nigel Purves
Executive Chairman
23 December 2025

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

To the directors of ChemX Materials Limited

As lead auditor for the review of ChemX Materials Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

William Buck

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

Dennis Lee

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

ChemX Materials Limited

Contents

31 December 2024

Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	18
Independent auditor's review report to the members of ChemX Materials Limited	19

General information

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

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

Level 2, 350 Kent Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 December 2025.

ChemX Materials Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2024

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Revenue			
Government grants		-	211,809
Interest income		1,115	785
Gain / (loss) on remeasurement of convertible note embedded derivatives	7	7,983	21,292
Expenses			
Asset impairments	4	(4,868,339)	-
Employee benefits expense		(616,534)	(783,589)
Corporate expense		(454,393)	(497,466)
Research and development expense		(456,293)	(627,330)
Finance charges		(800,063)	(237,197)
Loss before income tax expense		(7,186,524)	(1,911,696)
Income tax expense		-	-
Loss after income tax expense for the period		(7,186,524)	(1,911,696)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(7,186,524)	(1,911,696)
		Cents	Cents
Basic earnings per share		(5.57)	(2.02)
Diluted earnings per share		(5.57)	(2.02)

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

ChemX Materials Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,391	594,900
Other receivables		32,058	758,392
Other assets (deposits)		-	2,258
Total current assets		<u>36,449</u>	<u>1,355,550</u>
Non-current assets			
Property, plant and equipment		-	28,152
Right-of-use assets		362,815	430,472
Intangibles	5	910,000	975,534
Exploration and evaluation	6	-	4,843,234
Other assets (deposits)		68,807	68,807
Total non-current assets		<u>1,341,622</u>	<u>6,346,199</u>
Total assets		<u>1,378,071</u>	<u>7,701,749</u>
Liabilities			
Current liabilities			
Trade and other payables		969,943	847,833
Borrowings	7	2,640,000	1,882,587
Lease liabilities		152,068	124,582
Employee benefits		68,076	66,617
Total current liabilities		<u>3,830,087</u>	<u>2,921,619</u>
Non-current liabilities			
Lease liabilities		272,194	355,269
Employee benefits		186	266
Total non-current liabilities		<u>272,380</u>	<u>355,535</u>
Total liabilities		<u>4,102,467</u>	<u>3,277,154</u>
Net assets/(liabilities)		<u>(2,724,396)</u>	<u>4,424,595</u>
Equity			
Issued capital		12,676,777	12,676,777
Reserves		1,710,749	2,270,128
Accumulated losses		<u>(17,111,922)</u>	<u>(10,522,310)</u>
Total equity/(deficiency)		<u>(2,724,396)</u>	<u>4,424,595</u>

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

ChemX Materials Limited
Statement of changes in equity
For the period ended 31 December 2024

	Issued capital \$	Share-based payments Reserve \$	Convertible note option cost reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2023	11,130,414	1,747,206	-	(6,185,142)	6,692,478
Loss after income tax expense for the period	-	-	-	(1,911,696)	(1,911,696)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,911,696)	(1,911,696)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting of share-based payments	-	35,580	-	-	35,580
Performance rights lapsed	-	(148,380)	-	148,380	-
Shares issued pursuant to the convertible note facility	201,360	-	-	-	201,360
Options issued pursuant to the convertible note facility	-	-	574,356	-	574,356
Balance at 31 December 2023	<u>11,331,774</u>	<u>1,634,406</u>	<u>574,356</u>	<u>(7,948,458)</u>	<u>5,592,078</u>
	Issued capital \$	Share-based payments Reserve \$	Convertible note option cost reserve \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated					
Balance at 1 July 2024	12,676,777	1,695,772	574,356	(10,522,310)	4,424,595
Loss after income tax expense for the period	-	-	-	(7,186,524)	(7,186,524)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(7,186,524)	(7,186,524)
<i>Transactions with owners in their capacity as owners:</i>					
Vesting of share-based payments	-	37,533	-	-	37,533
Lapsed performance rights and options	-	(596,912)	-	596,912	-
Balance at 31 December 2024	<u>12,676,777</u>	<u>1,136,393</u>	<u>574,356</u>	<u>(17,111,922)</u>	<u>(2,724,396)</u>

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

ChemX Materials Limited
Statement of cash flows
For the period ended 31 December 2024

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,239,661)	(2,081,779)
Interest received	1,115	785
Interest and other finance costs paid	(34,667)	(20,622)
Government grants received	661,890	919,600
	<u>(611,323)</u>	<u>(1,182,016)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(1,489)
Payments for exploration and evaluation	(1,195)	(267,400)
Payments for term deposits	-	(30,000)
	<u>(1,195)</u>	<u>(298,889)</u>
Cash flows from financing activities		
Proceeds from issue of convertible notes	-	2,200,000
Transaction costs for shares issued in the previous period	(22,402)	-
Transaction costs related to loans and borrowings	-	(230,346)
Proceeds from borrowings	541,935	-
Repayment of borrowings	(441,935)	-
Repayment of lease liabilities	(55,589)	(57,235)
	<u>22,009</u>	<u>1,912,419</u>
Net cash from financing activities		
Net increase/(decrease) in cash and cash equivalents	(590,509)	431,514
Cash and cash equivalents at the beginning of the financial period	594,900	798,012
	<u>4,391</u>	<u>1,229,526</u>
Cash and cash equivalents at the end of the financial period		

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the annual report for the year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

Going concern

The financial statements have been prepared on a going concern basis.

For the period ended 31 December 2024, the Group incurred a net loss of \$7,186,524, had operating cash outflows of \$611,323, net current liabilities of \$3,793,638, net liabilities of \$2,724,396 and a cash and cash equivalents balance of \$4,391. Access to additional funding is expected to be needed to complete planned activities. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

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

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

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

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

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

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

Note 1. Material accounting policy information (continued)

Accounting for borrowings with variable equity conversion features

Upon initial recognition, the directors assess borrowings with conversion clauses for fixed or variable conversion terms. Where terms are variable, as is disclosed in note 7 at initial recognition an embedded derivative is recognised at fair value, and the difference received between the consideration received for the note and the fair value of the derivative is recognised in the underlying host (debt) contract.

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Recognition of refundable R&D tax offset receivable

With the successful track record of the Company in obtaining the Research and Development offset from the Australian Taxation Office (ATO), the estimated rebate for the 6 month's ended 31 December 2024 for \$nil has been accrued into income for this reporting period.

The ATO has the right, extending back 4 tax years to investigate, audit and potentially clawback these research and development claims in the event that they fail to meet the necessary criteria as established under the research and development credit claim legislation and regulations. It is the directors' view that there is no probable likelihood that any potential action may take place based upon the following reasons:

- Upon submission of the claim, the ATO and AusIndustry conduct an overall desktop review of the claim, including the eligibility of any overseas research and development activity undertaken (which requires an Advanced Overseas Finding before being eligible);
- The industry environment in which the entity deals in is known for its research and development activities which have historically been supported through research and development claims; and
- The entity has a track record extending to last year of never ever being challenged on its research and development claims by the ATO or AusIndustry.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

Recovery of deferred tax assets

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

Exploration and evaluation costs

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.

Note 3. Operating segments

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

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

Note 4. Asset impairments

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Mining tenement (including mining tenements) ^(a)	4,844,429	-
Plant and equipment ^(a)	23,910	-
	<u>4,868,339</u>	<u>-</u>

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

Note 5. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Intellectual Property - at cost*	1,300,000	1,300,000
Less: Accumulated amortisation	<u>(390,000)</u>	<u>(324,466)</u>
	<u>910,000</u>	<u>975,534</u>

* High Purity Alumina processing technology.

Note 6. Exploration and evaluation

	Consolidated	Consolidated
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation	4,844,429	4,843,234
Less: Impairment(Refer note 4 'Asset impairments')	(4,844,429)	-
	<u>-</u>	<u>4,843,234</u>

Note 7. Borrowings

	Consolidated	Consolidated
	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Current liability</i>		
Convertible notes - at amortised cost (The face value of the notes is \$2,640,000)	2,640,000	1,882,587
	<u>2,640,000</u>	<u>1,882,587</u>

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

Tranche 1 and Tranche 2 comprised the issue of 600,000 and 2,040,000 convertible notes respectively with a face value of \$1.00. Assuming a Floor Price of \$0.06 per share, the conversion of Tranche 1 and Tranche 2 convertible notes will result in the issue of a maximum of 10,000,000 and 34,000,000 fully paid ordinary shares respectively. Tranche 1 was issued 14 August 2023 and Tranche 2 was issued 9 October 2023. The maturity date for both Tranche 1 and Tranche 2 is 15 months from the date issue.

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

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

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

Note 8. Contingent liabilities

The previous owner of the mineral exploration licences is entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the Tenements. Refer note 6 'Exploration and evaluation'.

The Company has a contingent liability associated with a \$20,000 environmental bond and in the same amount.

The Company has a contingent liability associated with a \$48,807 bank guarantee facility for the commercial property lease and in the same amount.

Note 9. Events after the reporting period

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

Note 9. Events after the reporting period (continued)

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

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

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

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

The DOCA was subject to the receipt of \$145,000 by the Administrators from BCP, the removal of all PPSR charges against the Company; ASIC, ASX and shareholder approval, and the removal of the directors of the Company to be replaced with nominees of BCP. The Administrators received \$145,000 from the Proposer subsequent to the end of the reporting period.

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

On 1 May 2025, the Company:

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

On 27 May 2025, director Warrick Hazeldine resigned.

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

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

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

On 31 July 2025, the Company announced:

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

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

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

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

None of the above matters or circumstances are considered to be events requiring adjustment to the carrying values of assets and liabilities as at 31 December 2024.

Note 9. Events after the reporting period (continued)

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

For personal use only

ChemX Materials Limited
Directors' declaration
31 December 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Nigel Purves
Executive Chairman
23 December 2025

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

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of ChemX Materials Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$7,186,524 and had net cash outflows from operations of \$611,323 during the half-year ended 31 December 2024 and as of that date, the Group's liabilities exceeded its assets by \$2,724,396 and had net current liabilities of \$3,828,357. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

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

Dennis Lee

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