

ANNUAL INFORMATION FORM



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For the year ended June 30, 2024

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TABLE OF CONTENTS

EXPLANATORY NOTES AND CAUTIONARY STATEMENTS	3
DEFINITIONS AND GLOSSARY OF TERMS.....	7
CORPORATE STRUCTURE	11
GENERAL DEVELOPMENT OF THE BUSINESS.....	11
DESCRIPTION OF THE BUSINESS	19
RISK FACTORS	38
DIVIDENDS AND DISTRIBUTIONS.....	49
DESCRIPTION OF CAPITAL STRUCTURE	50
MARKET FOR SECURITIES	51
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	53
DIRECTORS AND EXECUTIVE OFFICERS.....	53
PROMOTERS	56
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	56
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	56
TRANSFER AGENTS AND REGISTRARS	56
MATERIAL CONTRACTS.....	57
INTERESTS OF EXPERTS.....	57
AUDIT COMMITTEE.....	57
ADDITIONAL INFORMATION.....	59
APPENDIX “A”	60

EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

In this annual information form (this “AIF” or “**Annual Information Form**”), unless the context otherwise requires, the “**Company**” or “**GMG**” refers to Graphene Manufacturing Group Ltd. This AIF applies to the business activities and operations of the Company for the financial year ended June 30, 2024. Unless otherwise indicated, the information in this AIF is given as of October 3, 2024.

This AIF contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

This AIF contains references to Canadian dollars and Australian dollars. References in this AIF to “C\$” are to Canadian dollars. References in this AIF to “AUD\$” are to Australian dollars. References in this AIF to “US\$” are to United States dollars. Any references to “\$” not preceded by “C”, “AUD”, or “US” are to Canadian dollars. On October 2, 2024, the average exchange rate for Australian dollars to Canadian dollars, as quoted by the Bank of Canada was \$0.9293.

This document is not intended to and does not constitute an offer of securities in Australia. Further, this AIF is neither a prospectus nor a disclosure document under the *Corporations Act 2001* (Cth), nor is it required to be. A copy is not required to be, and has not been, lodged with the Australian Securities and Investments Commission.

Cautionary Statement Regarding Forward-Looking Information

This AIF and the Company’s other public disclosure contain “forward-looking information” within the meaning of applicable Canadian securities laws (“**forward-looking information**”) concerning the Company’s business plans, including, but not limited to, anticipated results and developments in the Company’s operations in future periods and other matters that may occur in the future. In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “target”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “determine”, “continue”, “projects”, “potential”, “proposed” or “believes”, or variations or the negative of such words and phrases, or statements that certain actions, events or results “may”, “could”, “whether to”, “would”, “should”, “likely”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. Forward-looking information contained in this AIF includes, but is not limited to, statements regarding:

- the competitive and business strategies (including research and development strategies, pricing strategies, go-to market strategies) of the Company;
- market prices, values and other economic indicators;
- the performance of the Company’s business and operations;
- the intention to grow the business, operations and potential activities of the Company;
- the Company’s expectations regarding revenues, expenses and anticipated costs;
- the Company’s anticipated cash needs and its needs for additional financing;
- the expected substance and timing of the Company’s Pre-Manufacture Notice to the EPA;
- the timeline for EPA approval;
- the competitive conditions of the industry;

- whether the Company will continue to be in compliance with regulatory requirements;
- the Company's intention to build valuable intellectual property around graphene-enhanced products and solutions and the anticipated benefits therefrom including accelerated sales growth and profit margins;
- analyses and other information based on expectations of future performance, future expansion, future product development and future revenue generation;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future activities of the Company;
- future outlook and goals;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- whether additional financing, if required, will involve future sales or issuances of equity securities of the Company, which could result in dilution of shareholders' voting power;
- the intention of the Company to offer additional products and services, including the offering of THERMAL-XR® products, G®LUBRICANT products, G Coolant products, G Fluids products, G Diesel products, energy storage products and graphene powder products, the anticipated timing thereof and the associated revenue models;
- the anticipated effect that new product and services may have on customer value;
- the Company's expectations regarding product and operational improvements and the effect of such improvements; and
- planned expenditures and budgets and the execution thereof.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of Management in light of Management's experience and perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- the Company's ability to compete for market share with other companies, which may have longer operating histories and more financial resources, manufacturing and marketing experience than the Company;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- revenue from the Company's current and proposed operations;
- general economic, financial market, regulatory and political conditions in which the Company operates;
- general demand and consumer interest in the Company's products;
- competition;

- the timing and substance of the Pre-Manufacture Notice to the EPA;
- the timeline for obtaining EPA approval;
- anticipated and unanticipated costs;
- the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;
- government regulation of the Company's activities and products;
- the timely receipt and ongoing maintenance of any required regulatory approvals;
- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner;
- the ability of the Company to conduct operations in a safe, efficient and effective manner; and
- the ability of the Company to prevent, combat, and/or mitigate the effects of any potential information technology interruptions or breaches, or cybersecurity breaches or attacks.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, by their very nature, forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, events, results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation, those related to:

- industry-wide risks;
- fluctuations in capital markets and share prices;
- risks related to the ability to obtain financing needed to fund the continued development of the Company's business;
- the Company's ability to manage anticipated and unanticipated costs;
- securing users and customers of the Company's products;
- securing and protecting the Company's intellectual property rights;
- the Company's failure to economically commercialize its products;
- the Company's inability to maintain or improve its competitive position;
- the Company's ability to establish its business internationally;

- the Company's failure to retain key personnel and hire additional personnel needed to develop its business;
- the Company's failure to adequately evaluate its current business and its future prospects;
- market conditions, volatility and global economic conditions;
- the Company's failure to adequately prevent, combat and/or mitigate the effects of any potential information technology interruption or breaches, or any cybersecurity breaches or attacks;
- agreements with third parties relating to the Company's business and the ability to conclude such agreements on favorable terms;
- governmental regulations;
- the Company's ability to receive EPA approval to import and sell its products in the United States;
- restrictions imposed by the TSX Venture Exchange (the "TSXV") and other regulatory authorities on the Company's business;
- the uncertainty of profitability based upon the Company's history of losses;
- risks related to foreign exchange rate fluctuations, as applicable;
- insurance and tax risks;
- general risks and uncertainties related to the Company's 's prospects and business strategy;
- risks related to M&A transactions and the ability to conclude such transactions on favorable terms; and
- the risks described in the section of this AIF entitled "*Risk Factors*".

This is not an exhaustive list of the risks and factors that may affect the Company's forward-looking information. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements not to be as anticipated, estimated or intended. In addition to those discussed in this AIF, please refer to the risks described in the Company's public disclosure record.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained in this AIF. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to publicly update or revise any forward-looking information other than as required under applicable securities laws.

DEFINITIONS AND GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF, including the summary that follows. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this AIF and in such cases will have the meanings ascribed thereto.

"2021 September Unit" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2021 September Warrants" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2022 November Compensation Warrants" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2022 November Unit" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2022 November Warrant" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2023 August Compensation Warrants" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2023 August Offering" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2023 August Unit" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2023 August Warrant" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2024 May Compensation Warrants" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2024 May Offering" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2024 May Unit" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"2024 May Warrant" has the meaning ascribed thereto under the heading *"General Development of the Business – Three Year History"*.

"AC units" means air conditioning unit.

"Affiliate" has the meaning set out under the policies of the TSXV.

"AIBN" means the Australian Institute for Bioengineering and Nanotechnology.

“AICIS” means the Australian Industrial Chemicals Introduction Scheme.

“Annual Information Form” or **“AIF”** means this annual information form.

“Assignment License and Supply Agreement” has the meaning ascribed thereto under the heading *“Description of the Business – Overview”*.

“Associate” has the meaning set out under the policies of the TSXV.

“ASTM” means ASTM International.

“Audit Committee” means the audit committee of the Company.

“Awards” means RSUs and PSUs, collectively.

“Battery Development Centre” means the Company’s prototype production and testing plant for graphene aluminum-ion batteries.

“Board” means the board of directors of the Company.

“Bought Deal Offering” has the meaning ascribed thereto under the heading *“General Development of the Business – Three Year History”*.

“BTRL” has the meaning ascribed thereto under the heading *“General Development of the Business – Three Year History”*.

“CAGR” means compound annual growth rate.

“CEO” or **“Chief Executive Officer”** means the Chief Executive Officer of the Company.

“CFO” or **“Chief Financial Officer”** means the Chief Financial Officer of the Company.

“Company” or **“GMG”** means Graphene Manufacturing Group Ltd.

“CPC Policy” means the TSXV Policy 2.4 – *Capital Pool Companies*.

“CRC” means the Future Battery Industries Cooperative Research Centre.

“Cuspis” means Cuspis Capital Ltd.

“Distribution Agreement” means the distribution agreement between the Company and the THERMAL-XR® Supplier dated November 11, 2020.

“DC&P” means disclosure controls and procedures.

“Executive Officers” means the executive officers of the Company as detailed in *“Directors and Executive Officers”*.

“EPA” means the U.S. Environmental Protection Agency.

“forward-looking information” has the meaning given thereto under the heading *“Cautionary Statement Regarding Forward-Looking Information”*.

“G+Al Batteries” means GMG graphene aluminum-ion batteries.

“HVAC” means heating, ventilating and air conditioning.

“HVAC-R” means heating, ventilating, air conditioning and refrigeration.

“ICFR” means internal controls over financial reporting.

“JDA” means the binding joint development agreement dated May 17, 2023, between the Company and Rio Tinto.

“kWh” means kilowatt-hour.

“LI Batteries” means lithium-ion batteries.

“Management” means the management of the Company.

“Marketed Offering” has the meaning ascribed thereto under the heading *“General Development of the Business – Three Year History”*.

“M&A” means mergers and acquisitions.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“OEMs” means original equipment manufacturers.

“Option Plan” means the stock option plan of the Company as approved by the Board on November 26, 2020, as amended from time to time.

“Options” means an option to purchase a Share pursuant to the Option Plan.

“Ordinary Shares” or **“Shares”** means ordinary shares in the capital of the Company.

“PP Unit” has the meaning ascribed thereto under the heading *“General Development of the Business – Three Year History”*.

“PP Warrant” has the meaning ascribed thereto under the heading *“General Development of the Business – Three Year History”*.

“Process Patent” means the confidential patent application filed by GMG on April 9, 2018 dealing with GMG’s graphene manufacturing process design.

“PSUs” means performance share units.

“Qualifying Transaction” has the meaning ascribed thereto in the CPC Policy.

“R&D” means research and development.

“RSUs” means restricted share units.

“Securities Legislation” means the securities laws, regulations, rulings, rules, orders, and prescribed forms, and published policy statements issued by a securities regulator, including the rules of any stock exchange.

“Share Unit Plan” means the RSU and PSU plan of the Company as approved by the Board on November 25, 2021, as amended from time to time.

“Supply Agreement” means the supply agreement between the Company and the THERMAL-XR® Supplier dated November 12, 2020.

“THERMAL-XR® ” means the energy saving HVAC coating product powered by GMG graphene.

“TSXV” or the **“Exchange”** means the TSX Venture Exchange.

“THERMAL-XR® Agreements” means collectively the Distribution Agreement and the Supply Agreement.

“THERMAL-XR® Supplier” or **“OzKem”** means OzKem Pty Ltd.

“TWh” means Terawatt-hour.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“UQ” means University of Queensland.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated in Australia under the Corporations Act 2001 on August 10, 2016, under the name "Graphene Manufacturing Australia Pty Ltd.". The Company's head office and registered office is located at Unit 5, 848 Boundary Road, Richlands, QLD 4077, Australia. On January 15, 2019, the Company changed its name to "Graphene Manufacturing Group Pty Ltd.". On August 12, 2021, the Company completed the dissolution of its wholly-owned subsidiary, Cuspis and currently has no subsidiary companies.

On April 2, 2021, the Company effected each of the following actions: (i) completed a 22:1 split of the Ordinary Shares; (ii) completed the conversion from a proprietary company to a public company; (iii) changed its name from "Graphene Manufacturing Group Pty Ltd. ACN 614 164 877" to "Graphene Manufacturing Group Ltd. ACN 614 164 877"; and (iv) adopted a new Company constitution.

The Ordinary Shares commenced trading on the TSXV under the symbol "GMG" on April 15, 2021.

Intercorporate Relationships

Following completion of the Company's Qualifying Transaction, the Company had one wholly-owned subsidiary, Cuspis. On August 12, 2021, the Company completed the dissolution of Cuspis and as of the date hereof the Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Year ended June 30, 2022

On July 14, 2021, the Company announced that it is procuring equipment for a pilot production and testing plant for the manufacture of its G+AI Batteries.

On August 12, 2021, the Company completed the dissolution of Cuspis.

On September 2, 2021, the Company announced the closing of its \$11.5 million overnight marketed offering (the "**Marketed Offering**"), first announced on August 12, 2021. A total of 5,635,000 units (the "**2021 September Units**") were sold at a price of C\$2.05 per 2021 September Unit for gross proceeds of approximately C\$11.55 million. Each Unit is comprised of one Ordinary Share and one-half of one Ordinary Share purchase warrant (a "**2021 September Warrant**"). Each 2021 September Warrant entitles the holder to purchase one Ordinary Share at C\$2.60 at any time until September 2, 2024. In connection with the Marketed Offering, the Company paid a syndicate of underwriters a cash commission of C\$693,105 and issued 169,050 broker warrants, exercisable into a 2021 September Unit at C\$2.05 until September 2, 2024.

On September 2, 2021, the Company also announced the closing of a concurrent non-brokered private placement for proceeds of C\$909,500 through the sale of 425,000 units (a "**PP Unit**") at a price of \$2.14 per PP Unit. Each PP Unit is comprised of one Ordinary Share and one-half of one Ordinary Share purchase warrant (a "**PP Warrant**"). Each PP Warrant entitles the holder to purchase one Ordinary Share at C\$2.60 at any time until September 2, 2024. The Company paid certain arm's length finders a cash commission of C\$24,652.80 and issued 5,760 PP broker warrants, exercisable into a PP Unit at a price of C\$2.14 until September 2, 2024.

On October 26, 2021, the Company began construction of its Battery Development Centre for the Company's G+AI Batteries.

On December 9, 2021, the Company announced the Battery Development Centre was operational and the first G+Al Batteries were manufactured. The Company also stated an intention to invest further using cash resources in the near term in upgrades to the Battery Development Centre and in operational capabilities necessary to progress battery technology development.

On June 6, 2022, the Company announced Chris Ohlrich was leaving his positions as CFO and a director of the Company. Deborah Appleton, GMG Financial Controller, assumed the role of interim CFO. The Company also appointed Jeffrey Morris as Chief Technology and Projects Officer. The Company also established a Technical Advisory Committee, comprised of Bob Galyen and Professor Dan Brett.

On June 15, 2022, the Company announced it had commissioned the pouch cell equipment in the Battery Development Centre and its first G+Al Batteries in pouch cell format and the first pouch cells were manufactured. The Company's addition of the pouch cell equipment to the Battery Development Centre enabled the productization of this technology to a wide variety of applications.

On June 23, 2022, the Company announced that Dr. Emma FitzGerald would join the Board, effective July 1, 2022. The Company also announced director Robber de Weijer would leave the Board effective July 15, 2022.

Year Ended June 30, 2023

On July 25, 2022, the Company announced that Frederick Kotzee was appointed as CFO effective that day. On August 22, 2022, Frederick Kotzee was also appointed as a director of the Company.

On August 15, 2022, the Company announced that it had entered into a binding agreement with OzKem pursuant to which it would acquire the manufacturing intellectual property and brand rights of OzKem's THERMAL-XR® coating products. OzKem developed the THERMAL-XR® coating system products using GMG graphene together with OzKem's base HVAC coating. Under the binding agreement, GMG and OzKem agreed to the following terms: (i) the THERMAL-XR® manufacturing intellectual property would be transferred from OzKem to GMG to enable GMG to manufacture the products with GMG graphene going forward; (ii) the THERMAL-XR® branding ownership would be transferred from OzKem to GMG; (iii) GMG agreed to buy exclusively from OzKem the base coating at agreed prices for a fixed period of five years, and OzKem agreed not to develop graphene-based coatings for the same fixed period; and (iv) GMG would pay OzKem an initial AUD\$1 million cash, and upon completion by GMG of a successful commercial batch blend of the THERMAL-XR® product, would issue a subsequent AUD\$1 million worth of Ordinary Shares to OzKem.

On August 17, 2022 the Company announced that it had taken a Final Investment Decision on Phase 1 of its graphene manufacturing expansion project. The expansion project includes an executed 5 year lease to expand total office and warehouse space to 3,500 square metres, the next generation of the Company's proprietary graphene production technology with enhanced automation, a micro-grid with energy storage component to improve commercial and environmental electricity supply for the production process, and an infrastructure corridor to allow rapid scaling of further graphene manufacturing capacity during future phases of the graphene manufacturing expansion project. The project will be managed and executed by the Company's engineers with Wood Group PLC (the Company's graphene manufacturing scaling engineering service supplier) providing safety, assurance and design review services. The lease commitment of the additional new office and warehouse space of 1,500 square metres, which is adjacent to the existing Company leased 2,000 square metre office and warehouse, is intended to accommodate new staff and expand graphene manufacturing capacity. The Phase 1 expansion project is expected to provide ample graphene supply for the production of the Company's G+Al Battery coin cells, as well as the Company's energy saving liquid graphene products. The total investment of approximately AUD\$1.5 million is expected to be fully commissioned by second half of 2023. This project was envisaged in the September 2021 market raise and subsequently included costs to relocate all of GMG's existing

graphene manufacturing capacity adjacent to its new headquarters and Battery Development Centre in Brisbane, Australia.

On September 28, 2022, the Company announced that it had completed its acquisition of the manufacturing intellectual property and brand rights of Ozkem's THERMAL-XR® coating products. GMG paid OzKem an initial AUD\$1 million cash (exclusive of tax) and issued 125,207 Ordinary Shares to OzKem upon receipt of certain deliverables and equipment from OzKem on August 19, 2022 and September 8, 2022 respectively. GMG would also issue an additional 125,206 Ordinary Shares to OzKem, conditional on a subsequent successful commercial batch blend of the THERMAL-XR® product being completed by GMG.

On October 11, 2022, the Company provided the latest progress and performance update on its G+Al Battery technology being developed with the University of Queensland, and the GMG battery grade graphene production quality program. The Company's announcement included updates regarding:

- GMG's Graphene Aluminum-Ion Battery calculated energy density increasing to 290-310 Wh/kg, an increase of 93% since the last battery update on 22nd June 2021;
- Growing confidence in repeatability of battery grade quality graphene production at scale; and
- Next steps toward commercialization.

On November 30, 2022, the Company announced the closing of its bought deal prospectus offering of units of the Company, including exercise in full of the over-allotment option (the "**Bought Deal Offering**"), pursuant to which 2,091,850 units (the "**2022 November Unit**") were sold at a price of C\$2.75 per 2022 November Unit for gross proceeds of approximately C\$5.75 million. Each 2022 November Unit is comprised of one Ordinary Share and one Ordinary Share purchase warrant (each, a "**2022 November Warrant**"). Each 2022 November Warrant entitles the holder to purchase one Ordinary Share at a price of C\$3.35, at any time until November 30, 2026. In connection with the Bought Deal Offering, the Company paid a syndicate of underwriters a cash commission of \$345,155.25 and issued 62,755 compensation warrants (the "**2022 November Compensation Warrants**"), with each 2022 November Compensation Warrant exercisable into a 2022 November Unit at an exercise price of C\$2.75 until November 30, 2024.

On December 12, 2022, the Company announced an update on its ongoing investment in the Company's Battery Development Centre, including AUD\$600,000 in additional Board approved capital expenditure, to accelerate the progress of semi-automatic pouch cell prototype production in the Battery Development Centre for customer trials and G+Al Batteries cell development.

On December 20, 2022, the Company announced the results of its heat transfer demonstrations of aluminum coated with THERMAL-XR® powered by GMG Graphene, compared to uncoated bare aluminum. The University of Queensland Materials Performance consultancy verified that GMG's THERMAL-XR® when applied to aluminum reduces the surface temperature by approximately 15% in temperatures between 70 degrees Celsius and 90 degrees Celsius.

On December 21, 2022, the Company announced that Lisa Roobottom was appointed as Chief Operating Officer, effective January 30, 2023, and Paul Mackintosh was appointed as Chief Health, Safety, Environment, Quality, Risk, and Sustainability Officer, effective February 6, 2023. Jeffrey Morris, Chief Technology and Projects Officer, resigned voluntarily and completed his employment on December 23, 2022.

On January 9, 2023, the Company announced that Bobby Bran had been promoted to the role of Chief Projects Officer.

On February 13, 2023, the Company announced the full and final approval of all GMG's Graphene products from the Australian Industrial Chemicals Introduction Scheme (AICIS) of the Australian Government Department of Health and Aged Care under Assessment statement CA09624. AICIS approval allows GMG to significantly increase the production and sale of GMG graphene-enhanced products including:

- Coatings: THERMAL-XR® and other industrial coatings as developed;
- Automotive Fluids: G®LUBRICANT, G Coolant and other automotive liquids as developed;
- Fuel: G Diesel; and
- Batteries: including for G+AI Batteries.

On February 22, 2023, the Company announced the receipt of regulatory and local council approvals for the commercial scale manufacturing of batteries at its existing Richlands site in Brisbane Australia.

On April 11, 2023, the Company announced a business update of its energy savings portfolio product - THERMAL-XR® powered by GMG Graphene. The Company also announced that it has received a sales order for over AUD\$130,000 (including GST) for THERMAL-XR® sales and service for a large Australian eco-friendly resort for the coating of nearly 200 air conditioners.

On May 17, 2023, the Company announced that it signed a binding JDA with Rio Tinto, with the goal of accelerating the development and application of G+AI Batteries in the mining and minerals industry. Rio Tinto agreed to contribute technical and operational performance criteria and AUD\$6 million, in exchange for preferential access rights.

On May 24, 2023, the Company announced it had signed distribution agreements with four separate distributors to buy GMG THERMAL-XR® and resell in their respective countries in the Heating Ventilation Air Conditioning and Refrigeration (HVAC-R) markets. The four distributors are focused on the following geographical markets: Thailand, Singapore, Indonesia, and South Korea.

On May 26, 2023, the Company announced it recently secured an additional 1,200 square metres of laboratory, storage and office space adjacent to the existing factory, to support the increasing analysis and development work needed for ongoing battery development.

On May 26, 2023, the Company also announced that Frederick Kotzee would resign as a director and as Chief Financial Officer effective July 31, 2023.

On June 1, 2023, the Company announced the results of energy savings tests on a 4.3kw refrigeration system and Heat Transfer demonstrations on aluminum and Copper, of which the Company confirmed that the results provide additional confidence in the potential benefits of THERMAL-XR® in a range of applications.

On June 27, 2023, the Company announced that Robert Galyen joined the Company's Board, effective July 1, 2023, who had previously served as an advisory member of the Company's Technical Advisory Committee since June 2022.

Year Ended June 30, 2024

On July 18, 2023, the Company announced the granting of an aggregate 227,277 RSUs to certain officers of the Company, pursuant to the Company's Share Unit Plan. The RSUs vest equally over 24 months. In addition, the Company wished to provide disclosure of previously granted RSUs for which public disclosure was not made. On October 12, 2022 the Company granted an aggregate of 36,186 RSUs to certain directors of the Company pursuant to the Plan vesting as follows:

- 24,124 on October 12, 2023;
- 6,031 on October 12, 2024; and
- 6,031 on October 12, 2025.

The closing market price of the Company's ordinary shares on the date of grant was \$3.59. On October 21, 2022, the Company granted 20,952 RSUs to a director of the Company pursuant to the Plan, vesting equally over 36 months. The closing market price of the Ordinary Shares on the date of grant was \$3.18. When vested, each RSU entitles the holder thereof to receive one Ordinary Share upon exercise in accordance with the Plan.

On July 18, 2023, the Company further announced that it had entered into the following arm's length agreements to increase its investor relations outreach:

- An investor relations agreement with Focus Communications Investor Relations Inc. ("**Focus**") dated July 1, 2023, pursuant to which Focus will provide investor relations services to GMG for a one-year term in exchange for an annual fee of C\$200,000, plus applicable taxes, and an option to purchase 100,000 Ordinary Shares at an exercise price per Share that will be no less than the Discounted Market Price (as such term defined in the policies of the TSXV), vested over 12 months.
- An issuer trading services agreement with Independent Trading Group ("**ITG**") dated June 1, 2023, pursuant to which ITG will provide trading services to GMG for a monthly fee of C\$7,000 per month, plus applicable taxes, for a three-month term with automatic renewal for subsequent months.
- A service agreement with Proactive Investors North America Inc. ("**Proactive**") dated June 27, 2023 pursuant to which Proactive will provide media services, including research reports and analyst videos, to GMG for a twelve-month term for a fee of US\$28,000, plus applicable taxes, for each six-month period, in advance.

On July 27, 2023, the Company announced that it had signed a THERMAL-XR® distribution agreement with Nu-Calgon Wholesaler, Inc., a leading Heating Ventilation Air Conditioning, and Refrigeration (HVAC-R) specialty chemical supplier in North America. In accordance with the terms of the agreement, the parties will partner to provide THERMAL-XR® to the HVAC-R markets in the United States of America, Mexico, Canada and the Caribbean.

On July 28, 2023, the Company announced that Scott Richardson was appointed as interim CFO, effective July 31, 2023. The Company also announced Andrew Small's appointment as a director of the Company effective July 31, 2023.

On August 16, 2023, the Company announced the closing of its overnight marketed public offering of units of the Company (the "**2023 August Offering**") pursuant to which the Company issued 2,029,412 units (the "**2023 August Units**") at a price of \$1.70 per 2023 August Unit, for aggregate gross proceeds of \$3.45 million. Each 2023 August Unit consists of one Ordinary Share of the Company and one-half of one Ordinary Share purchase warrant (each whole ordinary share purchase warrant, a "**2023 August Warrant**"). Each 2023 August Warrant entitles the holder to purchase one Ordinary Share at an exercise price of \$2.20 until August 16, 2027. In connection with the 2023 August Offering, the Company paid a syndicate of underwriters a cash commission of \$207,000.02 and issued 121,765 compensation warrants (the "**2023 August Compensation Warrants**"), with each 2021 August Compensation Warrant exercisable into a 2023 August Unit at an exercise price of C\$1.70 until August 16, 2026.

On August 28, 2023, the Company announced that it had commissioned its graphene enhanced coating blending plant which is now operational after making its first 1000 litre blend. This blending plant is expected to have the capacity to produce up to 500,000 litres of THERMAL-XR® RESTORE® coating per annum, subject to graphene production, when operating two blends per eight-hour shift, 250 days per year. GMG has also installed

laboratory facilities for quality and control requirements and progressing research and development, to extend and enhance the THERMAL-XR® portfolio into additional industries and applications.

On September 6, 2023, the Company announced outlines of its three important strategies: the Company's product commercialisation process, organic corporate growth strategy and product distribution channel strategy:

- The Company's "Product Commercialisation Process" is to develop the Company's products through four stages, including: (i) developing the initial product concept, (ii) making the product repeatedly and verifying it will meet the target market needs with external testing, (iii) building the capacity to produce and sell the product, including regulatory approvals and organisation, and (iv) building awareness, making and selling the product into the route to markets developed. The Company announced that THERMAL-XR® is now in the fourth and final stage of commercialisation. G®LUBRICANT is positioned in the second stage as it is currently undergoing product market testing and the Graphene Aluminium Ion Battery (G+AI Battery) is also in the second stage as the battery is currently undergoing product development and optimisation.
- The Company's intended organic "Growth Strategy" is to progress the products through the commercialisation process to be able to grow revenues from making and selling THERMAL-XR® and G®LUBRICANT whilst developing Energy Storage products (i.e. the Graphene Aluminium Ion Battery). Supporting both will be the continued development and growth of GMG's Graphene production engineering capability. Meanwhile, the Company plans to continue developing Energy Storage products with the goal of adding selected partners from different verticals to co-sponsor and accelerate development. Rio Tinto is the first such sponsor, targeting Graphene Aluminium Ion battery for mining haul trucks in the mining and mineral processing sector.
- The Company's intended "Channel Strategy" is to sell its Energy Saving products through relevant industry segment distributors in various geographic locations and/or co-branded products for further distribution. The co-branded products allow product co-developers to share in GMG's branded logo and product technology through their existing production, distribution and sales infrastructure. For larger companies where bespoke or new applications require product development and/or support, direct sales will initially be undertaken.

On September 8, 2023, the Company announced the appointment of Jack Perkowski as a director, effective September 7, 2023.

On September 11, 2023, the Company announced it has made initial G+AI Battery prototype pouch cells, which have a storage capacity of over 500 mAh, with a nominal voltage of ~2 volts. The Company intends to pursue producing cells with over 20 double-layers to get a storage capacity of 1000 mAh by using an automatic coating machine, cathode laser cutting equipment, and a semi-automatic stacker, to achieve reproducible cells for validation trials, which will meet an objective in JDA. This target is to achieve a repeatable capacity of 1000 mAh by H1 2024 and then produce this pouch cell at scale by H1 2025. The battery technology readiness level ("BTRL") of the Graphene Aluminium-Ion technology has progressed to Level 4. GMG is currently optimizing electrochemical behaviour for pouch cells via ongoing laboratory experimentation.

On September 18, 2023, the Company announced it is now using a Multilayered Auto Stacker to optimise the assembly techniques of the pouch cell prototypes.

On October 4, 2023, the Company announced that the Honourable Milton Dick Member for Oxley and Speaker of the Australian House of Representatives had officially opened the THERMAL-XR® Coating Blending Plant on September 28, 2023.

On October 5, 2023, the Company announced the appointment of Brandon Leong as CFO effective October 17, 2023.

On October 24, 2023, the Company announced the appointment of Jack Perkowski as Chairman of the Board effective October 24, 2023.

On December 19, 2023, the Company announced the commissioning of its natural gas to graphene production plant at its manufacturing facility in Richlands, Australia. The facility is based on the GMG plasma technology with which the Company's existing production plant has been using to make graphene for over five years, however this new plant is built in a modular fashion which can allow more production units to be installed as the sales of Company's products increases. The Company expects to be able to install at least 20 additional graphene production units in the Richlands manufacturing facility with most of the supporting infrastructure for these additional production units already installed as part of this initial project.

On January 30, 2024, the Company announced an update on THERMAL-XR®, including information regarding:

- the official launch of the CoolWorx® in the United States;
- the approval of THERMAL-XR® for import and use within Canada; and
- progress through the EPA's approval process to import and sell THERMAL-XR® in the United States.

On February 6, 2024, the Company provided a progress update on its G+AI Battery being developed by GMG and UQ. The Company's update included information about GMG's G+AI Battery regarding:

- a 1000 mAh capacity battery cell being reached;
- the BTRL;
- next steps toward commercialisation and market applications;
- battery performance; and
- important milestones for GMG's G+AI Battery development.

On February 14, 2024, the Company provided an update on its G+AI Battery, including information regarding:

- the identification of minimal temperature rise when charging and discharging the battery;
- the potential elimination of thermal management which may reduce the weight and cost of the battery;
- the BTRL;
- next steps toward commercialisation and market applications; and
- battery performance.

On February 19, 2024, the Company announced it successfully passed the ISO 9001:2015 audit and was now certified to be in compliance with this internationally recognized standard for quality management systems. The ISO 9001 certification process involved a rigorous assessment of the Company's quality management system, covering all aspects of its operations, from customer service to production, delivery, and technical support. The successful audit demonstrated that the Company's system meets the stringent requirements of the ISO 9001 standards that are designed to ensure consistent quality and customer satisfaction.

On February 26, 2024, the Company announced it commenced trading on the OTCQX market under the symbol "GMGMF".

On March 4, 2024, the Company announced William Ollerhead resigned his position on the Board as of February 29, 2024.

On March 11, 2024, the Company announced the implementation of an organizational restructuring to reduce operating costs by a targeted AUD\$4.5 million per annum. The Company believed the reduction target will largely be achieved by merging projects and operations teams and streamlining operations for its newly built modular graphene manufacturing plant and THERMAL-XR® blending plant. The Company also announced it had appointed Paul Mackintosh into a new role of Chief Development and Health, Safety and Environment Officer (CDHSEO), reporting to the CEO, to lead the product development, liquid graphene production and HSE functions of the Company. The Company further announced that Lisa Roobottom, the Chief Operating Officer, resigned her position with the Company as of March 8, 2023. The Company also provided an update to its EPA approval process. The approval for the Company's application with Nu-Calgon, its North American distributor, for a Pre-Manufacture Notice - Low Volume Exemption (PMN-LVE) for THERMAL-XR® "Powered by GMG Graphene" had yet to be received. GMG had been advised to apply for a full PMN, which the EPA believed would have a greater possibility for approval.

On March 25, 2024, the Company announced it had signed a Queensland Critical Minerals and Battery Technology Fund Agreement with the State Government of Queensland for a grant of AUD\$2 million. The grant will be put towards the funding of the Company's proposed automated battery pilot plant for the manufacture of the Company's Graphene Aluminum Ion Battery. The grant is for the payment of 50% of the capital cost of the proposed Automated Battery Pilot Plant, up to a maximum of AUD\$2 million, for the manufacture of the Company's G+Al Battery. The pilot plant will be constructed at GMG Richland's existing manufacturing facility and the grant is conditional on various preconditions, including the Company taking a final investment decision in the battery pilot plant project.

On April 5, 2024, the Company announced the appointment of Joshua George as Chief Financial and Commercial Officer (CFCO) effective April 8, 2024. The Company also announced that Brandon Leong would be resigning his position with the Company.

On April 22, 2024, the Company announced that both the Company and the THERMAL-XR® were awarded with the Most Disruptive Technology Award and the Best Chance for Market Success Award at the Data Center World Conference in Washington DC, USA on April 18, 2024. The Data Center World Conference is a global industry event that combines real world, practitioner and thought leader expertise with in-depth research and data, and access to a full spectrum of solution providers looking to drive the industry forward. The Company also announced that they received an order to complete the remaining two stages of the Australian micro-Liquefied Natural Gas (LNG) plant that the Company supplied and coated THERMAL-XR® in 2022 after successfully increasing production capacity approximately 16% on the initial gas cooling stage of the LNG plant. Further, the Company has received an order for THERMAL-XR® from a global Train Manufacturer to carry out supply and service of the product on train air conditioning systems in China after initial successful testing.

On May 7, 2024, the Company announced the closing of a marketed offering (the **"2024 May Offering"**) of units (the **"2024 May Units"**) of the Company for aggregate gross proceeds of approximately \$3.47 million. In the 2024 May Offering the Company sold 8,280,000 2024 May Units at a price of C\$0.42 per 2024 May Unit. Each 2024 May Unit consists of one Ordinary Share and one Ordinary Share purchase warrant (each, a **"2024 May Warrant"**). The May 2024 Units were offered under the amended and restated base shelf prospectus of the Company receipted January 10, 2024. Each 2024 May Warrant entitles the holder to acquire one Ordinary Share at an exercise price of \$0.55 per Ordinary Share for a period of 48 months. In connection with the 2024 May Offering the Company paid Ventum Financial Corp. a cash fee equal to 7% of the gross proceeds of the 2024 May Offering and such number of compensation warrants as is equal to 7% of the number of 2024 May Units sold (the **"2024 May Compensation Warrants"**). Each 2024 May Compensation Warrant is exercisable into a 2024 May Unit at an exercise price of C\$0.42 per 2024 May Unit until May 7, 2024.

On June 5, 2024, the Company announced that the THERMAL-XR® coating was awarded the Product Excellence HVAC Award in Sydney, Australia on May 29, 2024 at the Air Conditioning, Refrigeration Building Services Exhibition (ARBS). ARBS is Australia's leading event for the Heating Ventilation Air Conditioning and Refrigeration and building services sectors.

On June 13, 2024, the Company announced that it entered into an equity distribution agreement dated June 13, 2024 with Cantor Fitzgerald Canada Corporation. Pursuant to the agreement, the Company will be entitled, at its discretion and from time-to-time during the term of the agreement, to sell, through Cantor, such number of ordinary shares of the Company that would result in aggregate gross proceeds to the Company of up to C\$20 million.

July 1, 2024, to Present

On August 19, 2024, the Company announced that GMG and Nu Calgon signed an agreement with a consultant to prepare and submit a Pre-Manufacture Notice (PMN) for its USA Environmental Protection Agency's (EPA) approval to import and sell in the USA, as previously announced in its THERMAL-XR® re-submission. The PMN application is expected to be submitted before the end of October and the potential approval is expected to take less than 12 months.

Significant Acquisitions

Other than described above under the heading "*Three Year History*" the Company has not completed any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102.

DESCRIPTION OF THE BUSINESS

What is Graphene?

Graphene, a 2-dimensional allotrope of carbon is one atom thick, and it forms the fundamental building block for few layered and multilayered graphene. Isolated in 2004 by Andre Geim and Konstantin Novoselov, the discovery led to the Nobel Prize in Physics in 2010¹. The Company believes that graphene is one of the strongest and thinnest known materials, and it is an extraordinary conductor of heat and electricity.² As of December 2018, over 53,000 graphene technology patents have been filed by various parties.³ As of September 2022, a search on Google Patents revealed over 135,000 patents that involve graphene. Research has indicated that graphene-based materials are promising materials for a myriad of applications.^{4, 5}

GMG graphene, in its powder form, consists of few and multilayered graphene.

¹ <https://www.nobelprize.org/prizes/physics/2010/press-release/>

² <https://www.forbes.com/sites/startswithabang/2019/06/18/there-are-6-strongest-materials-on-earth-that-are-harder-than-diamonds/?sh=1b3be0733412>

³ Yang, X.; Yu, X.; Liu, X. Obtaining a Sustainable Competitive Advantage from Patent Information: A Patent Analysis of the Graphene Industry. *Sustainability* 2018, 10, 4800.

⁴ Angew. Chem. Int. Ed. 2012, 51, 7640 – 7654 (From Nanographene and Graphene Nanoribbons to Graphene Sheets: Chemical Synthesis).

⁵ Khan M.F. Shahil, Alexander A. Balandin, Thermal properties of graphene and multilayer graphene: Applications in thermal interface materials, *Solid State Communications*, Volume 152, Issue 15, 2012, Pages 1331-1340, ISSN 0038-1098, <https://doi.org/10.1016/j.ssc.2012.04.034>.

Overview

The Company is a clean-technology focused company which aims to offer energy saving products and solutions and energy storage products, enabled by graphene including that manufactured in-house via a proprietary production process or otherwise. In 2017 and 2018, the Company developed and proved its proprietary production process to decompose natural gas (i.e. methane) into its elements, carbon (including as graphene) and hydrogen (and some residual hydrocarbon gases). This process produces high quality, low input costs, scalable, tuneable and low contaminant graphene suitable for use in clean-technology applications⁶. While GMG graphene may be suitable for a wide range of industries, the Company's initial focus has been developing applications for energy savings and energy storage.⁷

In the energy savings segment, the Company has focused on graphene enhanced HVAC coatings and lubricants. The Company and some of its potential customers have successfully demonstrated HVAC coating projects, offering customers improvement in the efficiency of space cooling (air-conditioning) and coolant units. Also, the Company is developing G[®]LUBRICANTS which aim to reduce friction in engines. Both these offerings have the potential to enable lower energy consumption, reducing both cost and emissions.

In the energy storage segment, the Company and UQ entered into a research agreement and a license agreement dated as of February 26, 2021, pursuant to which they are working collaboratively with financial support from the Australian Government to progress R&D, and ultimately explore the commercialization of Graphene Aluminium-ion (G+Al) Batteries. Aluminum-ion batteries have the potential to have better power density than LI Batteries. G+Al Batteries may eliminate many disadvantages of LI Batteries, including risk of overheating/fire and performance degradation. Management believes that successful commercialization of the G+Al Batteries would result in a superior substitute to LI Batteries in targeted applications, however Management notes that the potential or theoretical advantages of G+Al Batteries, including potential power and/or energy density of such batteries, are not necessarily indicative of realized advantages in commercial applications of the G+Al Batteries.

The energy saving HVAC coating product, THERMAL-XR[®], has recently commenced generating sales revenue on a limited basis for both liquid and project sales. Early-stage test results provide encouragement to Management on the viability of GMG graphene enhanced lubricants by demonstrating a reduction in the lubricant coefficient of friction. Further testing of lubricants is progressing both in-house and via third parties. If various product applications are commercialized, the Company will need to increase its graphene powder production capacity and will likely need to build additional manufacturing capacity for specific product offerings. This will require capital, working capital and operating expenditure going forward.

The Company's core customer offerings are enhanced with the Company's graphene. To keep its proprietary graphene production process strictly confidential, the Company has maintained it as a 'trade secret' rather than filing a patent which would require mandatory disclosure. The Company has also adopted a strategy of building exclusivity and intellectual property around graphene-enhanced products and solutions. For example, the HVAC coating product was developed by one of the Company's customers, OzKem, an Australian coatings technology company that specializes in coatings for the HVAC industry, in collaboration with the Company (the "**THERMAL-XR[®] Supplier**"), using the Company's graphene. The Company entered into the Distribution Agreement with THERMAL-XR[®] Supplier on November 11, 2020 and the Supply Agreement with THERMAL-XR[®] Supplier on November 12, 2020 (the Distribution Agreement and the Supply Agreement, together, are referred to herein as the "**THERMAL-XR[®] Agreements**").

⁶ There is limited data availability of graphene produced by competitors. The high quality and low-cost characteristics of GMG's graphene is relative to competitors and based on anecdotal evidence gathered from various sources including the internet, and market discussions.

⁷ Development is undertaken both in-house and in partnership with third parties i.e. universities and customers.

On August 13th 2022 the THERMAL-XR® Agreements were replaced by a new 5 year agreement with THERMAL-XR® Supplier (the “**Assignment License and Supply Agreement**”) which facilitated the transfer of the intellectual property relating to the blending of graphene into the base coating manufactured by Ozkem to GMG. Under the Assignment License and Supply Agreement, Ozkem will supply the base coating used to formulate THERMAL-XR® to GMG who will conduct the final step of blending graphene into the base coating creating the final THERMAL-XR® coating. In addition to this intellectual property, GMG acquired the global rights to the THERMAL-XR® brand. This new agreement will enable GMG to control and grow the intellectual property as the products are further refined and the product range is extended to service other applications in wider industry.

On September 28, 2022, the Company announced that it had completed its acquisition of the manufacturing intellectual property and brand rights of Ozkem’s THERMAL-XR® coating products under the Assignment License and Supply Agreement. OzKem developed the THERMAL-XR® coating system products using GMG graphene together with OzKem’s base HVAC coating. GMG paid OzKem an initial AUD\$1 million cash (exclusive of tax) and issued 125,207 Ordinary Shares to OzKem upon receipt of certain deliverables and equipment from OzKem on August 19, 2022 and September 8, 2022 respectively. GMG issued an additional (and final) 125,206 Ordinary Shares to OzKem, which were conditional on a successful commercial batch blend of the THERMAL-XR® product being completed by GMG on August 30, 2023.

The Company has a strong R&D focus. R&D has been carried out in-house and in collaboration with third parties for other downstream applications such as THERMAL-XR® and G+Al Batteries, for which distribution and license agreements, respectively, have been signed. Success in these and other R&D initiatives may provide opportunity for improvements and future expansion of the Company's business and operations.

Revenue model

GMG’s revenue streams from operating activities are targeted towards the following segments:

1. Energy saving products and solutions

At present, this area consists of revenue targeted to be generated from THERMAL-XR®. Following the completion of the agreement to acquire the manufacturing intellectual property and brand rights of OzKem’s THERMAL-XR® coating products GMG now owns the THERMAL-XR® brand and will buy the base coatings product from OzKem for a period of five years. GMG will manufacture the THERMAL-XR® products containing GMG graphene. Pursuant thereto, GMG provides a full-service offering including supply and application of THERMAL-XR® on customers’ installed HVAC units and resale of THERMAL-XR® to third parties. GMG has several demonstration projects completed or in progress with customer prospects. In November 2020, GMG completed its first sale of the THERMAL-XR® solution to a paying customer. Subsequent sales and demonstrations with prospective customers have strengthened confidence of future sales. Considering the global market potential for this offering, future demand may allow GMG to increase its current graphene production capacity.

Future sales in this segment are also targeted to include graphene enhanced lubricants.

2. Energy storage products

This segment has no revenue to date as it is still in development and uses graphene powder for Aluminum battery cathode material. GMG’s target is that significant revenue in the medium to long term will potentially be driven by the successful commercialization of the G+Al Battery.

On May 17, 2023, GMG and Rio Tinto signed the JDA with the goal of accelerating the development and application of GMG’s Graphene Aluminium-Ion batteries in the mining and minerals industry. Rio Tinto will

contribute technical and operational performance criteria and up to AUD\$6 million, in exchange for preferential access rights.

In September 2023, the Company announced it has now made initial G+Al Battery prototype pouch cells, which have a storage capacity of over 500 mAh, with a nominal voltage of ~2 volts. In February 2024, the Company announced that it has produced multiple battery pouch cells with over 1000 mAh (1 Ah) capacity. The Company's development team has built and confirmed multiple cells, all testing greater than 1Ah (1000mAh). This is a major milestone achieved to demonstrate scalability from coin cells to pouch cells and represents the next milestone in the battery's development. In August 2024, the Company provided the latest progress update on the G+Al battery. The Company is currently optimizing the G+Al battery pouch cell electrochemistry – which is a standard battery development process step. The Company has developed significant knowledge regarding the electrochemistry of the pouch cells since achieving the targeted 1Ah cell capacity in February 2024.

3. *Other*

This segment is expected to constitute other graphene sales such as graphene powder sales likely unrelated to the 'energy saving products and solutions' and 'energy storage products'. GMG has in the past and may in the future also receive other revenue such as government grants for research projects and revenue may be earned from research collaboration projects. GMG will consider scaling for production of bulk graphene powder as the market becomes more established. Also, strategic sales for R&D or to evaluate future product development may be considered. Whereas GMG's near-term to medium-term focus is 'energy savings' and 'energy storage', GMG may expand its focus areas going forward. For example, GMG may consider graphene applications in composites.

Due to the potential attractiveness of the products and solutions offered by GMG, the pricing strategy employed is likely to be driven by the value generated for the customer. This value-based pricing strategy is being developed for THERMAL-XR® projects. Recent work has made it clear that value propositions vary markedly between industry sectors. In the HVAC sector for example, the value proposition revolves around energy savings and asset protection, whereas in the LNG sector, the value proposition revolves around, energy savings, asset protection and increased production. Tailoring of THERMAL-XR for optimum performance may further support value-based pricing.

As the business grows, increased production capacity driven by market demand will require additional capital expenditure. Decision making for such expansions will be influenced by customer requirements for the different product offerings and further R&D costs will be incurred as more products are sought to be commercialized. However, as a result of its differentiated customer offering employing value-based pricing, GMG expects to have positive operating leverage. The success of the business model will be determined by GMG's ability to demonstrate energy savings (for HVAC coatings, lubricants and other products) and superior performance parameters in battery technology currently under development as well as being able to control its cost base, i.e. produce graphene more efficiently.

Graphene is a recently discovered product and there are numerous trade secrets and patent protections for manufacturing processes, products and downstream applications. Considering the early stage the industry is in, Management is of the view that the market for high quality graphene and its use in different downstream applications may provide years of competitive opportunities and avoid competition with commoditized low value offerings and lower grade graphene.

Industry Overview

Graphene has been available commercially for approximately 10 years, but graphene's path to commercialization has accelerated over recent years. The Graphene Council has indicated that more than 2,300

graphene-related patents were approved in the 12 months prior to June 2019.⁸ As of September 2022, a search on Google Patents revealed over 135,000 patents that involve graphene.

There is a vast range of graphene applications⁹, including:

- Electronics, aerospace, medical, energy efficiency and energy storage and generation;
- Rail or locomotive;
- Transparent conductive films for various supercapacitors, smartphones, flexible electronic devices, optoelectronic devices, and medical devices;
- Inks, coatings, and different types of composites;
- Construction and road materials; and
- Automotive and aerospace industries, which are expected to be key application sectors for graphene-based composites over the next few years.

Market for GMG's products and solutions

GMG's current core focus is 'energy savings' and 'energy storage'. This section discusses relevant industries and trends for those products and solutions, which GMG either has already developed or is developing in the near to medium term. For more information on the relevant industries, see "*Description of the Business – Products and Solutions*" and "*Description of the Business – Competition*" in this AIF.

1. HVAC Industry

HVAC (Heating, Ventilation, Air Conditioning) is a mechanical system which provides comfort and improves the air quality of a confined space. The HVAC system controls the air temperature and humidity, provides fresh air intake and maintains the air quality across residential, commercial and industrial spaces.

'THERMAL-XR® powered by GMG graphene' coating benefits the HVAC industry. Early results from projects undertaken by GMG, have demonstrated reduction in the electricity consumption of air conditioners.

HVAC systems account for up to ~50 per cent of a commercial buildings' energy use¹⁰. By improving the efficiency of HVAC systems and air conditioners in particular, energy consumption can be reduced, lowering operating costs and potentially greenhouse gas emissions.

Global sales of air conditioner units ("**AC units**") have grown steadily. Since 1990, annual sales of AC units nearly quadrupled to 135 million AC units.¹¹ There are approximately 1.6 billion AC units in use, of which over 50% are in the People's Republic of China and the United States. AC units consume over 2,000 Terawatt-hour ("**TWh**") of electricity every year, approximately two and a half times the total electricity use of Africa.¹² The number of

⁸ Barkan, T. and Johnson, D. "Graphene Commercialization Update," Presentation by The Graphene Council, June 25, 2020 (www.coatingstech-digital.org/)

⁹ https://www.printedelectronicsnow.com/contents/view_breaking-news/2020-03-17/global-graphene-market-to-record-387-cagr-from-2020-to-2027-grand-view-research/

¹⁰ <https://www.csiro.au/en/about/corporate-governance/ensuring-our-impact/impact-case-studies/environment-energy-resources/opticool-building-iq>

¹¹ The Future of Cooling, Opportunities for energy-efficient air conditioning, International Energy Agency, 2018, <https://www.iea.org/reports/the-future-of-cooling>

¹² *Ibid.*, note 11.

AC units worldwide is predicted to soar from 1.6 billion units today to 5.6 billion units by 2050, according to a report by the International Energy Agency¹³. If left unchecked, by 2050, AC units could consume as much electricity as China does for all activities today.¹⁴

From an environmental perspective, greenhouse gas emissions released by coal and natural gas plants when generating electricity to power those AC units would nearly double, from 1.25 billion tonnes in 2016 to 2.28 billion tonnes in 2050. Emissions would contribute to global warming, which could heighten the demand for air conditioning.¹⁵

Initial energy savings results reported from the application of 'THERMAL-XR® powered by GMG graphene' offering has seen positive results with energy reductions and thus cost savings in a range of various situations trialed.

GMG intends to adopt a value-based pricing strategy to access a share of the energy savings available to customers.

2. Lubricants

According to Markets and Markets Research, the global lubricants market size is projected to reach USD\$182 billion by 2025 from USD\$157 billion in 2020, at a compound annual growth rate ("CAGR") of 3.0%¹⁶. Management estimates that the global lubricant additive market is valued at USD\$14 billion.

The internal combustion engine (ICE) inside a vehicle needs lubricants, mostly engine oil, and transmission fluid. Improvements in the internal elements of internal combustion engines such as very high revolutions per minute design, improved transmission systems, improved gear systems and better bearing technology, has led to further evolution and expansion of the lubricants segment. On the other hand, increases in electric vehicles will reduce the volume of the global lubricants market in time. At present, vehicle engine oils account for over 40% of the total lubricants market¹⁷ and economic growth in developing countries is increasing ownership of vehicles, which will spur demand, whereas, the market in developed countries like U.S. and Japan is expected to be steady for some time.¹⁸

The power industry is a large consumer of industrial lubricants, ranging from turbine oil to transformer oil. The renewable energy industry is a prospective sub-segment of the power generation industry e.g. wind turbines require lubricants for optimum operability.¹⁹

Reduction of parasitic losses of the vehicle, powertrain and the engine systems are key components of energy conservation. For engine efficiency improvement, various approaches include improvements in advanced combustion systems, component system design and handling such as down-sizing, boosting, and electrification as well as waste heat recovery systems etc. Among the various approaches, engine friction reduction is a key and relatively cost-effective approach, which has been receiving significant attention from tribologists and lubrication scientists and engineers.²⁰

¹³ <https://www.iea.org/news/air-conditioning-use-emerges-as-one-of-the-key-drivers-of-global-electricity-demand-growth>

¹⁴ <https://www.nytimes.com/2018/05/15/climate/air-conditioning.html>

¹⁵ *Ibid.*, note 14.

¹⁶ <https://www.marketsandmarkets.com/Market-Reports/lubricants-market-182046896.html>

¹⁷ *Ibid.*, note 16.

¹⁸ <https://www.fortunebusinessinsights.com/industry-reports/lubricants-market-101771>

¹⁹ *Ibid.*, note 16.

²⁰ Wong, V.W., Tung, S.C. Overview of automotive engine friction and reduction trends—Effects of surface, material, and lubricant-additive technologies. *Friction* **4**, 1–28 (2016). <https://doi.org/10.1007/s40544-016-0107-9>

There are increasingly stringent energy efficiency requirements and environmental legislation which OEMs must meet. Reducing the friction generated by lubricants not only enables OEMs to achieve this but also increases the durability, performance and reliability of vehicles which is extremely important from a consumer perspective.

As per a study in 2012²¹, in passenger cars, one-third of the fuel energy is used to overcome friction in the engine, transmission, tires, and brakes. The direct frictional losses, with braking friction excluded, are 28% of the fuel energy. In total, 21.5% of the fuel energy is used to move the car. Globally, one passenger car uses on average 340 litres of fuel per year to overcome friction, assuming an average driving distance of 13,000 km per annum. This illustrates that the enhancement of lubricants to reduce friction has the potential to play their part in significant aggregated fuel savings for vehicles.

GMG's graphene-enhanced lubricants have the potential, if proven, to reduce friction in engines thereby likely enabling cost savings and emissions reductions. If successfully commercialized/proven, GMG hopes to capture significant value within the lubricants industry.

3. Batteries

As per Grand View Research²², the global battery market size was valued at USD\$108 billion in 2019 and is expected to grow at a CAGR of 14.1% from 2020 to 2027, to over USD\$310 billion in 2027. This market includes all battery types including lead acid, lithium ion, nickel metal hydride, nickel cadmium and others.

The market growth is attributed to high demand from the automotive industry. Also, increasing popularity of consumer electronics and energy storage on a global scale is projected to result in the increasing usage of the lithium-ion battery.²³

A. Electric Vehicles

Rapidly expanding production of hybrid and electric cars will drive purchases of batteries. Other categories of electric vehicles such as two/three-wheelers and buses will also contribute to demand. Global electric vehicle battery capacity is expected to increase from approximately 170 Gigawatt hours per year at present to 1.5 TWh per year in 2030, based on a scenario which incorporates the impact of existing government policies globally. In a scenario fully compatible with the climate goals of the Paris Agreement, a demand of 3TWh is projected.²⁴

Battery costs have declined from USD\$1,000 per kWh in 2010 to approximately USD\$200 per kWh in 2019. Battery costs are expected to reduce to USD\$100 per kWh by 2027. A reduction in battery costs which are approximately 35% to 45% of electric vehicle manufacturing costs are expected to drive the growth of the market.²⁵

According to Verified Market Research, the global electric vehicle battery market was valued at USD\$35 billion in 2019 and is projected to reach USD\$133 billion by 2027, growing at a CAGR of 18.05% from 2020 to 2027.²⁶

²¹ Holmberg K, Andersson P, Erdemir A. Global energy consumption due to friction in passenger cars. Tribol Int 47: 221–234 (2012). <https://www.sciencedirect.com/science/article/abs/pii/S0301679X11003501?via%3Dihub>

²² <https://www.grandviewresearch.com/industry-analysis/battery-market>

²³ *Ibid.*, note 22.

²⁴ IEA (2020), *Global EV Outlook 2020*, IEA, Paris <https://www.iea.org/reports/global-ev-outlook-2020>

²⁵ <https://www.fortunebusinessinsights.com/industry-reports/electric-vehicle-battery-market-101700>

²⁶ <https://www.verifiedmarketresearch.com/product/electric-vehicle-battery-market/>

B. Energy Storage

An electrical grid is a network, which delivers electricity from electricity production plants to consumers. Battery storage provides flexibility for end user application of energy from intermittent sources such as solar power and wind power.

Co-location of renewable energy production facilities with energy storage assets, stabilizes production and ensures firmer capacity during peak demand periods. Increasing demand for renewable energy is one of the major driving factors for growth of the market and use of renewable energy increases the need for battery storage systems in the power grids.

As per Valuates Reports, Global Energy Storage Market size is forecast to grow from USD\$71 billion in 2018 to USD\$164 billion by 2025, at a CAGR of 12.6% over the period 2019 to 2025.²⁷

C. Future of Batteries

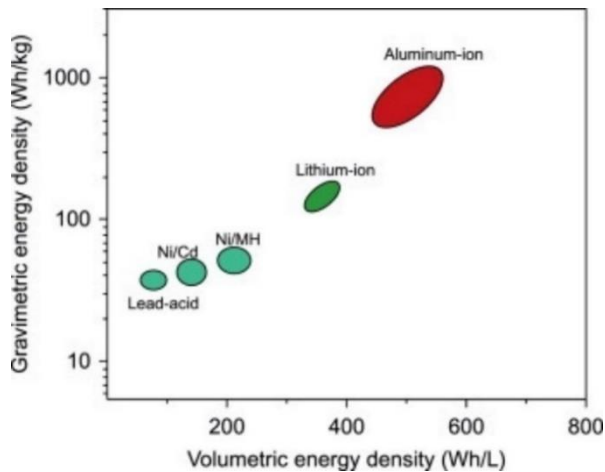
Other than electric vehicles and energy storage, improving levels of disposable income and consumer spending in developing economies will support sales of high-drain electronics such as mobile phones and personal computers, boosting demand for both primary and secondary replacement batteries. As incomes rise, a shift to better performing primary batteries including alkaline and lithium types is also expected in the developing world. In the industrial battery market, expanding investment in energy storage systems to provide backup power and/or frequency regulation will spur sales.

While the industry leading technology of lithium-ion has made tremendous progress over the past decade in terms of energy density, costs and cycle life, room for improvement remains. Research is being conducted to improve all three key components of LI Battery cells: cathodes, anodes and electrolytes.

GMG has continued R&D on commercializing a G+AI Battery using GMG graphene, pursuant to a research agreement and a license agreement with UQ dated February 26, 2021. Management believes that the G+AI Battery has many attributes that may make it superior to the LI Batteries. If successful, the G+AI Battery will be a superior substitute for the LI Battery in targeted applications.

The chart below shows the G+AI Battery's higher volumetric and mass energy densities (more generally) outperforming existing products on the market.

²⁷ <https://reports.valuates.com/market-reports/360I-Auto-6Q18/global-energy-storage-market>



Source: Advances in Batteries for Medium and Large-Scale Energy Storage Types and Applications; Woodhead Publishing Series in Energy; 2015, Pages 463-474

Operating Segments

There are no operating segments that are reportable segments under IFRS 8. Based on the commercialized products and products under development, subject to their successful commercialization, GMG expects to primarily operate under two key strategic business units, namely 'energy savings products and solutions' and 'energy storage products'.

In the energy savings segment, GMG has focused on graphene enhanced HVAC coating, lubricants and fluids. GMG and a number of its prospective customers have demonstrated HVAC coating projects, offering customers improved heat transfer in space cooling (air-conditioning) and coolant units. Also, GMG is developing G®LUBRICANT concentrate additives aiming to reduce friction in engines. Both these offerings have the potential to enable lower energy consumption, reducing both cost and emissions.

The energy saving HVAC coating, THERMAL-XR®, is being progressed and has several demonstration projects completed or in progress. On August 28, 2023 GMG announced it has commissioned its graphene enhanced coating blending plant and it is now operational after making its first 1000 litre blend. This blending plant is expected to have the capacity to produce up to 500,000 litres of THERMAL-XR® RESTORE® coating per annum, subject to graphene production, when operating two blends per eight-hour shift, 250 days per year.

GMG has demonstrated the viability of using a graphene additive in lubricants, with results of tests showing a reduction in wear and coefficient of friction. Further testing of lubricants is progressing both in-house and via third parties.

Should various product applications be commercialized, GMG will need to increase its graphene powder production capacity and/or improve the production yield of the existing plant and may also need to build additional manufacturing capacity for specific product offerings. This will require capital expenditure and optimization going forward.

The 'energy storage products' business unit has not generated any revenue to date. Pursuant to a research agreement and a license agreement dated February 26, 2021, GMG and UQ are working collaboratively with financial support from the Australian Government to progress R&D, and potential commercialization of Graphene Aluminium-ion batteries. Future revenue generation for this unit is expected to be derived from sales of graphene powder to enhance the performance of existing battery technology, such as LI Batteries, and the targeted successful commercialization of the G+Al Battery.

Summary of G+AI Battery and G Lubricant Development

The following is a developmental summary of the Company's G+AI Battery and G Lubricant:

	G+AI Batteries	G Lubricant
Timing and stage of development	- The Company is at Battery Technology Readiness Level (BTRL) 4. This is a commonly used framework for Battery technology development. - The Company is maturing the Pouch cell electrochemical development before it progresses any further toward process development at scale and commercialization.	The Company is at the final stages of development for the G Lubricant product.
Responsible R&D party	- The Company carries out its own internal R&D testing. - At times the Company uses the services of third parties to perform various other tests.	- The Company carries out its own internal R&D testing. - Various third parties are carrying out their own testing to validate the Company's test results.
Additional steps, time and costs required to reach commercial production.	- To progress to BTRL 5 and beyond the Company will be required to finalize the electrochemistry, produce repeatable pouch cells and automate output of cells at scale for testing. - The Company plans to design and construct an Automated Battery Pilot Plant (ABPP) to progress to BTRL 8, which is likely to take 12-18 months. - The Company's board of directors will only proceed with making a final investment decision on this project when a number of other non-technical milestones have been met.	- Prior to commercial stages of production, the Company will need to complete its internal diesel engine testing to be validated by external customers and third parties. - The internal testing should take no more than 1 to 2 months at a cost of no more than approximately ~AUD\$20,000 to the Company.
Expenditure for the period	- The Company's internal costs will be allocated to the respective R&D Project. - Total R&D expenditure for FY24 was AUD\$1,881K, consisting predominantly of internal labour, consultants, advisory services, battery development	- The Company's internal costs will be allocated to the respective R&D Project. It is likely to involve minimal internal labour costs for the remainder of the R&D Project. - Total R&D expenditure for

	consumables, equipment hire, testing and quality controls and decline in assets.	FY24 was AUD\$501K, consisting predominantly of internal labour, equipment hire, testing and quality controls.
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While the Company is targeting commercial production of its G+Al Battery, the Company cannot provide more detailed estimates beyond the disclosure in the prior table as:

- the final electrochemical composition of the battery is still unknown;
- the final sizes of the battery pouch cells and customer prototypes are yet to be decided and finalized;
- the battery factory, processes, plant and equipment that are necessary to manufacture the final pouch cell on a commercial scale are dependent on a final battery design; and
- the commercialization agreements are yet to be negotiated and will require alignment between the Company and the customer(s).

Products and Solutions

GMG has several products and solutions at different stages of development. Some products are being co-developed with universities and others with customers and prospective customers. This section discusses some key products and solutions of GMG. Other products/applications opportunities likely exist including high-density polyethylene, heart stents, amongst others but are not being prioritized at this time. At present, the products and solutions that are the focus of commercialization are graphene powder (G Composite for mixing with various liquids and solids and G Power for battery applications) and THERMAL-XR®.²⁸

1. Energy Savings Products and Solutions

A. *THERMAL-XR®*

THERMAL-XR® is a paint formulation and application system designed to reduce power consumption, increase the corrosion protection of HVAC condenser coils and extend the economic life of the HVAC unit. The product was developed by THERMAL-XR® Supplier using GMG graphene through close collaboration between both parties. The product is now owned by GMG.

THERMAL-XR® includes thermally conductive GMG graphene that helps rebuild and enhance thermal conductivity lost from damage caused by corrosion. THERMAL-XR® protects both round tube plate fin and micro channel, from accelerated corrosion damage. The THERMAL-XR® process can be used on already damaged coils in the field to restore lost energy efficiency. GMG not only supplies THERMAL-XR®, but also provides an end-to-end service which includes application of THERMAL-XR® on space cooling units and refrigeration units by licensed professionals.

THERMAL-XR® is applied by a high-pressure spray gun. The resulting coating is UV resistant, has a dry film thickness of no more than 15 microns, is flexible and highly resistant to aggressive environments. Ozkem, the Company's original THERMAL-XR® supplier has confirmed the adhesion level meets the Cross-Hatch Test Level 0 (European) and 5B (USA) according to ASTM 3359-88 53151 method B-A. GMG has been informed by Ozkem that corrosion resistance has been confirmed by testing of no less than 10,000 hours salt spray resistance per

²⁸ Thermal-XR is manufactured by THERMAL-XR® Supplier which uses GMG graphene as a key constituent

ASTM B117 using aluminum test. THERMAL-XR® is suitable for use on both new and already installed air-cooled condenser coils on buildings, buses, trains and other heat exchange equipment situations.

GMG received full and final approval for all its graphene products from AICIS of the Australian Government Department of Health and Aged Care under Assessment statement CA09624. This AICIS approval allows GMG to significantly increase the production and sale of GMG graphene-enhanced products to industrial customers in Australia and in countries where no further international approvals are needed. Regulatory approvals are being sought in targeted other markets where required.

In September 2022, GMG completed the acquisition of the manufacturing intellectual property and brand rights of OzKem's THERMAL-XR® coating products. Together with the above-mentioned regulatory approval and encouraging customer feedback GMG commissioned its own graphene enhanced coating blending plant and it is now operational after making its first 1000 litre blend.

After a period of customer demonstrations supported by external verification of the potential energy saving results of THERMAL-XR® the Company has seen increasing interest maturing into both larger sales as well as signing of international distributor arrangements. This included revenue of AUD\$137,000 (including GST) for THERMAL-XR® sales and service for a large Australian eco-friendly resort for the coating of nearly 200 air conditioners which was completed in March 2023.

GMG has signed distribution agreements with four international distributors to buy GMG's THERMAL-XR® and resell in their respective countries in the Heating Ventilation Air Conditioning and Refrigeration (HVAC-R) markets – Thailand, Singapore, Indonesia and South Korea. In August 2024 revenue of over AUD\$23,000 was recognized from a sales order with a Romanian Customer. GMG and certain distributors have successfully completed several THERMAL-XR® HVAC-R projects in Southeast Asia to provide case studies that illustrate the product's local benefits and customer value proposition in these countries.

GMG has also signed a THERMAL-XR® distribution agreement with Nu-Calgon Wholesaler, Inc. Nu-Calgon is a leading Heating Ventilation Air Conditioning, and Refrigeration (HVAC-R) specialty chemical supplier in North America and will partner with GMG to provide THERMAL-XR® to the HVAC-R markets in the United States of America, Mexico, Canada, and the Caribbean. Nu-Calgon, has been a leader in North America's HVAC-R aftermarket for over 70 years and distributes its products to thousands of distribution and stocking locations. THERMAL-XR® allows Nu-Calgon to continue distributing HVAC-R coatings to their existing distributors with the added value of graphene-enhanced superior heat transfer and corrosion protection.

GMG is in the process of obtaining U.S. EPA approval for the THERMAL-XR® and has received the necessary approvals to import the product for Canada, Mexico, and the Caribbean countries. GMG and Nu Calgon have signed an agreement with a consultant to prepare and submit a Pre-Manufacture Notice (PMN) for its USA Environmental Protection Agency's (EPA) approval to import and sell in the USA, as previously announced in its THERMAL-XR® re-submission. The PMN application is expected to be submitted before the end of October and the potential approval is expected to take less than 12 months. The PMN will be substantially different from the Low Volume Exemption (LVE) PMN GMG previously submitted. The potential PMN EPA approval that GMG will be seeking is expected to be not limited by volume, application and any one particular sector, while the LVE PMN application was limited to 10 tonnes per annum, one application technique and the HVAC sector.

Following the growing market success of THERMAL-XR® for HVAC purposes the Company is increasing efforts to demonstrate heat management benefits for other applications. THERMAL-XR® sales and third-party service projects in Southeast Asia have occurred – with applications in the data center cooling sector representing a significant opportunity as according to the IEA it represents up to 1.3% of global electricity demand. Accordingly, the Company has commenced first discussions regarding projects with a number of data center operators.

The Company is also in discussions with various mining, energy and gas producers in Australia, North America, and Asia about the potential for application of the THERMAL-XR® platform to provide increased heat transfer and corrosion resistance for operations, including gas processing heat exchangers, notably liquefied natural gas (LNG) plants. GMG made an initial sale of THERMAL-XR® and coating by GMG for a micro-LNG plant in Australia in late 2022 with encouraging results.

B. *G®LUBRICANT*

G®LUBRICANT is a concentrate of GMG Graphene and lubricating oil that is designed for ENERGY SAVINGS and EMISSION SAVINGS and wear prevention. The concentrate can be added to an existing fully formulated lubricant or tailored by Graphene Manufacturing Group as an addition to the client's choice of fluid. G®LUBRICANT protects the friction surfaces and reduces the friction coefficient by forming a protective layer between metal interfaces.

GMG has developed mixing equipment, systems and processes at laboratory and commercial scale to make G®LUBRICANT concentrates. GMG has also developed lubricant product testing equipment, systems and processes to optimize product formulations for graphene quality, lubricant type and customer performance data.

Initial trials by GMG have shown a reduction in wear and subsequent reduction in co-efficient of friction in GMG graphene enhanced lubricants over those without graphene. GMG believes that further reduction is possible by co-developing the product with an additive pack and better knowledge of the base oil molecules of the intended lubricants. Trials are ongoing and the lubricating oils have maintained stable dispersions of graphene for over 12 months to date.

This product is under development and testing internally and with prospective customers. The research and development for this product is being undertaken in-house. Results achieved so far are encouraging. Research is ongoing and there is no fixed end date. Customer engagement is taking place simultaneously, and hence timing of commercial production will be based on customer accepted scientific results, energy savings calculations and receipt of substantial orders. In a business-to-business environment with large corporate counterparties, the timeline for product validation and acceptance is uncertain. There is no significant operating cost for development, other than required salaries. Necessary capital equipment for current developments has already been acquired.

GMG continues to work with various Southeast Asian customers for infield testing and also carrying out its own diesel engine fuel testing. Current GMG diesel engine fuel testing is being carried out to examine fuel saving potential with the use of the G®LUBRICANT. The patent application for G®LUBRICANT is progressing through to the country level, where GMG is currently applying in approximately 20 countries for the in-country patent.

2. Energy storage products

A. *G Batteries*

Pursuant to a research agreement and a license agreement dated February 26, 2021, GMG has entered into a collaborative research project with the UQ to develop a G+AI Battery using GMG's graphene and a continuous production process for scalable production.

Initial coin-cell based trialing of GMG's G+AI Batteries indicate potential advantages over the more common Lithium-Ion Batteries, including:

- 3 times energy storage density of LI Battery;

- Up to 60 times faster charging than LI Battery;
- Stable charging/de-charging capacity over 1,000 cycles;
- Lower cost of aluminum as compared to lithium;
- Higher potential for recycling²⁹;
- Security of supply as aluminum is more widely available than lithium and widely available in developed countries; and
- Significantly reduced risk of fire.

The GMG G+AI Battery project, being undertaken with UQ, aims to develop a new generation of high performance and low-cost cathode materials for rechargeable G+AI Batteries. To address the low-capacity issue of current cathodes, this project anticipates generating new knowledge in the material design of novel graphene materials. Also, by developing an innovative surface perforation technique coupled in a continuous production process, this project expects to produce scalable and cost-effective graphene cathodes with a record-high capacity. A successful outcome of this project will create new intellectual property which will enable GMG to target a global market for batteries. The project has also been approved to receive grant funding of \$390,000 from the Australian Government's Australian Research Council.

The go-to-market strategy will be finalized when the commercialization potential of the technology is proven.

Initial performance results on this project being undertaken with UQ continue to be encouraging. The collaboration project is for a period of three years. Research will be carried out by UQ, with the assistance of GMG. The Company will contribute approximately AUD\$150,000 in cash (approximately AUD\$50,000 per annum for three years) and approximately AUD\$250,000 in-kind (graphene costs and costs of human resources of the Company). The Company expects a commercial prototype to be developed during this project. This project is ongoing and continues to provide valuable research and results for GMG.

GMG's Battery Development Centre for its G+AI Batteries has been operational since late 2021 and was further upgraded during the first quarter of 2022 enabling the research and development of battery prototypes in a spacious, fully integrated work environment. The Battery Development Centre also incorporates the equipment required to assemble and test battery prototypes. The Company has also successfully increased its organisational capability by attracting new staff experienced in pouch cell development, thereby enabling the acceleration of its battery development and performance optimisation programme. During the second quarter of 2022, GMG commissioned additional pouch cell development equipment and produced the first single layer working pouch cell prototype.

In the first quarter of 2023, GMG received regulatory and local council approvals for the commercial scale manufacturing of batteries at its existing Richlands site in Brisbane Australia. To date, GMG has been adhering to a research and development regulatory approval to make battery cell prototypes. In addition, this site already has council approvals that allow GMG to manufacture its graphene. These regulatory approvals are an important step in GMG's consideration at an appropriate future time to build and operate a battery manufacturing plant at the GMG Headquarters at Richlands.

²⁹ As per CSIRO, only two per cent of Australia's annual 3,300 tons of lithium-ion battery waste is recycled
<https://www.csiro.au/en/Research/EF/Areas/Grids-and-storage/Energy-storage/Battery-recycling>

In September 2023, the Company announced it has now made initial G+Al Battery prototype pouch cells, which have a storage capacity of over 500 mAh, with a nominal voltage of ~2 volts. In February 2024, the Company announced that it has produced multiple battery pouch cells with over 1000 mAh (1 Ah) capacity. The Company's development team has built and confirmed multiple cells, all testing greater than 1Ah (1000mAh). This is a major milestone achieved to demonstrate scalability from coin cells to pouch cells and represents the next milestone in the battery's development. This is a significant development as it shows the Company has matured the battery electro-chemistry and assembly techniques of producing pouch cells with over 10 layers of graphene coated cathode and aluminium foil anode. The BTRL of the Graphene Aluminium-Ion technology has progressed to Level 4. GMG is currently optimizing electrochemical behaviour for pouch cells via ongoing laboratory experimentation.

3. Graphene Powder

While graphene powder is a key input component of the Company's products and solutions, GMG also has and may continue to supply or source graphene in powder form to selected customers or from selected suppliers. GMG produces graphene powder using its proprietary, confidential production process.

GMG produced graphene is at commercial production stage. Expanded and enhanced production capability is also under development at the Company's premises using a proprietary production process.

Specialized Skill

The common thread and a key component of all GMG's products and solutions, including those under development, is high-quality graphene. GMG produces graphene via a proprietary manufacturing process. The business has the specialized capability to manufacture graphene powder from natural gas.

Recruiting and retaining qualified personnel will be critical to the Company's success. The Company is dependent on the services of key executives including its CEO and other highly skilled and experienced executives and personnel focused on managing its interests. The number of persons skilled in hydrocarbon handling, processing and the manufacturing of graphene and graphene products is limited and competition for such persons is significant. As business activity grows, the Company will require additional key financial, administrative, sales and marketing and engineering personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for people with these skill sets increases.

Environmental Policies

The Company seeks to conduct its activities in accordance with high environmental standards, including compliance with environmental laws, policies and regulations. Based on GMG's size and plant capacity, no compliance is currently required with a mandatory reporting regime in relation to emissions. Management estimates that the impact of the production process on the environment is minimal and believes that deploying residual gases from the production process into powering parts of the production facility may be able to make GMG a low carbon business in future. As GMG scales, Management is currently of the view that there will be no material financial or operational effects of environmental protection requirements on the capital expenditure, profit and loss or the competitive position of GMG. Significant expansion is envisaged as and when the company's commercial and operational needs materialize.

Employees

As at the date of this AIF, the Company has 22 full time, one part-time and one casual employee in Australia, including those located in its head office, warehouse and graphene production facilities. The individuals employed by GMG on a full-time basis are expected to devote 100% of their time to GMG activities. See *"Directors and Executive Officers"*.

Competition

GMG operates in the clean-technology or ‘clean-tech’ industry, which provides products and solutions that enable energy efficiency, emission reductions and cost savings. As GMG’s customer offering is driven by graphene-enhanced products, GMG considers companies that are using or exploring the use of graphene or other nanomaterials in the energy efficiency and battery technology and materials value chain as its potential competitors, although to date it has experienced no noticeable competition with its products.

The graphene industry is fragmented. In the period from 2010 to 2013, several graphene companies emerged. Many graphene producing companies have been spun-off from research centers and universities. Because of the extremely large number of potential applications of graphene and different specifications of graphene sought for each application, GMG believes that graphene will never be a ‘one size fits all’ product. As many companies engaged in this space are quite small with limited public information available, it is difficult to assess which companies are likely to emerge as competitors. Below are examples of companies that would fall under the category of what Management believe could be potential competitors, but to date GMG has not seen meaningful competition in its target markets of energy saving paint and lubricants from any of these example companies. Other energy saving HVAC paints have been discovered and other graphene lubricants exist albeit these products are not directly produced by a graphene manufacturer.

Company	Applications/ Downstream products
Applied Graphene Materials United Kingdom	Focuses on composites, coatings, lubricants, thermal management solutions and batteries and energy storage devices.
First Graphene Australia	Manufactures graphene using graphite and has a product range that is focused on composites, elastomers, fire retardancy, construction materials, graphene enhanced textiles and energy storage devices.
Global Graphene Group United States of America	Focuses on thermal coatings and paints, conductive coatings and inks, anti-corrosion primers, graphene enabled silicon anodes, Li-Ion battery materials and non-flammable electrolytes.
Graphenano Spain	Has nine subsidiaries using graphene for concrete, batteries, sensors, composites and dental prostheses, among other applications.
Nanotech Energy United States of America	Produces graphene oxide from graphite for applications including batteries, transparent conducting electrodes, functional inks, flexible displays, antistatic coatings, RFID antennas.
NanoXplore Canada	Manufactures graphene powder from graphite for industrial markets, including for composites, mechanical strengthening, UV inhibiting properties and thermal and electrical conductivity.
Versarien United Kingdom	Develops advanced materials to satisfy customer-specific applications including a range of high performance, electrically conductive graphene inks, graphene enhanced plastic products and energy storage devices.

Company	Applications/ Downstream products
Zentek Canada	Utilizes graphite to produce graphene and is focused on the development of an intellectual property portfolio while developing innovative applications.
Hydrograph Canada and United States of America	Utilizes a hydrocarbon to produce graphene and hydrogen through a detonation process.

In a fragmented market, the following will primarily drive GMG's competitive advantage:

1. Quality of graphene used in customer offerings

The quality and properties of graphene vary by manufacturing process. Most companies producing few layer and multilayered graphene use micromechanical exfoliation, and liquid-phase exfoliation³⁰, which generally results in a product called graphene oxide or reduced graphene oxide. GMG's proprietary production method, using natural gas, produces graphene (not graphene oxide derived from graphite) which Management believes has characteristics which may be superior for many applications. Successful commercialization of GMG's customer offerings will be difficult for rivals to replicate because comparable graphene itself will be very difficult for competitors to produce.

2. Patents and know-how relating to energy saving products and solutions, including:

- PCT application for G[®] LUBRICANT, Graphene Heat Transfer, and Improved Battery; and
- Exclusive supply and distribution agreements with the THERMAL-XR[®] Supplier (the THERMAL-XR[®] Agreements) relating to manufacture and distribution of THERMAL-XR[®].

Due to potential competitors that could affect GMG's business, some of which could be with companies with greater financial resources, the Company may be unable to manufacture attractive products in the future on terms it considers acceptable. There is no assurance that additional capital or other types of financing will be available to GMG if needed or that, if available, the terms of such financing will be acceptable to GMG. See "Risk Factors", including risks relating "Competition" and "Financing Requirements".

Permits and Licenses

The Company requires certain permits and licenses in connection with its operations.

With respect to graphene powder, the Company currently operates under approval from AICIS, and is permitted to produce up to 10,000kg p.a. GMG and Nu Calgon have signed an agreement with a consultant to prepare and submit a Pre-Manufacture Notice (PMN) for its USA Environmental Protection Agency's (EPA) approval to import and sell in the USA, as previously announced in its THERMAL-XR[®] re-submission. The PMN application is expected to be submitted before the end of October and the potential approval is expected to take less than 12 months. The PMN will be substantially different from the Low Volume Exemption (LVE) PMN GMG previously submitted. The potential PMN EPA approval that GMG will be seeking is expected to be not limited by volume,

³⁰ Exfoliation techniques utilise graphite to produce graphene

application and any one particular sector, while the LVE PMN application was limited to 10 tonnes per annum, one application technique and the HVAC sector.

The Company requires various licenses to undertake installation of THERMAL-XR® in Australia, The Company now holds the required Mechanical Services License (plumbing) with the Company's Lead Technician being the Nominee / Supervisor. The Lead Technician also holds the required Restricted Electrical license and Refrigerant Trading License which is required for purchase of HVAC refrigerant that may be required from time to time to support the delivery of the coating service. The current sales focus in Australia is largely in Queensland, but the business will consider operating through contractors or recruiting new employees with appropriate licenses in other states as required.

Intangible Properties

GMG's strategy is to build intellectual property in relation to applications of graphene that enable energy cost savings, emission reductions and better energy storage technology e.g. HVAC coatings, lubricants, coolants and batteries. There are several opportunities to seek patents around certain graphene applications. This strategy would build a "downstream product patent fence" around GMG's core graphene powder manufacturing process trade secret.

In line with the 'trade secret' and 'patent fence' strategy, GMG will continue to review opportunities to lodge patent applications around certain graphene applications and elements of the manufacturing process. As at the date of this AIF, GMG has lodged the following patents:

Application Number	Filing Date	Title	Status	Country
Provisional Patent Application				
2021421759	September 28, 2021	Enhanced Lubricant Composition	Published 29/7/22	Australia
202311538080.1	November 17, 2023	Graphene heat transfer	Application lodged	China
Patent Co-operation Treaty (PCT) Application				
PCT/AU2021/051127 (28/9/21)	September 22, 2021	Enhanced Lubricant Composition	Application lodged	Patent Co-operation Treaty (PCT)
PCT/AU2023/051171	November, 17, 2023	Graphene heat transfer	Application lodged	Patent Co-operation Treaty (PCT)
Individual Jurisdictions				
	Assessing	Enhanced Lubricant Composition	In Progress	Australia, Canada, China, Europe, India, Nigeria, Singapore, U.S., South Africa
	Assessing	Improved Battery	In Progress	Australia, Canada, China, Europe, U.S, Japan

In addition to in-house R&D, GMG often participates in projects with universities and research institutions. Funding support for these projects has been obtained from government research grants in Australia, through the Australian Research Council and other government bodies engaged in funding research projects. This funding generally provides part funding for a given project; the university makes its infrastructure facilities and research personnel available and, in some cases, cash contribution, while GMG may commit graphene, cash contribution and in some cases, personnel or a combination of these to the project. Various projects are being undertaken with universities, some of which provide IP ownership or licensing opportunities for GMG in graphene applications.

One of the key projects, for which funding has been approved is “Enabling next-generation rechargeable Aluminium-ion Batteries”. For this project, GMG and UQ are working collaboratively, pursuant to a research agreement and a license agreement dated February 26, 2021, to progress R&D and ultimately explore the commercialization of GMG graphene aluminum-ion batteries or G+Al Batteries. The government research grant approved for this project is approximately \$390,000, while GMG’s cash commitment is approximately \$150,000 (approximately \$50,000 per year for 3 years) and in-kind commitments of employee time and graphene powder are \$250,000 over the entire project. UQ is providing intellectual property and other resources for this project.

GMG lodged a confidential patent application on April 9, 2018 dealing with GMG’s graphene manufacturing process design (the “**Process Patent**”). GMG had an option to lodge a full patent application by 9 April 2019 or allow the application to lapse. Lodging a full patent would have required public disclosure of the Process Patent, in exchange for the associated patent protection. There are limitations to the protection of such a ‘process patent’ as it is difficult to determine if the patent has been infringed. GMG took a strategic decision to not lodge a full patent to maintain strict confidentiality around its proprietary manufacturing process design. GMG believes that this ‘trade secret’ approach will allow it to better maintain its competitive advantage around production of graphene.

Business Cycle

The Company is a graphene manufacturing and technology company with a number of graphene-enhanced products under development. As a result, the production and the related cost of graphene will have a direct impact on its business. Increasing cost of production can, for example, impact operations by requiring a reassessment of the feasibility of a particular project, and they can also impact the Company’s ability to raise capital. See “*Risk Factors*”, including risk relating to “*Graphene Price Fluctuations*”.

No recurring cyclicity or seasonality trends observed to date are significant. While cyclicity may be determined by specific applications, in aggregate, based on the Company’s development pipeline, Management does not anticipate the business will have any seasonality in the sales profile going forward.

Economic Dependence

There is no contract upon which the Company’s business is substantially dependent.

Foreign Operations

GMG’s production facility and head office are located in Brisbane, Australia and it has 22 full time and one part-time, and one casual employee in Australia. It also has two full-time contractors, one in Singapore and one in the U.S., both performing business development functions. Most discussions and sales efforts are currently focused in Australia, Asia and the U.S. So far, limited sales revenue has been generated from overseas. Most of GMG’s products under development will cater to a global market. Hence, in future, GMG is expected to generate revenue from domestic and foreign operations.

Changes in Contracts

There is no aspect of GMG’s business that it reasonably expects to be affected in the current financial year by

renegotiation or termination of contracts.

Bankruptcy

There has been no bankruptcy, receivership or similar proceedings against GMG, or any voluntary bankruptcy, receivership, or similar proceedings by GMG, within the three most recently completed financial years.

Material Restructuring Transactions

Except as set out herein, GMG has not completed any material restructuring transaction within the three most recently completed financial years.

A. *Quality policy*

The Company has a Quality Management System which includes a policy and supporting quality control procedures. The Company successfully passed the ISO 9001:2015 audit and is now certified to be in compliance with this internationally recognised standard for quality management systems. This achievement underscores GMG's commitment to providing its customers with the highest quality products and services, while continuously improving its internal processes.

The ISO 9001 certification process involved a rigorous assessment of GMG's quality management system, covering all aspects of its operations, from customer service to production, delivery, and technical support. The successful audit demonstrates that GMG's system meets the stringent requirements of the ISO 9001 standard that are designed to ensure consistent quality and customer satisfaction.

Members of Management meet regularly to discuss quality and improvement opportunities. All plant upgrades are approved by the Chief Project Officer with adequate support from RPEQ certified engineers. Qualified external subcontractors are used for installation if the capability to install does not exist in-house.

B. *Health, Safety and Environment ("HSE") Policy*

GMG has a current HSE policy with documented procedures and an HSE management system. GMG has invested in HSE since inception. The Company has several employees and directors with extensive experience in the oil and natural gas industry, including in safety and operations fields. The existing HSE policy was reviewed and updated in August 2023. GMG has a board appointed Sustainability Committee which meets to set strategic direction, review and monitor progress on Environmental, Social, and Governance (ESG) topics on a quarterly basis. Delivery of the Sustainability Committee Objectives is shared across specific HSE Management Meetings which range from Senior Executive Team level to Production Operator Level.

With respect to environment, the impact of the manufacturing process on the environment is being minimized. Management believes that deploying residual gases from the production process into a gas generator to power the production system will likely contribute towards making GMG a low to carbon-neutral business eventually.

Lending

GMG does not have any formal policies or restrictions with respect to lending or investing activities. GMG's current business plan does not include any plan to conduct lending or investing activities, however, subject to any applicable legislation, the GMG board may consider lending and investing opportunities on a case-by-case basis if and when such opportunities arise.

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The following are certain risk factors relating to the business carried on by the Company, which

prospective investors should carefully consider before deciding whether to purchase Ordinary Shares. The risks and uncertainties described herein are not the only ones that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operation may suffer significantly. References to the Company include its owned and partially owned subsidiaries and Affiliates in which the Company has an interest, as applicable.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the Australian dollar may adversely affect businesses and industries that are exploring the use of graphene and related products, affecting in unpredictable ways than the normal risks associated with prices for GMG's products. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, increases in interest rates, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, trade 'wars' or disruptions, may adversely affect the Company's growth and profitability. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and its overall liquidity, profits, losses and cash flow, continued recessionary pressures could adversely impact demand for its products, volatile energy, commodity and consumables prices and currency exchange rates would impact its production costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on its financial condition and results of operations.

Foreign Operation and Political Risk

The Company conducts business in Australia and Singapore. The Company also has distribution agreements in place with entities in Thailand, Indonesia and South Korea. and is considering partnering and selling in other countries. There is no guarantee against any future political or economic instability in such jurisdictions or neighboring countries that might adversely affect the Company. Risks the Company may face in operating in foreign jurisdictions include unforeseen government actions, acts of god, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

All or any of these factors, limitations, or the perception thereof could impede the Company's activities, or otherwise have an adverse impact on the Company's valuation and stock price.

Foreign Exchange Rate Fluctuations

Fluctuations in currency exchange rates, particularly the weakening or strengthening of the Australian dollar against foreign currencies such as the US dollar or Canadian dollar, could have a significant effect on the Company's results of operations. The Company currently does not engage in any hedging activities in connection with foreign currency requirements.

Currency fluctuations may affect the cash flow which the Company may realize from its financing, since the business will raise money in Canadian dollars, but the functional currency of the Company is Australian dollars.

Financing Requirements

Substantial additional capital may be required for new manufacturing capacity or other purposes. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all and may not obtain the capital required by other means. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of Shares to raise required capital will likely be dilutive to shareholders. In addition, debt and other mezzanine financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the Company's industry in particular), its status as a new enterprise with a limited history, and/or the loss of key Management personnel. Further, if the demand for graphene and graphene-enhanced products decreases, then potential revenues will likely decrease or not materialize and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development of revenue streams.

Risks Relating to Market Price of the Ordinary Shares and Volatility

Securities of microcap and small- cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of Ordinary Shares is also likely to be significantly affected by short-term changes in its financial condition or results of operations. Other factors unrelated to GMG's performance that may affect the price of Ordinary Shares include the following: the extent of analytical coverage available to investors concerning its business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Ordinary Shares may affect an investor's ability to trade significant numbers of Ordinary Shares; the size of the Company's public float may limit the ability of some institutions to invest in Ordinary Shares; and a substantial decline in the price of the Ordinary Shares that persists for a significant period of time could cause the Ordinary Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Ordinary Shares at any given point in time may not accurately reflect its long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert Management's attention and resources. The market price of Ordinary Shares is affected by many other variables which are not directly related to its success and are, therefore, not within its control. These include other developments that affect the market for all comparable securities, the breadth of the public market for the Ordinary Shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Ordinary Shares is

expected to make the Ordinary Shares price volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Ordinary Shares, dilute shareholders' voting power and reduce future potential earnings per Ordinary Share. The Company may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Ordinary Shares) and may issue additional equity securities to finance its operations, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Ordinary Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Ordinary Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in its earnings per Ordinary Share.

The Australian R&D Tax Regime May Change, or the Company May Become Ineligible for R&D Incentives in Future

GMG has obtained substantial income from grants, tax concessions and subsidies. It received approximately \$736,000 with regards to fiscal year 2021, \$1,554,070 with regards to fiscal year 2022, \$2,579,757 with regards to fiscal year 2023 and is expecting to receive \$2,847,866 for the fiscal year 2024, under the Australian R&D tax offset scheme. If this incentive were to be unavailable to GMG going forward, the business may have to raise additional capital from investors, and this may cause further dilution and reduce the returns for existing shareholders.

Operating History

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Negative Operating Cash Flow

The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows would have a material adverse effect on its financial condition and results of operations.

No Dividends Expected for Foreseeable Future

The Company intends to retain earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on Ordinary Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors. See *"Dividends and Distributions"*.

Going Concern

The Company's annual financial statements and interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and/or to continue to obtain borrowings or issue equity from third parties sufficient to meet current and future

obligations. In the event the Company is at any point unable to continue as a going concern, this would have an adverse impact on the Company's business, financial condition and operating results.

Failure of the THERMAL-XR® Offering and Other Products

In the absence of other product developments maturing, the Company's near-term commercial and financial success will likely be significantly influenced by the success of its most advanced customer offering, THERMAL-XR®, or other near-term products such as G®LUBRICANT concentrates. Sales for THERMAL-XR® are expected to increase during 2024 and 2025 as GMG has signed distribution agreements with five international distributors to buy GMG's THERMAL-XR® and resell in their respective countries in the Heating Ventilation Air Conditioning and Refrigeration (HVAC-R) markets. GMG and certain distributors have successfully completed several THERMAL-XR® HVAC-R projects in Southeast Asia to provide case studies that illustrate the product's local benefits and customer value proposition in these countries. However, there is no guarantee that these products will produce material energy savings or any energy savings for customers at all. The future success of this customer solution depends upon the market response to the effectiveness of the solution and GMG being able to build and expand its commercial operations in Australia, and other international markets. If the Company fails to penetrate available markets in a timely manner, the Company may not be able to expand its markets and grow revenue, the value of the Company may decline, and investors may lose money.

Product Development and Technological Change

As there is little sustained history of successful use of the Company's graphene powder and graphene-enhanced products in commercial applications, there is no assurance that broad successful commercial applications may be technically feasible. Most, if not all, of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments at our customers or third-parties, like universities and national laboratories. It is well known that laboratory data is not always representative in commercial applications.

Additionally, the industries in which the Company operates are characterized by rapid technological change and frequent new product introductions. Part of the Company's business strategy is to monitor such change and take steps to remain technologically current, but there is no assurance that such strategy will be successful. If the Company is not able to adapt to new advances in materials sciences, or if unforeseen technologies or materials emerge that are not compatible with the Company's products and services or that could replace its products and services, the Company's revenues and business would likely be adversely affected.

Technology May Not Be Effectively Commercialized

Most of the Company's products and solutions are currently in the research and development, and commercialization phase, at various stages of progression. There is a risk that the technology and the Company's products will not perform as expected (e.g. coatings, lubricants, coolants, G+AI Batteries) in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return on its research and development activities.

Intellectual Property Protection

The Company cannot provide any assurance that any patent or other intellectual property applications will be approved in future. Even if they are approved, such patents, trademarks or other intellectual property registrations may be successfully challenged by others or invalidated. The Company's success and ability to compete are substantially dependent on technologies and processes which it will need to protect through a combination of patent, copyright, trademark law or alternatively keep confidential as 'trade secrets'.

There can be no assurance that competitors will not seek to apply for and obtain trademarks and trade names that will prevent, limit or interfere with the Company's processes or marketing. There can be no assurance that

the Company will have the financial resources to defend its patents, trademarks, and copyrights from infringement or claims of invalidity now or in future. Litigation may be necessary in the future to enforce GMG's intellectual property rights, to protect the Company's trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. Any such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on GMG's business, operating results, and financial condition. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that competitors will not independently develop similar services or products. Any failure by GMG to adequately protect its intellectual property could have a material adverse effect on its business, operating results and financial condition.

There can be no assurance that any patent applications made by or on behalf of GMG, existing or future, will result in the issuance of patents, that the Company will develop additional proprietary products that are patentable, that any patents or know-how issued or licensed to the Company will provide the Company with any competitive advantages or will not be challenged by any third parties, that the patents of others will not impede the ability of the Company to do business or that third parties will not be able to circumvent the patents assigned or licensed to the Company. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of the Company's products or, if patents or know-how are issued and licensed to GMG, design around the intellectual property licensed by GMG.

Since patent applications are maintained in secrecy for a period of time after filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, the Company cannot be certain that the inventors of the patents were the first creators of inventions covered by pending applications, or that it was the first to file patent applications for such inventions. There can be no assurance that the Company's patents, if issued, would be valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

The Company's proprietary graphene manufacturing process is a trade secret, which the Company has chosen not to patent. There can be no assurance that the Company will be able to keep its trade secrets, existing or future, confidential.

GMG's Technology May be Unable to Achieve Broad Market Acceptance and, Consequently, Limit its Ability to Generate Revenue and Profits from New Products

Even when product development is successful, the Company's ability to generate significant revenue and profits depends on the acceptance of its products by its customers and end users of the products. The market acceptance of any product depends on a number of factors, including but not limited to awareness of a product's availability and benefits, the price and cost effectiveness of these products relative to competing products; general competition, and the effectiveness of marketing and distribution efforts. Any factors preventing or limiting the market acceptance of GMG's technology, products or solutions could have a material adverse effect on its business, results of operations and financial condition.

Performance and Scalability

To be successful, the Company will have to successfully scale its graphene production and internally developed or co-developed products and solutions, while ensuring quality and reliability.

A risk is that the Company cannot continue to maintain or continue to demonstrate product quality. For example, energy savings resulting from the THERMAL-XR® customer offering may not continue to provide customers with substantial energy savings in future.

The Company may produce a high-quality prototype but may not be able to develop a scalable production process or seek a suitable licensee. For example, the groundwork done on the G+AI Batteries in partnership with

UQ has yielded superior performance results such as high energy density. Despite these results and the research project that has commenced with UQ, GMG may be unable to build a methodology for continuous commercial production of cathode materials for the G+AI Battery. Thus, even if a high-performance technology is developed, there may be challenges associated with scaling production of cathodes or cathode material and commercialising the product.

Even if GMG develops a high-quality product, which can be produced on a large scale, the Company may not be able to satisfy the specification requirements of prospective customers. For example, if GMG successfully develops a G+AI battery, or cathode or cell which is a component of such a battery, it may not satisfy certain requirements of the electric vehicle industry or other target industries.

Graphene Demand Risk

Although sale of graphene powder is not the Company's core strategy, the Company has and may sell graphene powder to various customers. Graphene is a relatively new product and despite the unique physical and chemical properties of the material, most potential applications are at concept or early development stage. There may be a possibility that research and development in graphene reduces. Also, the industry's investment and interest in commercializing graphene-enhanced products may decline or altogether stop. This may result in there being no external demand for the Company's graphene powder.

Graphene Price Fluctuations

The price of graphene may be affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, increased production due to new graphene developments and improved production methods, currency values and the like. Declining market prices for graphene could materially adversely affect the Company's future operations and profitability.

Competition

Despite the Company's efforts to protect the proprietary rights on which the Company's business is dependent, competitive products may be developed in the future. Competition could adversely affect the Company's ability to acquire or sustain market share.

Graphene Standard

The graphene standard definition used in the industry in each country has not been finalised and this will likely change and/or evolve through academia, industry, standards organisations, and governments over time. There is no guarantee that GMG's graphene product(s) can be/will be called 'graphene' under any or all the current and future standards and conventions. This may affect the company's positioning as a supplier of graphene or graphene-enhanced products and solutions. This, in turn, may adversely impact the sales price and or the sales volume of various products and solutions.

Management of Growth

The Company could experience growth that could put a significant strain on each of the Company's managerial, operational and financial resources. The Company must implement and constantly improve its operational and financial systems and expand, train, and manage its employee base to manage growth. In addition, the Company expects that its operational and management systems will face increased strain as a result of the expansion of the Company's business. The Company might not be able to effectively manage the expansion of its operations and systems, and its procedures and controls might not be adequate to support its operations. In addition, Management might not be able to make and execute decisions rapidly enough to exploit market opportunities for the expansion of the Company's business. If the Company is unable to manage its growth effectively, its business, operations, and financial condition will suffer.

Execution of Business Plan

The execution of the Company's business plan poses a number of challenges and is based on a set of assumptions. The Company may not be able to successfully execute its business plan. If the Company experiences significant cost overruns on its programs, or if its business plan is more costly than it anticipates, certain research and development activities may be delayed or eliminated, resulting in changes or delays to its commercialization plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its business plan. The Company cannot predict with certainty its future revenues or results from its operations. Based on future developments, the Company may consider expanding its business beyond what is currently contemplated in its business plan.

Obtaining and Renewing Approvals, Licenses and Permits

In the ordinary course of business, the Company may be required to obtain and renew governmental licenses or permits for its operations, for its products/offerings including for the installation/application of THERMAL-XR® for customers or for the development, construction and commencement of graphene manufacturing projects. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving numerous jurisdictions and potentially involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the Company's operations, which could adversely impact its operations and profitability.

Country Risk

The Company is exploring operating in various countries/jurisdictions. Inability to secure product-related (and other) licenses, approvals and permits required in each country may limit or prevent the production, distribution or sale of GMG's products and solutions in one or more countries or states or territories. Further, the Company may face losses due to various political, economic, social, technological, environmental and legal aspects of operating in a particular country, state or territory.

Governmental Regulation

The Company's operations including graphene manufacturing, provision of graphene-enhanced products and solutions such as THERMAL-XR® and product development activities, will be subject to the laws and regulations of Australia and other jurisdictions governing various matters including environmental protection, management and use of toxic substances, management of natural resources, manufacturing, development and production, imports and exports, price controls, taxation, royalties, labour standards and occupational health and safety. The costs associated with legal compliance may be substantial. In addition, possible future laws and regulations, changes to existing laws and regulations (including imposition of more stringent safety standards around the handling of nanomaterials) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and planned operations and delays in the Company's development. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of its operations. Such legal actions could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It may be difficult to strictly comply with all regulations that will be imposed on the Company. The Company will retain competent and well-trained individuals and consultants to assist the Company with compliance with such laws and regulations, however, even with the application of considerable skill GMG may inadvertently fail to comply with certain laws. Failure to comply with laws and regulations could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

Provision of Services

The Company is and will be engaging employees and contractors for the provision of various services in relation to its various products and solutions, including the THERMAL-XR® service offering. There will be various risks with respect to the health and safety of personnel involved in the provision of services. Such personnel may be required to perform hazardous work including working at heights and high voltage electrical work (e.g. work on air conditioners for its THERMAL-XR® application solution), and there will be associated risks. The Company may face potential liabilities or damages associated with failure to perform work safely and effectively.

Operating Hazards, Risks and Insurance

The ownership, operation and development of a manufacturing and production facility involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. Other operating risks include environmental hazards, industrial accidents, explosions and third-party accidents, mechanical failure, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, manufacturing or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Company's securities. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event it could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company.

Environmental Hazards

The Company's operations will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for noncompliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the property, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Employee Recruitment and Retention

Recruiting and retaining qualified personnel will be critical to the Company's success. The Company is dependent on the services of key executives including its CEO and other highly skilled and experienced executives and personnel focused on managing its interests. The number of persons skilled in hydrocarbon handling, processing and the manufacturing of graphene and graphene products is limited and competition for such persons is significant. As business activity grows, the Company will require additional key financial, administrative, sales and marketing and engineering personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Shortages of Critical Parts, Equipment and Skilled Labour

GMG's ability to acquire critical inputs for graphene and other manufacturing such as input gases, machine consumables, and machine equipment, and skilled labour due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and delivery schedules.

Raw Material Price Fluctuations

Gases and chemicals used by the Company and its technologies are subject to market price fluctuations. Market price fluctuations of various inputs, including natural gas, could have a material adverse effect on the Company's business plan execution. There can be no assurance that the price of the raw materials will not increase in the future.

Delays, Disruptions, or Quality Control Problems in Manufacturing Operations

Any delay, disruption or quality control problems in operations at the current manufacturing facility, the current expansion project and any future manufacturing facilities, could result in the inability to successfully execute the business plan. Several factors could cause delays, disruptions or quality control problems including, but not limited to, equipment malfunctions or failures of equipment, work stoppages or slow-downs, damage or destruction of the facility, or regional power shortages.

GMG continuously seeks to improve its graphene manufacturing process and often various changes are made to the production facility, for example, existing processes may be modified, new processes may be introduced, and new equipment may be commissioned from time to time. Any change in GMG's processes, people or equipment could cause one or more production errors, requiring a temporary suspension or delay in its production line until the errors can be researched, identified, and properly addressed and rectified.

Also, GMG may look to build a new manufacturing facility to manufacture graphene or graphene-enhanced products. The risk of delays, disruptions and quality control problems are more likely in relation to new production facilities, as the Company would likely modify its engineering and production techniques, and/or expands its capacity.

If GMG should fail to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty provisions, logistical costs and delays, and potential damages for breaches of contracts. Any of these developments could have a material adverse effect on the Company's business, financial condition, and results of operations.

Dependence on Management and Key Personnel

The Company's success depends largely upon the continued services of its Executive Officers and other key employees. From time to time, there may be changes in GMG's executive management team resulting from the hiring or departure of executives, which could disrupt its business. If the Company is unable to attract and retain top talent, its ability to compete may be harmed. The Company's success is also highly dependent on its continuing ability to identify, hire, train, retain and motivate highly qualified personnel. Competition for highly skilled technical, research and development, management, sales, and other employees is high, and the Company may not be successful in attracting and retaining such personnel. Failure to attract and retain qualified executive officers and other key employees could have a material adverse effect on its business, prospects, financial condition, results of operations, and cash flows.

Information Technology Interruptions or Breaches

The Company's business operations are managed through a variety of information technology systems. These systems govern all aspects of its operations. Also, GMG uses storage including cloud-based hosting service and physical storage. While the Company has implemented a number of measures to keep its technology systems

fully operational and to mitigate the risks associated with a failure of its systems, the Company's systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by its employees. If the Company's information technology systems are damaged or cease to function properly, the Company may have to make a significant investment to fix or replace them and the Company may suffer loss of critical data and interruptions or delays in its operations in the interim. Any material interruption in its information technology systems could have a material adverse effect on the Company's business, prospects, financial condition, results of operations, and cash flows.

Cybersecurity Breaches

The Company's information technology systems could be subject to cyber attacks. Failure to prevent or mitigate security breaches and improper access to or disclosure of the Company's data or customer data could result in the loss or misuse of such data, which could harm the Company's business and reputation. The security measures the Company has integrated into its systems, which are designed to prevent or minimize security breaches, may not function as expected or may not be sufficient to protect the Company's systems against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently. As a result, the Company may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into the Company's networks.

If a security breach were to occur, as a result of third-party action, employee error, breakdown of the Company's internal security processes and procedures, malfeasance or otherwise, and the confidentiality, integrity or availability of the Company's customers' data was disrupted, the Company could incur significant liability to its customers, which could negatively affect the Company's business and damage its reputation.

Any actual or perceived security breach could damage the Company's reputation and brand, expose the Company to a risk of litigation and possible liability and require the Company to expend significant capital and other resources to respond to and/or alleviate problems caused by the security breach. Some jurisdictions have enacted laws requiring companies to notify individuals and authorities of data security breaches involving certain types of personal or other data. In addition, pursuant to the terms of certain agreements, the Company may be required to notify certain customers and partners in the event of a security incident. Any of these events could harm the Company's reputation or subject the Company to significant liability, and materially adversely affect the Company's business and financial results.

Product Liability Lawsuits Against the Company Could Cause the Company to Incur Substantial Liabilities, and it May Be Subject to Product Recalls for Product Defects That Are Self-Imposed or Imposed by Regulators

In the event of a failure of a future product incorporating the Company's technology, such as an air conditioner, freezer or battery, the Company may be subject to potential product liability lawsuits – including due to but not limited to the nanoscale nature of its products. Under certain circumstances, the Company's customers may be required to recall or withdraw the products incorporating its technology. Even if a situation does not necessitate a recall or market withdrawal, product liability claims may be asserted against the Company. Even if a product liability claim is unsuccessful, the negative publicity surrounding any assertion that the products caused illness or physical harm could adversely affect the Company's reputation and brand equity. An example of a product liability risk may be in relation to an adverse impact of the THERMAL-XR® application on air conditioners.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including claims relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company will carry liability insurance coverage and mitigate risks that can be reasonably estimated. In addition, the Company may be involved in disputes with

other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact its financial position, cash flow and results of operations.

Control Over Financial Reporting May Not Prevent or Detect Misstatements, and Projections of Any Evaluation of Effectiveness to Future Periods May Be Subject to Changes in Conditions or Deterioration in Compliance with Procedures

The Company has limited administrative staff, meaning internal controls which rely on segregation of duties in many cases are not possible. The Company does not have the resources, size and scale to hire additional staff to address this potential weakness currently. To help mitigate the impact of this, the Company relies on the performance of compensating procedures including senior Management's review and approval. As a venture issuer, the Company will not be required to certify the design and evaluation of its disclosure controls and procedure ("DC&P") and internal controls over financial reporting ("ICFR"), and as such the Company has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in National Instrument 52-109 *'Certification of Disclosure in Issuers'* Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under Securities Legislation.

Conflicts of Interest

Certain directors of the Company also serve as executive officers. Consequently, there is a possibility that a conflict could arise for such directors and officers. Any Company-related decision made by any of these directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith and to act in the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter relating to which such director may have a conflict of interest.

No Market for the Options and Warrants

The Options and Warrants are not listed for trading on any stock exchange and there is no market through which they may be sold except for the Warrants listed for trading on the TSXV under the symbols "GMG.WT" and "GMG.WT.A". The Company has no intention to apply to any stock exchange for listing of the Warrants. As a result, holders of Warrants may not be able to resell any Warrants and if sale is made over the counter, the expected or fair price may not be realised.

Enforcement of Judgments Against Foreign Persons May Not Be Possible

A number of directors of the Company reside outside of Canada. Some or all the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

DIVIDENDS AND DISTRIBUTIONS

There are no restrictions that would prevent GMG from paying dividends on the Ordinary Shares (other than those imposed on all companies under the *Australian Corporations Act 2001* (Cth)). However, GMG has neither declared nor paid any dividends on the Ordinary Shares since incorporation and has not established any dividend or distribution policy. The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon GMG's earnings, its capital requirements and its financial condition, as well as other relevant factors. GMG intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on the Ordinary Shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized capital of the Company consists of: (i) an unlimited number of Ordinary Shares, of which as of the date of this AIF, there are 96,770,059 Ordinary Shares issued and outstanding; and (ii) an unlimited number of preference shares, of which as of the date of this Annual Information Form, there are none issued and outstanding.

Ordinary Shares

The holders of Ordinary Shares are entitled to receive notice of any meetings of the shareholders of the Company and each holder has the right to cast one (1) vote for each Ordinary Share held at any such meeting, either by proxy, or by attorney. The Ordinary Shares rank equally with all other shares in any capital surplus upon a reduction of capital or winding up.

Preference Shares

The preference shares are, at the option of the Company or holder, liable to be redeemed or converted into Ordinary Shares. Each preference share confers on the holder the right to: (i) receive a preferential dividend, in priority to the payment of any dividend on the Ordinary Shares; and (ii) participate with the Ordinary Shares in profits and assets of the company, including on a winding up of the Company. The preference shares do not confer the right to vote at annual general meetings of the Company except in limited specified circumstances.

Options

The Board approved an Option Plan for the purpose of attracting and retaining employees, consultants, officers and directors and to motivate such individuals to advance the interests of the Company by affording them with the opportunity, through share options, to acquire an equity interest in GMG and benefit from its growth. The Option Plan authorizes the Board to grant, in its absolute discretion, stock options to directors, officers, employees or consultants on such terms, limitations, conditions and restrictions as it deems necessary and advisable, subject to the following terms and regulatory and TSXV approval. The Option Plan is a 10% rolling option plan and the issuance of Options is not to exceed a total of 10% of the total number of Ordinary Shares issued and outstanding from time to time. The exercise price of the Options may not be less than the market price of the Ordinary Shares at the time of the grant, less applicable discounts permitted by TSXV policies.

The Company has the following Options to subscribe for Ordinary Shares as at the date hereof:

Group	Number of members in group	Number of Securities under Options	Issue/Exercise Price	Expiration Date
Executive Officers and past executive officers as a group	1	826,540	AUD\$0.36	November 4, 2025
Directors and past directors as a group (who are not Executive Officers)	5	2,001,890	AUD\$0.42- AUD\$1.88	November 30, 2026 to January 1, 2028
Other employees and past employees of subsidiaries as a group	16	1,532,252	AUD\$0.36- AUD\$0.94	November 4, 2025 to March 10, 2028
All consultants as a group	1	100,000	C\$1.90	June 30, 2026

Group	Number of members in group	Number of Securities under Options	Issue/Exercise Price	Expiration Date
Total	23	4,460,682		

Restricted Share Units and Performance Share Units

The Board also approved a Share Unit Plan providing for the grant of Awards, consisting of RSUs and PSUs. The number of Ordinary Shares which may be reserved for issuance at any one time pursuant to both the Option Plan and Share Unit Plan cannot, in aggregate, exceed 10% of the number of Ordinary Shares issued and outstanding from time to time.

The Company has the following RSUs and PSUs as at the date hereof:

Group	Number of members in group	Type of Security (RSU / PSU)	Number of Securities	Expiry Date
Executive Officers and past executive officers as a group	1	RSUs	106,027	September 20, 2027
	1	RSUs	91,293	January 22, 2028
Directors and past directors as a group (who are not Executive Officers)	3	RSUs	161,225	February 2, 2026
	1	RSUs	6,984	October 21, 2027
Other employees and past employees of subsidiaries as a group	1	RSUs	10,532	October 20, 2026
	3	RSUs	87,700	September 14, 2027
	4	RSUs	4,984	October 14, 2027
	9	RSUs	69,737	October 20, 2027
	1	RSUs	57,098	July 13, 2028
	15	RSUs	410,783	January 22, 2028
All consultants as a group	1	RSUs	10,384	October 20, 2027
	2	RSUs	39,021	February 2, 2028
TOTAL			1,055,768	

MARKET FOR SECURITIES

Trading Price and Volume

The following tables set out information relating to the monthly trading of the Ordinary Shares and certain of the Company's warrants listed on the TSXV during the year ended June 30, 2024.

Ordinary Shares – GMG

Month Ended	High (C\$)	Low (C\$)	Volume (# of Ordinary Shares)
July 31, 2023	\$2.49	\$2.12	703,469
August 31, 2023	\$2.20	\$1.23	2,347,661
September 30, 2023	\$1.85	\$1.39	910,320
October 31, 2023	\$1.60	\$1.13	956,459
November 30, 2023	\$1.85	\$1.26	1,071,940
December 31, 2023	\$1.52	\$1.30	1,174,041

Month Ended	High (C\$)	Low (C\$)	Volume (# of Ordinary Shares)
January 31, 2024	\$1.39	\$1.09	1,059,860
February 28, 2024	\$1.36	\$1.19	1,277,788
March 31, 2024	\$1.23	\$0.69	3,506,594
April 30, 2024	\$0.79	\$0.37	4,740,310
May 31, 2024	\$0.56	\$0.36	5,386,608
June 30, 2024	\$0.79	\$0.50	1,984,991

Warrants – GMG.WT

Month Ended	High (C\$)	Low (C\$)	Volume (# of warrant)
July 31, 2023	\$0.70	\$0.40	5,575
August 31, 2023	\$0.70	\$0.125	112,700
September 30, 2023	\$0.185	\$0.085	26,000
October 31, 2023	\$0.20	\$0.10	32,400
November 30, 2023	\$0.20	\$0.12	36,500
December 31, 2023	\$0.17	\$0.12	6,805
January 31, 2024	\$0.195	\$0.12	21,550
February 29, 2024	\$0.195	\$0.11	16,300
March 31, 2024	\$0.115	\$0.02	27,700
April 30, 2024	\$0.095	\$0.035	2,000
May 31, 2024	\$0.01	\$0.005	88,900
June 30, 2024	\$0.005	\$0.005	4,000

Warrants – GMG.WT.A

Month Ended	High (C\$)	Low (C\$)	Volume (# of warrants)
August 21 - 31, 2023	\$0.405	\$0.29	348,000
September 30, 2023	\$0.51	\$0.355	84,742
October 31, 2023	\$0.40	\$0.30	40,502
November 30, 2023	\$0.60	\$0.40	21,150
December 31, 2023	\$0.47	\$0.425	11,000
January 31, 2024	\$0.47	\$0.275	14,700
February 29, 2024	\$0.40	\$0.25	25,030
March 31, 2024	\$0.25	\$0.17	62,460

April 1, 2024	\$0.20	\$0.15	15,700
May 31, 2024	\$0.17	\$0.06	30,000
June 30, 2024	\$0.18	\$0.06	18,000

Prior Sales

During the year ended June 30, 2024, the Company issued the following securities, which are convertible into Ordinary Shares but are not listed or quoted on a marketplace:

Date of Issuance	Type of Security	Number of Securities	Issue/Exercise Price Per Security
July 1, 2023	Stock Options ⁽¹⁾	100,000	C\$1.90
July 13, 2023	RSUs	227,277	N/A
August 16, 2023	2023 August Compensation Warrants ⁽²⁾	121,765	\$C1.70
January 22, 2024	RSUs	778,819	N/A
February 1, 2024	Stock Options ⁽³⁾	1,400,000	\$C1.74
February 12, 2024	RSUs	510,929	N/A
May 7, 2024	2024 May Warrants ⁽⁴⁾	8,280,000	C\$0.55
May 7, 2024	2024 May Compensation Warrants ⁽⁵⁾	579,600	C\$0.42
June 14, 2024	2024 May Warrants ⁽⁶⁾	579,600	C\$0.55

Notes:

- (1) Issued to Focus Communications Investor Relations Inc as part of their ongoing services contract.
- (2) Issued pursuant to the 2023 August Offering, each August Compensation Warrant is exercisable to acquire one 2023 August Unit at C\$1.70 until August 16, 2026.
- (3) Issued to Non-Executive Directors pursuant to the Stock Option plan.
- (4) Issued pursuant to the 2024 May Offering, each warrant is exercisable to acquire one Ordinary Share at a price of C\$0.55 until May 7, 2028.
- (5) Issued pursuant to the 2024 May Offering, each 2024 May Compensation Warrant is exercisable to acquire one 2024 May Unit at a price of C\$0.42 until May 7, 2028.
- (6) Issued upon the exercise of the 2024 May Compensation Warrants.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company's knowledge, no other securities of the Company are held in escrow or subject to a contractual restriction on transfer as at the date of this AIF.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets forth information with respect to the directors and executive officers of the Company, including their respective provinces or states and countries of residence, their position(s) with the Company, their principal occupations for the last five years, the dates on which they first became directors or officers of the Company and the number of the Ordinary Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by such persons or such persons' respective associates or Affiliates.

The directors hold office until the next annual meeting of the Company or until they otherwise cease to hold office in accordance with the Company's By-Laws. The term of office of the executive officers expires at the discretion of the Board.

Name, Province/State and Country of Residence	Position with the Company	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Shares Held ⁽²⁾
Craig Nicol Brisbane, Queensland, Australia	Founder, Managing Director and CEO	Managing Director and CEO since August 10, 2016; and M&A Deal Lead, Shell Australia Pty. Ltd., between April 2010 and August 2016.	Since August 10, 2016	12,482,500 (12.9%) ⁽³⁾
Paul Robert Mackintosh Queensland, Australia	Chief Development and Health, Safety, and Environment Officer	Chief Health, Safety, Environment, Quality, Risk and Sustainability Officer since February 6, 2023; Senior positions at Arrow Energy, Origin Energy, Brickworks and Caltex, as well as with Coles Myer retail and energy divisions.	Since February 6, 2023	57,098 (0.06%)
Robert Lee Galyen ^(1,5,6) Indiana, United States	Non-Executive Director	Director of GMG since July 1, 2023; Formerly Chief Technology Officer of Contemporary Amperex Technology Company Limited (CATL); Chair of the SAE International Battery Standards Steering Committee; CTO and Chairman Emeritus of NATTBatt International.	Since July 1, 2023	Nil
Joshua George Queensland, Australia	Chief Financial & Commercial Officer	Chief Financial & Commercial Officer since April 8, 2024; senior Commercial and Energy Markets roles at Arrow Energy for 17 years, as well as Tarong Energy, Santos, Amcor and KPMG.	Since April 8, 2024	Nil
John Francis Perkowski ^(1,5,6)	Chair and Non-Executive Director	Director of GMG since September 7, 2023; founder & current Chairman - JFP Holdings, a merchant banking firm focused on China; founded ASIMCO Technologies in 1994, and from 1994 to 2008, served as the Chairman of ASIMCO's Board of Directors and the company's Chief Executive Officer prior to its acquisition by Bain Capital; and worked for twenty years on Wall Street as the head of Investment Banking at Paine Webber, a major securities firm that was eventually acquired by UBS in 2000.	Since September 7, 2023	Nil
Andrew Small ^(5,6)	Non-Executive Director	Director of GMG since July 31, 2023; founder and former director of Innogence, a SAP Business Intelligence consultancy in Australia which following significant growth was acquired by the Japanese multinational company NTT Data.	Since July 31, 2023	5,134,000 (5.31%) ⁽⁴⁾

Notes:

- (1) Member of the Sustainability Committee.
- (2) Shares beneficially owned, directly or indirectly, or which control or direction is exercised, as at the of this AIF, based upon information furnished to the Company by individual directors and executive officers. Unless otherwise indicated, such Shares are held directly.
- (3) Of the 12,482,500 shares held, 12,362,500 shares are held in the name of Como Industries Pty Ltd, and 120,000 are held in the name of C & D Nicol Investments Pty Ltd, both companies jointly owned by Craig Nicol and his spouse Diny Nicol.
- (4) Of the 5,134,000 shares held, 2,150,000 are held in the name of Balustion Pty Ltd ATF the Abundance Investment Trust, a company controlled by Andrew Small and 2,984,000 are held in the name of Sense Sailing Pty Ltd ATF Deepblue Superannuation Trust, a company of which Andrew Small is a director.
- (5) Member of the Remuneration Committee.
- (6) Member of the Audit Committee.

Aggregate Ownership of Securities

As at the date of this AIF, the Company's directors and executive officers as a group beneficially own, directly or indirectly, or exercise control of, 17,673,598 Shares, collectively representing approximately 18.26% of the 96,770,059 issued and outstanding Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

At the date of this AIF, no director, executive officer or promoter of the Company is, or was within 10 years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under Securities Legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under Securities Legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director, executive officer or promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as disclosed below, to the Company's knowledge, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (i) is as at the date of this AIF, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, and other than as disclosed herein, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to provincial and territorial Securities Legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of Management of the Company or of any proposed promoter, director, officer or other member of Management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

PROMOTERS

Craig Nicol, the managing director and CEO of the Company, is considered to be a promoter of the Company as he took the initiative in founding and organizing the business of the Company. Please see "*Directors and Executive Officers*" for the number and percentage of each class of voting securities and equity securities of the Company beneficially owned, or controlled or directed, directly or indirectly by Craig Nicol.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

GMG is not aware of any material legal proceedings involving GMG nor are any such proceedings known by GMG to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this AIF, since the incorporation of the Company on August 10, 2016, no director, executive officer or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company or any Associate or Affiliate of the foregoing has, or has had, any material interest, direct or indirect, in any transaction prior to the date of this AIF or in any proposed transaction that has materially affected, or would reasonably be expected to materially affect, the Company or any of its Affiliates.

TRANSFER AGENTS AND REGISTRARS

The Company's registrar and transfer agent for the Ordinary Shares is Computershare Investor Services Inc., with an office located at 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

The following is a summary of each material contract, other than contracts entered into in the ordinary course of GMG's business, that was entered into during the financial year ended June 30, 2024, or up to the date of this AIF, that is still in effect:

- 1) Warrant indenture dated as of August 16, 2023, between GMG and Computershare Trust Company of Canada, entered into in connection the 2021 August Offering qualified under GMG's pricing supplement to the amended and restated short form prospectus dated August 10, 2023.
- 2) Underwriting Agreement dated as of April 30, 2024 between the Company and Ventum Financial Corp., entered into in connection with the 2024 May Offering.
- 3) Warrant indenture dated as of May 7, 2024, between GMG and Computershare Trust Company of Canada, entered into in connection the 2024 May Offering.
- 4) Equity Distribution Agreement dated June 13, 2024 between the Company and Cantor Fitzgerald Corporation.

Copies of the material agreements will be filed on the Company's profile on SEDAR+ at <https://www.sedarplus.ca>.

INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by the person or company are named in this AIF as having prepared or certified any of the aforementioned documents or any part thereof described in this AIF.

The Company's auditors, BDO Audit Pty Ltd., Chartered Professional Accountants, report that they are independent from the Company in accordance with the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter sets out the Audit Committee's responsibilities and authority, procedures governing meetings, qualifications for membership and particulars governing the role of the Chair. A copy of the Audit Committee Charter is attached as Appendix "A" hereto.

Composition of the Audit Committee

As at the date of this AIF, the following individuals are the current members of the Audit Committee and will hold office until the next annual general meeting of shareholders of the Company:

Andrew Small	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Jack Perkowski	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Bob Galyen	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Notes:

- (1) As defined by NI 52-110.

The members of the Audit Committee are appointed by the Board at its first meeting following the annual Shareholders' meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

Set out below is a general description of the education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member:

Andrew Small

Andrew founded and served as director of Innogence, an SAP Business Intelligence consultancy in Australia which following significant growth was acquired by the Japanese multinational company NTT Data. Andrew has supported and invested in GMG since 2017, remains a significant shareholder of the Company and is committed to actively supporting the Company's drive to deliver on its plans and set it up for the next stage of maturity. Andrew has a Bachelor of Engineering (Manufacturing Systems) and a Bachelor of Business (Marketing) from Queensland University of Technology.

Jack Perkowski

Jack Perkowski founded ASIMCO Technologies in 1994, and from 1994 to 2008, served as the Chairman of ASIMCO's Board of Directors and the company's Chief Executive Officer. Under his leadership, ASIMCO became one of the most important players in China's automotive components industry and gained a reputation for developing local management and integrating a broad-based China operation into the global economy. ASIMCO was later sold to Bain Capital in 2010 and is still regarded as one of the most successful automotive component manufacturing companies in China. Prior to moving to China, Jack worked for twenty years on Wall Street where he was the head of Investment Banking at Paine Webber, a major securities firm that was eventually acquired by UBS in 2000. After leaving ASIMCO, he founded JFP Holdings, a merchant banking firm focused on China, where he now serves as Chairman. Jack has an MBA from Harvard Business School and graduated Cum Laude from Yale university.

Bob Galyen

Mr. Galyen has global experience as a leading executive in the battery energy storage industry and science/engineering-based communities. Among his many roles, Bob has been the Chief Technology Officer of Contemporary Amperex Technology Company Limited (CATL), which is the largest lithium ion battery manufacturer in the world, was Chair of the SAE International Battery Standards Steering Committee, and is CTO and Chairman Emeritus of NATTBatt International. He serves on a number of Committees and Advisory Boards.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*Audit Committee - The Audit Committee's Charter - External Auditors*".

External Auditor Service Fees (By Category)

The aggregate fees billed to the Company for the last two (2) fiscal years by BDO Audit Pty Ltd., Chartered Professional Accountants, are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
June 30, 2024	\$183,367	\$0	\$0	\$59,814
June 30, 2023	\$139,360	\$25,125	\$0	\$0

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.

(2) "Audit Related Fees" include the aggregate fees in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR+ at <https://www.sedarplus.ca>.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular for its most recent annual meeting of shareholders filed on SEDAR+ on October 17, 2023.

Additional financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis for the year ended June 30, 2024.

APPENDIX "A"

AUDIT COMMITTEE CHARTER OF GRAPHENE MANUFACTURING GROUP LTD. (the "Corporation")

1. Purpose

- 1.1. The Audit Committee is responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:
 - (a) support the Board of Directors (Board) in meeting its responsibilities to shareholders;
 - (b) verify the independence of the external auditor;
 - (c) facilitate effective communications between Management and the external auditor and provide a link between the external auditor and the Board; and
 - (d) increase the credibility and objectivity of the Company's financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board from time to time prescribe.

2. Role and Responsibilities

The Audit Committee is not a policy-making body nor does it have substantive executive function. However, it assists the Board in developing board policy and monitoring corporate activity within the scope of its remit, and making recommendations to the Board for resolution. The role of the Audit Committee includes assisting the Board with the company's governance and exercising of due care, diligence and skill in relation to:

- (a) reporting financial information to users of financial reports;
- (b) application of accounting policies;
- (c) financial management;
- (d) the internal control system;
- (e) the risk management system;
- (f) the performance management system;
- (g) business policies and practices;
- (h) protection of the company's assets;

- (i) compliance with applicable laws, regulations, standards and best practice guidelines.

Other committee objectives include:

- (j) improving the credibility and objectivity of the accountability process, including financial reporting;
- (k) overseeing the effectiveness of the internal and external audit functions and providing a forum for communication between the board and the internal and external auditors;
- (l) ensuring the independence of the external auditor;
- (m) providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor;
- (n) assuring the quality of internal and external reporting of financial and non-financial information; and
- (o) ensuring an ethical culture is embedded throughout the company.

3. Membership

- 3.1. Each member of the Audit Committee must be a director of the Company.
- 3.2. The Board of Directors will appoint the Audit Committee members and the Chair of the committee, usually on the recommendation of the Nominating Committee, if there is one.
- 3.3. The Audit Committee will consist of at least three members, and usually no more than five members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 3.4. Each Audit Committee member will be financially literate and the majority will be independent.
- 3.5. The membership of the Audit Committee will be reviewed annually by and will serve at the discretion of the Board.
- 3.6. At least one member of the Audit Committee will have relevant qualifications and experience – for example, a qualified accountant holding a current accounting qualification, CPA or CA, or a finance professional with experience of financial and accounting matters.
- 3.7. The Chair of the committee must be non executive and independent. The Board Chair is not excluded from being the Audit Committee Chair.

4. Invitees

Other people may attend meetings of the Audit Committee by invitation, for example the:

- Chief Executive Officer;
- Chief Financial Officer;
- Company Secretary;

- head of internal audit if such exists;
- external audit provider.

They may take part in the business and discussions but have no voting rights. Sometimes all executive and Management personnel will be asked to leave the meeting because the committee requires a closed session with or without the external audit provider.

5. Authority

5.1. The Board authorises the Audit Committee, through the Audit Committee Chair, to:

- (a) oversee the appointment, compensation and work of any registered company auditor employed by the organisation;
- (b) resolve any disagreements between Management and the auditor on financial reporting;
- (c) pre-approve all auditing and non-audit services;
- (d) retain independent counsel, accountants or others to advise the audit committee or assist in the conduct of an investigation;
- (e) seek any information it requires from employees directed to co-operate with the Audit Committee's requests, or from external parties.

6. Meetings

- 6.1. A quorum will be more than half of the members. In the Chair's absence, the members who are present will select a Chair for that particular meeting.
- 6.2. The Audit Committee will meet at least four times a year and hold extra meetings as required. A request for a meeting from the internal or external auditors must be met.
- 6.3. All Audit Committee members are expected to attend each meeting in person or by other approved means such as teleconferencing or video conferencing.
- 6.4. The notice and agenda of a meeting will include relevant supporting papers.
- 6.5. The Audit Committee may invite other people to attend a meeting, consult other people or seek any information considered necessary to fulfil its responsibilities.

The members may meet separately with auditors.

7. Voting

Matters will generally be decided by consensus or, if a consensus cannot be reached, by a majority of votes from the members present.

8. Conflicts of interest

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been

acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest they will be excused from committee discussions about the issue where a conflict exists.

9. Secretariat duties

The company secretary or another appropriate, designated person will act as secretary to the audit committee. The secretary will help the Chair to develop and distribute the agenda, papers, minutes and calendar.

10. Reporting to the board

The Chair of the Audit Committee is to report to the Board following each committee meeting. The Chair may distribute a copy of the minutes supplemented with other necessary information, including recommendations requiring board action and/or approval. The Chair is to organise the information relating to the Audit Committee to be included in the Company's annual report.

11. Minutes

Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a committee meeting. The minutes must be ratified and signed by the Chair at the following meeting.

12. Reviews

The Audit Committee will review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Chair. The assessment may seek input from any person. Training needs will be monitored by the Chair. The Audit Committee should review this charter and its composition annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board should consider the committee's review and either approve or further review the committee's charter and/or composition.