CHEMX MATERIALS

(Formerly known as NextGen Materials Limited)

MATERIALS FOR A HIGH TECH WORLD

ANNUAL REPORT 2022

ABN 88 644 982 123

CONTENTS

CORPORATE DIRECTORY

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Mr Warrick Hazeldine

Mr David Leavy

Mr Stephen Strubel

Company Secretary

Ms Tamara Barr

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Stock Exchange Listing

ChemX Materials Limited shares are listed on the Australian Securities Exchange (ASX code: CMX)

Website

www.chemxmaterials.com.au

CHAIR'S ADDRESS

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the inaugural Annual Report for ChemX Materials Limited (ChemX or the Company), for the Financial Year 2022 (FY22).

This Annual Report summarises ChemX's activities, operations and performance to the end of June 2022, since listing on the Australian Securities Exchange (ASX) on the 18th of January 2022, along with the Company's financial position.

The Initial Public Offering (IPO) in January 2022 saw shareholders contribute A$8million, which has enabled ChemX to get off to a great start by investing in the right people and progressing its projects across both its mining tenements (kaolin, manganese, rare earth elements) and its High Purity Alumina (HPA) technology.

In May 2022 ChemX announced that it would proceed with a Loyalty Options Offer, as promised, whereby eligible shareholders were able to purchase one loyalty option at $0.005 for every four shares held. Exercise price is $0.30 with a three-year expiry time frame. At the same time, ChemX issued 1,500,000 Advisor Options to our US-based Advisors, which have an exercise price of $0.40 and a three-year expiry date. Thank you to all shareholders who participated in this Offer, which closed oversubscribed.

As at June 30, ChemX held A$5.77 million in cash and cash equivalents, putting it in a strong position to fund its planned activities for FY23. This includes the construction of a 50tpa HPA Pilot Plant in Perth, and continued exploration and associated testwork at the Company's 100% owned projects on the Eyre Peninsula in South Australia.

The Managing Director's Report and Review of Activities, contained within this report, detail the work undertaken and achievements made since listing on the ASX. I would like to thank ChemX executives, employees, contractors, consultants, advisors and the Board for their valuable contributions throughout FY22.

On behalf of team ChemX, we thank shareholders for their continued support, and we look forward to pressing hard in FY23 to further advance our projects that are centred around delivering materials for a high tech world.

Kristie Young
Chair

MANAGING DIRECTOR'S REPORT

ChemX is a materials technology company focused on providing critical materials required for the electrification and decarbonisation of the global economy. The Company's vision is to support the energy transition with materials and technology that provide real solutions to the problem of how to lower carbon emissions.

Since listing in January 2022 with three main projects – HiPurA® High Purity Alumina (HPA) production technology, Jamieson Tank Manganese, Kimba Kaolin and Rare Earth Elements, I am pleased to report that the Company has made significant progress.

The HiPurA® HPA project has achieved several key milestones in the development of our technology. Successful commissioning of our Micro Plant and the first HPA produced by the plant was submitted for third-party analysis. This third-party verification and testing is important to optimise the process and build credibility with future offtake customers.

In conjunction with Primero, ChemX completed the prefeasibility study on the larger scale pilot plant, which found no fatal flaws in the HiPurA® technology nor the plant process. An industrial site to build the pilot plant has been secured, which will also house the Micro Plant. Having both plants co-located will allow us to continue to optimise the process by including data from the Micro Plant operation during the construction phase. With these milestones achieved, we will increase the marketing effort for the planned HPA production.

The HiPurA® process is not tied to any mining operation meaning that there are no mine development timeframes or associated risks involved. The modular nature of our HiPurA® process is ideally suited to having multiple production centres close to the end users. The continued development of the HiPurA® technology will enable ChemX to enter the battery supply chain quickly at a time of significant growth.

At the company's 100 per cent owned Kimba and Jamieson Tank projects, our maiden drilling program and associated testwork has been completed. The Company has gained a much deeper understanding of the geology and is planning the second phase exploration programme.

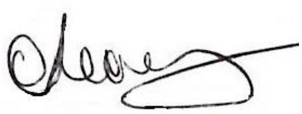
At Jamieson Tank, outstanding test work results showed high manganese sulphate purity could be achieved with a relatively straightforward process, giving confidence that manganese from our project is well suited for further processing for use in Lithium battery cathodes.

With the quality of the insitu manganese, Jamieson Tank is expected to become a vertically integrated High Purity Manganese Sulphate Monohydrate Project subject to the positive completion of relevant studies and testwork.

ChemX also reported outstanding results from an initial batch of reconnaissance rare earths elements (REE) assays, which were returned from air core drilling across the Eyre Peninsula tenements highlighting the prospectivity of the tenements for ionically adsorbed REE.

The progress ChemX has made since listing has positioned it for further success across its major projects in the 2023 financial year.

Thank you to the Board of Directors for your direction and support and thank you to all shareholders.



David Leavy
Managing Director

COMPANY OVERVIEW

ChemX Materials is focused on providing the critical materials required for electrification and decarbonisation.

HiPurA® High Purity Alumina (HPA)

HPA is a high value critical material used in lithium-ion batteries to manufacture ceramic separators, which provides increased thermal insulation for improved safety and charging. HPA is also a critical ingredient in the production of synthetic sapphire used in LED's, semiconductors, and optical lenses.

In comparison with incumbent technologies, the HiPurA® HPA technology is relatively low cost, scalable - allowing production to grow with market and customer demand, and modular - so that production can be located close to end users, shortening supply chains and reducing the carbon footprint of production.

Jamieson Tank High Purity Manganese Sulphate Monohydrate (HPMSM)

HPMSM is an essential component of many Lithium battery cathode chemistries, in particular Nickel-Cobalt-Manganese (NCM) batteries. The Jamieson Tank HPMSM Project is poised to become a vertically integrated project with manganese ore to be sourced from its 100% owned project on the Eyre Peninsula in South Australia.

Kimba Kaolin and Rare Earth Elements Project (REE)

Kaolin is an important industrial mineral with a variety of applications across, ceramics, paint, cosmetics and pharmaceuticals, The Company's 100% owned project on the Eyre Peninsula is also prospective for Halloysite and REE's. Halloysite is demonstrating potential in applications across, Hydrogen storage, water purification and carbon capture. REE are essential components in magnets for wind turbines, computing equipment, catalytic converters and medical imaging.

REVIEW OF ACTIVITIES

HiPurA® High Purity Alumina

ChemX Materials Ltd as part of its listing on the Australian Securities Exchange (ASX) on 18 January 2022 acquired 100% of the issued capital of HiPurA Pty Ltd and rights to its proprietary HPA technology. HPA is presently derived from aluminium metal which is converted back into an oxide form. ChemX Materials via its acquisition of the HiPurA® technology, has developed a unique and novel process to produce HPA which is expected to be lower cost than incumbent technologies. It is modular, scalable, and capable of producing a variety of Aluminium based products for different markets. During FY22, HPA was listed as a critical material by the Australian Commonwealth Government due to its use in lithium-Ion batteries and semiconductors. HPA is used to make synthetic sapphire, which is used in optical lenses, LEDs and semiconductors.

On 5th July 2022, International Patent Application No. 2021902044 was filed.

The Application covers a process for producing >99.99% Al2O3 or 4N product grade alumina and/or high purity Aluminium salts from Aluminium-bearing materials. On 1st November 2021 HiPurA Pty Ltd lodged an application for a trademark of HiPurA® which was registered on the 9th of June 2022.

The HiPurA® technology is expected to have lower capital and operating costs than incumbent technologies and is not reliant on a dedicated mining operation. The technology was developed with Environmental Social and Governance (ESG) principles at its core which have resulted in significant recycling of reagents and lower energy consumption then existing technologies.

The purification process can be sequentially repeated at low cost to achieve greater purity. The HiPurA® HPA process has the potential to produce final HPA grades of up to 99.999% Al_2O_3 or 5N product grade, as well as various aluminous based products.

HiPurA® Process

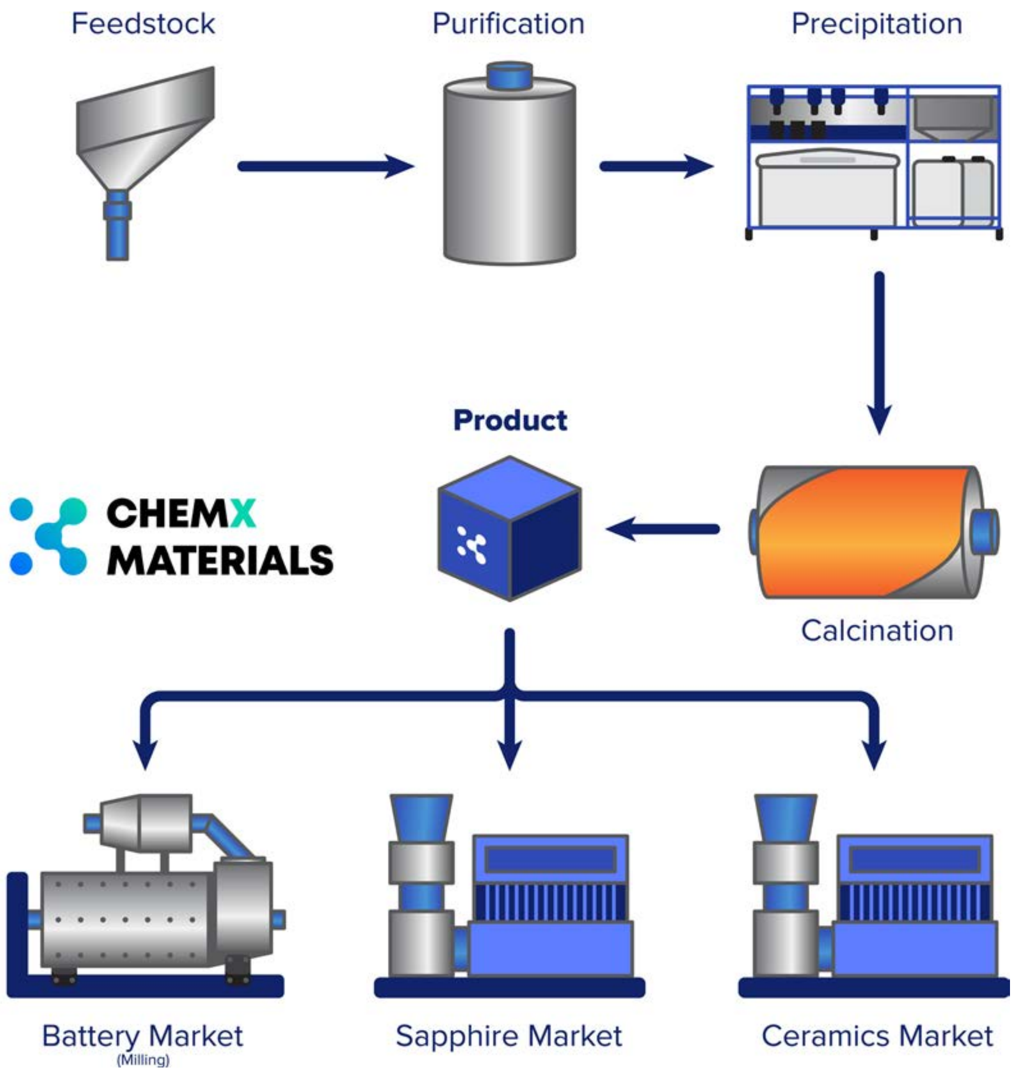


Figure 1.

ChemX had successfully demonstrated the technology through preliminary testwork producing a final HPA solids grade of 99.99% Al_2O_3 or 4N Product grade at laboratory scale.

HiPurA® HPA Micro Plant

During FY22, the Company conducted metallurgical testwork to develop the process further and was able to commission the individual stages of the HiPurA® HPA Micro Plant, based on the proprietary technology under a continuous process. The Micro Plant was developed as an initial scale model precursor to the Pilot Plant, which will confirm mass and energy balances, achieve 99.99% (4N) purity on a consistent basis, provide production samples for customer testing, produce alternative products, and be able to be optimised under continuous operation. ChemX has submitted material produced by the Micro Plant to laboratories for testing of impurities prior to optimisation of final purification steps with the aim of producing 99.99% pure HPA. Following achievement of the key outcomes, the HPA Micro Plant will be used to determine any flowsheet changes necessary to produce HPA to 99.999% Al_2O_3 (5N) or higher specification.

HiPurA® HPA Pilot Plant

In FY22, ChemX commissioned Primero, a subsidiary of NRW Holdings Ltd to undertake a pre-feasibility study (PFS) on the HiPurA® HPA Pilot Plant.

The HiPurA® flowsheet was completed following SysCad modelling, which was managed by Primero. The key outcomes of the PFS are equipment sizing, engineering design, capital, and operating costs.

Prior to the conclusion of FY22, ChemX was able to achieve significant progress of the PFS:

- Flowsheet extensively modelled to assess alternative reagents
- Operating costs identified
- Key equipment manufacturers engaged for quotation
- Progress on equipment and pilot plant sizing and optimisation.

The PFS was published post 30 June 2022, indicated the 50 tonne per annum pilot plant required capital expenditure of $2.5 million plus a contingency of $ 0.41 million. Using data from the Company's successful HPA Micro Plant commissioning and operation, the PFS incorporated several work streams and equipment modifications which have led to reduced capital and a more efficient operation.

The aims of the pilot plant are to:

- Optimise operating conditions to reduce the scale-up risks associated with a commercial plant
- Produce the larger quantities of HPA needed for the final stages of customer qualification
- Continue with development of other materials the HiPurA® technology can produce

As at the date of this report, ChemX has completed the second stage performance payment of 2,000,000 shares to the vendors of HiPurA Pty Ltd following confirmation of flow sheet design and mass and energy balances.

Jamieson Tank Manganese & High Purity Manganese Sulphate Monohydrate (HPMSM)

During FY21, ChemX acquired the Jamieson Tank Manganese Project from Archer Materials Ltd as part of its acquisition of the Eyre Peninsula Project, which covers EL 5920 & EL 6634 and an area of 718 sq km. The project is located 115 kms west of Whyalla in South Australia, a significant industrial city with ready access to port, rail and a skilled workforce.

The Jamieson Tank Manganese Project had been subject to significant exploration activity over several years by various owners.

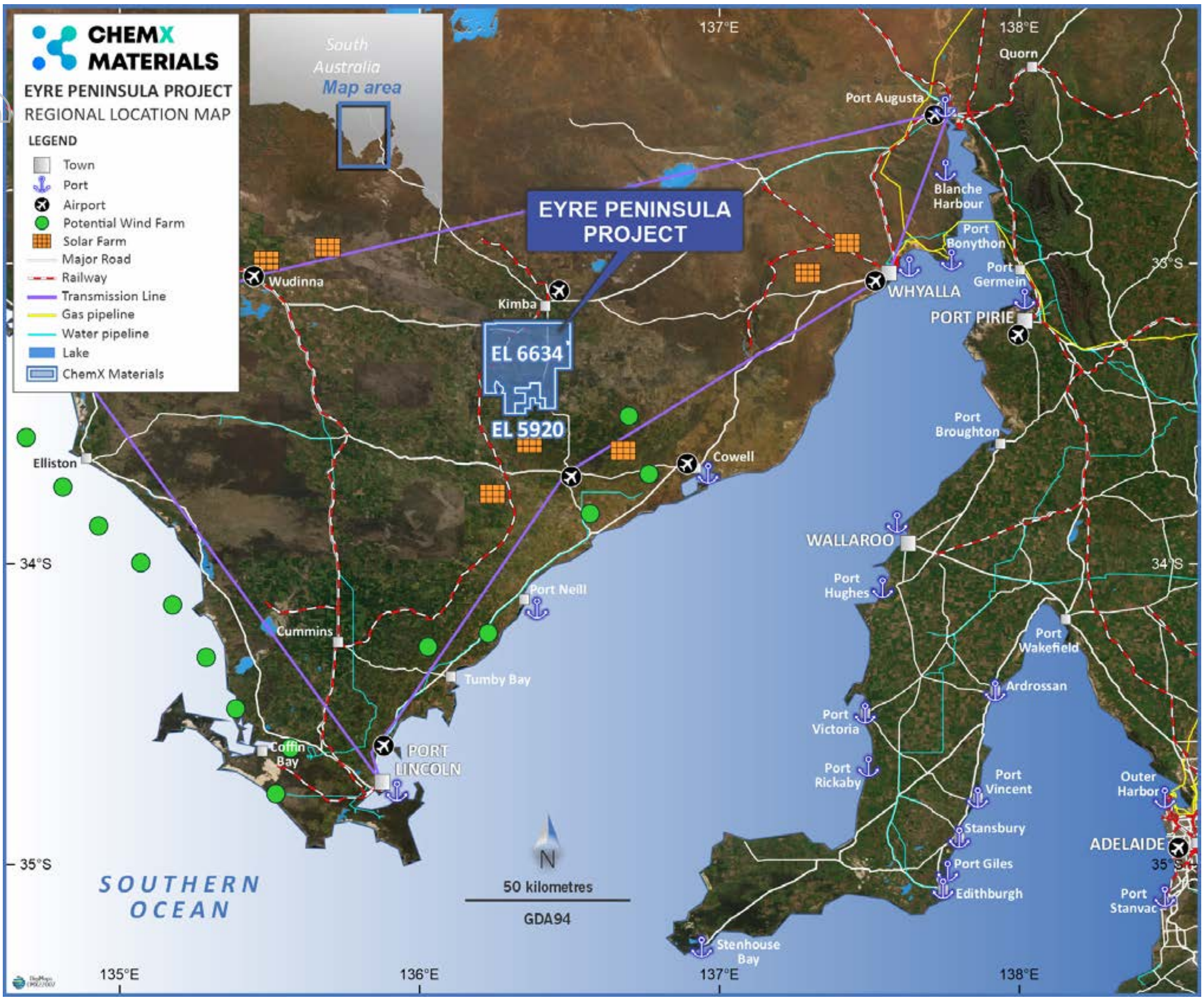


Figure 2. Eyre Peninsula Project Location Map

REVIEW OF ACTIVITIES

During FY22 ChemX commissioned CSA Global Pty Ltd (CSA Global) to compile exploration data from previous owners and South Australian Government sources into a single industry standard database.

As at the date of this report and as reported to the ASX on 27 July 2022, ChemX has defined an exploration target at Jamieson Tank as summarised in Table 1.

The Exploration Target was based on 208 drill holes for a total of 11,276.5m, comprising 62 RC holes for 3,529m; 117 RAB holes for 6,491m; and 29 AC holes for 1,256.5m.

Table 1. Exploration Target summary results

Exploration Target	Mineralisation	Tonnage (Mt)	Grade (% Mn)
Low Range	Manganese	21	7.5
Upper Range	Manganese	35	10.1
Total		**21 to 35**	**7.5 to 10.1**

*Totals may not sum correctly due to rounding.

The potential quantity and grade of the Project's manganese is conceptual in nature.

There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if future exploration will result in an estimation of a Mineral Resource.

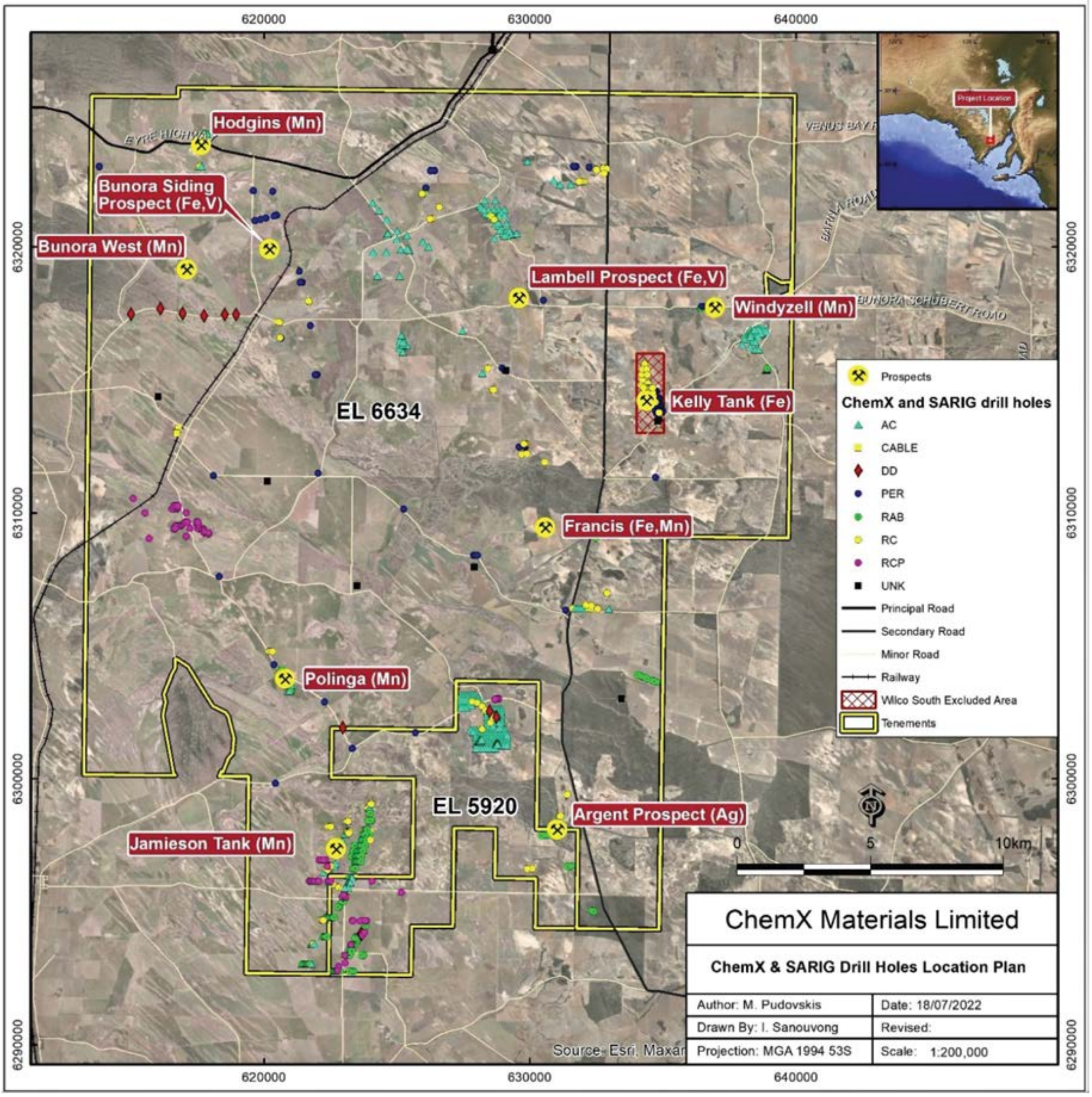


Figure 3. Key prospects with consolidated ChemX and SARIG Drill Hole data.

In March 2022 ChemX conducted its maiden exploration campaign at Jamieson Tank which comprised 34 drill holes for a total of 1,157m. Table 2 shows, significant intercepts as reported to ASX on 23 June 2022.

Table 2. Jamieson Tank Significant Manganese Intercepts

Drill hole	Depth from (m)	Depth to (m)	Interval (m)	Mn %
JP-150	1	6	5	21.1
	2	3	1	32.7
	3	4	1	30.8
	4	5	1	14.6
	7	8	1	26.5
BH-132	21	26	5	14.3
BH-127B	11	21	10	14.4
BH-127A	17	26	9	15.6
BH-127	16	21	5	11.3
BH-113	11	16	5	19.4

The Jamieson Tank samples were also analysed for REE with results indicating the presence of REE in the deposit. Significant intercepts are included in Table 3.

Table 3. Jamieson Tank Rare Earth Element Intercepts

Hole ID	Depth From	Depth To	Inter-val	TREO	High Value (Magnet) Rare Earths							
					Neodymium Nd_2O_3		Praseodymium Pr_6O_{11}		Dysprosium Dy_2O_3		Terbium Tb_4O_7	
#	m	m	m	ppm	ppm	%TREO	ppm	%TREO	ppm	%TREO	ppm	%TREO
JP-152	27	32	5	1032	240.3	23.3%	62.8	6.1%	9.2	0.9%	1.8	0.2%
JP-150	1	6	5	714	23.9	3.3%	7.2	1.0%	2.3	0.3%		
	2	3	1	1171	33.8	2.9%	9.7	0.8%	4.0	0.3%	0.6	0.1%
	3	4	1	756	22.2	2.9%	7.2	1.0%	2.3	0.3%		
	7	8	1	885	18.1	2.0%	6.0	0.7%	2.3	0.3%		
JP-149	31	36	5	1058	133.0	12.6%	32.6	3.1%	25.2	2.4%	4.1	0.4%
BH-135	6	11	5	787	97.4	12.4%	31.4	4.0%	5.7	0.7%	1.2	0.1%
BH-128	16	21	5	1064	108.5	10.2%	31.4	3.0%	13.8	1.3%	2.4	0.2%
BH-127	19	20	1	784	87.5	11.2%	25.4	3.2%	12.1	1.5%	2.4	0.3%
	22	24	2	787	190.7	24.3%	51.3	6.5%	17.2	2.2%	3.2	0.4%
BH-124	21	26	5	860	95.1	11.1%	27.8	3.2%	8.6	1.0%	1.8	0.2%

REVIEW OF ACTIVITIES

High Purity Manganese Sulphate Monohydrate

Manganese is an essential component of the Lithium-Ion battery chemistry, in particular, NCM batteries.

During FY22 ChemX commenced metallurgical testwork on samples of ore from Jamieson Tank extracted by previous tenement owners, which produced Manganese Sulphate crystals with 99.7% $MnSO_4H_2O$ Manganese Sulphate Monohydrate. Chemical analysis of the crystals showed 32.1% Manganese, noted to be above the 31.8% typically required for HPMSM. The initial test work program was designed to identify the efficacy of the chosen process. Further metallurgical test work is being undertaken on newly acquired ore samples from the 2022 exploration campaign.

The geological work completed to date combined with the metallurgical test work on HPMSM has provided confidence for the potential development of a vertically integrated HPMSM project.

Kimba Kaolin & Rare Earth Element Project

The Kimba Kaolin and REE Project is focused on exploration for both kaolin and clay hosted REE. Kaolin has many traditional markets, including ceramics, paper coating, paints and fibreglass, and new markets, focused on carbon reduction. There are developing uses for kaolin to reduce CO_2 emissions of industrial processes such as cement production. ChemX is currently undertaking test work for the inclusion of meta-kaolin in the production of cement. While at an early stage of development, should this market develop as expected, a potentially significant new market could be established for kaolin.

Rare Earth Elements

During FY22, reported regional exploration for REE on analogous host geology gave confidence that the ChemX tenure is amenable to hosting REE and importantly ionically adsorbed REE associated with kaolin and other clays. Exploration, including desktop prospectivity analysis of the ChemX tenements, identified granitic rocks, the precursors of the associated residual kaolin deposits, may host mineral species containing REE.

ChemX conducted its maiden exploration campaign in March 2022, drilling 84 holes 2,204 metres across the Kelly Tank, Bunora East, Bunora, and Bunora South deposits.

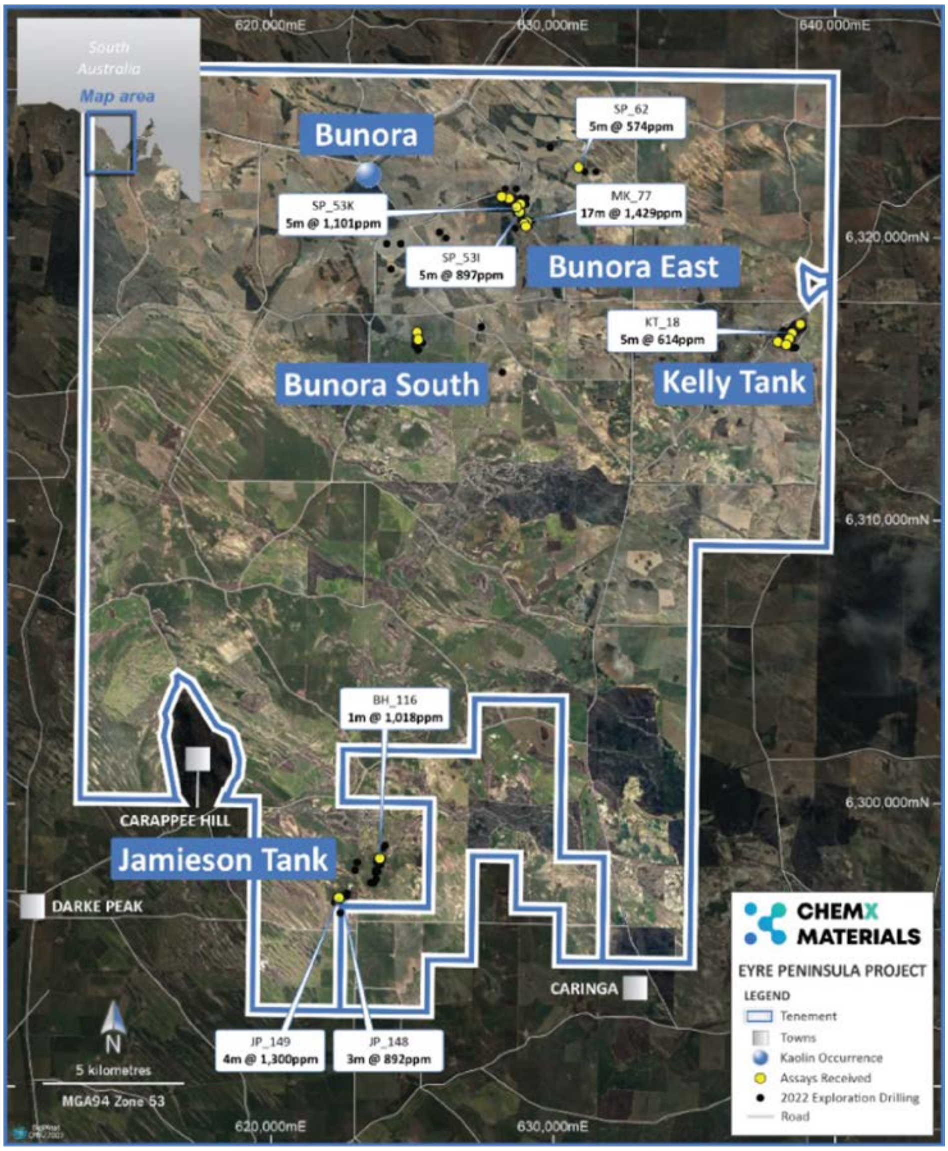


Figure 4. Project drill hole and sample location plan

Assay results from the initial batch of 129 samples indicate the presence of REEs in all samples assayed. Results have been processed to reflect the REEs as their common Rare Earth Oxides (REOs), which are subsequently quoted as Total Rare Earth Oxides (TREOs). Highlights from the preliminary reconnaissance REEs work as reported to ASX on 27 May 2022 are included in Table 4.

Table 4. Rare Earth Elements Significant Intercepts

Hole ID	Depth From	Depth To	Inter-val	TREO	High Value (Magnet) Rare Earths							
					Neodymium Nd_2O_3		Praseodymium Pr_6O_{11}		Dysprosium Dy_2O_3		Terbium Tb_4O_7	
#	m	m	m	ppm	ppm	%TREO	ppm	%TREO	ppm	%TREO	ppm	%TREO
MK-077	16	33	17	1518.1	239.9	15.8%	64.5	4.3%	23.2	1.5%	4.8	0.3%
SP-053K	33	39	6	1170.1	256.6	21.9%	61.6	5.3%	19.5	1.7%	4.7	0.4%
SP-053L	10	15	5	902.7	161.0	17.8%	45.9	5.1%	6.9	0.8%	2.4	0.3%
SP-062	14	18	4	892.5	128.3	14.4%	44.7	5.0%	5.7	0.6%	1.2	0.1%
BH-116	26	27	1	1018.0	168.0	16.5%	59.2	5.8%	9.2	0.9%	1.8	0.2%
JP-148	20	23	3	892.0	10.3	1.2%	3.2	0.4%	3.4	0.4%	<0.5	<0.05%
JP-149	30	34	4	1299.5	176.7	13.6%	46.2	3.6%	28.8	2.2%	4.9	0.4%

**TREO includes: $Y_2O_3+La_2O_3+CeO_2+Pr_6O_{11}+Nd_2O_3+Sm_2O_3+Eu_2O_3+Gd_2O_3+Tb_4O_7+Dy_2O_3+Ho_2O_3+Er_2O_3+Tm_2O_3+Yb_2o_3+Lu_2O_3$

The relevance of REEs being associated with kaolin clay is that they are loosely bonded to the surface of the clay particles and can be readily displaced by simple low-cost chemical solutions, which can be further processed to recover the individual REOs.

The Company looks forward to conducting further exploration over its Eyre Peninsula Projects in the coming reporting period.

CORPORATE

On 5 July 2021 the Company changed its name from NextGen Materials Limited to ChemX Materials Limited.

On 26 November 2021, the Company lodged a Replacement Prospectus with ASIC. On 22 December 2021, the Company received conditional approval for its admission to the official list of ASX. Under the HiPurA Share Sale Agreement dated 30 April 2021 (**HiPurA Share Sale Agreement**), the Company agreed to issue a total of 6,500,000 shares (**Deferred Consideration Shares**) to the vendors of HiPurA Pty Ltd as consideration for the acquisition, subject to satisfaction of certain milestones (as detailed on page 28 of this report). The Company completed its acquisition of HiPurA Pty Ltd on 31 December 2021 and issued 2,000,000 Deferred Consideration Shares in satisfaction of the first milestone under the HiPurA Share Sale Agreement. A bonus payment of 5% of the enterprise value of the Company upon listing, being 2,321,119 shares were issued to Archer Materials Limited as final settlement of the Eyre Peninsula Project purchase under the Archer Sale Deed. The Company commenced trading on the Australian Securities Exchange on 18 January 2022 after raising $8,000,000 at $0.20 per share.

The risks associated with the projects listed above are those common to exploration activities and minerals processing generally. Exploration targets defined by the Company are conceptual in nature such that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

The main environmental and sustainability risks that ChemX Materials currently face are through ground disturbance when undertaking drilling or sampling activities during exploration. The Company's approach to exploration through environmental, heritage and other clearances allows these risks to be minimised. The Company's HiPurA® technology is subject to risks common to the development of a novel technology including but not limited to scale up risks, costs increases and commissioning risks. The Company is also subject to the risks that its current level of funding may not be sufficient to meet its objectives.

COVID 19, war in Ukraine and related impacts on financial conditions, logistics and the markets that the Company operate in represent additional risks which are difficult to quantify.

The financial impact of the projects listed above is a requirement for further expenditure where successful exploration leads to follow up activities. Furthermore, the development of the HiPurA® technology requires ongoing development funding which may be funded from the Company's existing cash reserves.

The future strategy of the Company is to continue exploration activities at the Eyre Peninsula Project on the most prospective targets on the tenement portfolio. In addition, the Company seeks to develop a vertically integrated model by undertaking value added processing of minerals for the battery market. The Company will continue to develop its HiPurA® technology and where possible seek to expand into related value-added minerals technology businesses.

The Company confirms that it has used its cash and assets in a form readily convertible to cash that it had at the time of ASX admission in a way that is consistent with its business objectives.

As at 31 December 2021, the number of Deferred Consideration Shares pending issue was 4,500,000 shares. The remaining milestones of the Deferred Consideration Shares comprise (i) the completion of the Flow Sheet Design 2,000,000 shares (ii) Commissioning of the HiPurA® Pilot Plant 2,500,000 shares. During the reporting period no Deferred Consideration Shares were cancelled. Subsequent to the conclusion of the reporting period, on 1 September 2022, the Company issued 2,000,000 Deferred Consideration Shares upon satisfactory completion of the Flow Sheet Design milestone. There remains 2,500,000 Deferred Consideration Shares to be issued subject to the commissioning of the HiPurA® Pilot Plant. In the event the final milestone is not satisfied within three years of the date the Company received conditional approval to list on ASX, entitlement to the 2,500,000 Deferred Consideration Shares will lapse.

TENEMENT SCHEDULE

Tenement	Registered Holder	Tenement Status	Location	% Interest
EL 6634	ChemX Materials Ltd	Granted	Eyre Peninsula South Australia	100%
EL 5920	ChemX Materials Ltd	Granted	Eyre Peninsula South Australia	100%

For Tenements EL 6634 and EL 5920 the Company is a party to a mineral rights agreement with Pirie Resources Pty Ltd a subsidiary of Itech Minerals Ltd (ASX:ITM) to explore for and if warranted develop mining operations exclusively for graphite.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Mark Pudovskis. Mr Pudovskis is a full-time employee of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pudovskis has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Pudovskis consents to the disclosure of the information in this report in the form and context in which it appears.

REPORTING CONFIRMATION

The information in this report that relates to Exploration Target and Exploration Results and is extracted from the Company's following ASX Announcements:

- 27 July 2022
  Jamieson Tank Manganese & HPMSM Project Update
- 23 June 2022
  Significant Manganese and REE Results at Jamieson Tank
- 27 May 2022
  Outstanding REE Results at Eyre Peninsula Project

The Company confirms that it is not aware of any new information or data that materially affects the information included in the above market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

SUSTAINABILITY AT CHEMX MATERIALS

We Inspire a proactive culture of Integrity, trust, Innovation, and responsibility, that delivers sustainable outcomes on a local and global scale.

Our Approach to Sustainability

We believe it is fundamental to integrate sustainability into all aspects of our business. We recognise that our future is intertwined with the future of the economy, society and the natural environment. We believe it is important to balance our needs with those of our stakeholders to drive positive long-term value for future generations.

As a Company, we are in the early stages of our project development and sustainability journey, establishing the foundation for the future. We have engaged specialist ESG advisors Futureproof Consulting to help develop a sustainability program that meets our current stage of development but also enables continuous improvement in our sustainability performance and sophistication as the company grows.

ChemX currently has minimal impacts but is building sustainability into the company's DNA and culture. A fit-for-purpose sustainability strategy aligned with our business development strategy will enable us to become an ESG leader.

Our approach to sustainability is built around four key pillars which integrate all aspects of our operations.

Economic
Committed to responsible economic development through transparent tax contribution, employment and shared returns

Environment
Committed to accelerating decarbonization with cutting edge production technology, lower costs and a smaller environmental footprint

Social
Committed to being an active contributor in all connected communities and a value-generating partner

Governance
Committed to the highest rigor in corporate governance and business ethics, aligned to leading standards and frameworks.

SUSTAINABILITY AT CHEMX MATERIALS

ChemX is committed to the sustainable development of advanced materials technology that are focused on global decarbonation, while showing due consideration for the protection of the environment and the communities in which we operate and delivering long term value for shareholders.

Decarbonisation Focus

Decarbonisation has become a global imperative as governments, organisations, and society, consider it an important objective in tackling climate change. The 2015 Paris Agreement set a goal to limit global temperatures to rise no more than 2°C above pre-industrial levels and pursue efforts of net carbon neutrality by 2050. Achieving this commitment will require shifting from fossil fuels to alternative low-to-zero carbon energy sources. This fundamental shift in energy source will require innovative technologies and systems.

At ChemX, we are at the forefront of developing advanced materials technology to support the energy transition and global decarbonisation. We are focused on two areas:

1. Our HiPurA® Process is a proprietary technology developed by ChemX's technical team which produces high purity alumina (HPA) and high purity aluminium cathode precursor salts for lithium-ion batteries; and
2. The Eyre Peninsula rare earth elements (REE), kaolin and manganese projects which are focused on developing materials for energy transition and decarbonisation technologies.

These technologies will not only reduce our own carbon footprint, but as society moves towards lithium batteries and hydrogen power as important energy alternatives, it will greatly assist in accelerating global decarbonisation.

SUSTAINABILITY AT CHEMX MATERIALS

GLOBAL BATTERY ALLIANCE
BATTERIES POWERING SUSTAINABLE DEVELOPMENT

ChemX Joins the Global Battery Alliance

ChemX has proudly joined the Global Battery Alliance (GBA), an umbrella partnership made up of over 100+ members working towards establishing a global sustainable and responsible battery value chain.

The GBA (https://www.globalbattery.org/) is a public-private collaboration established in 2017 at the World Economic Forum, with the aim of driving a sustainable battery value chain and the reduction of greenhouse gas emissions. The guiding principles of the GBA are to:

- Establish a circular battery value chain as a major driver to achieve the Paris Agreement
- Establish a low carbon economy in the value chain, create new jobs and additional economic value
- Safeguard human rights and economic development consistent with the UN Sustainable Development Goals.

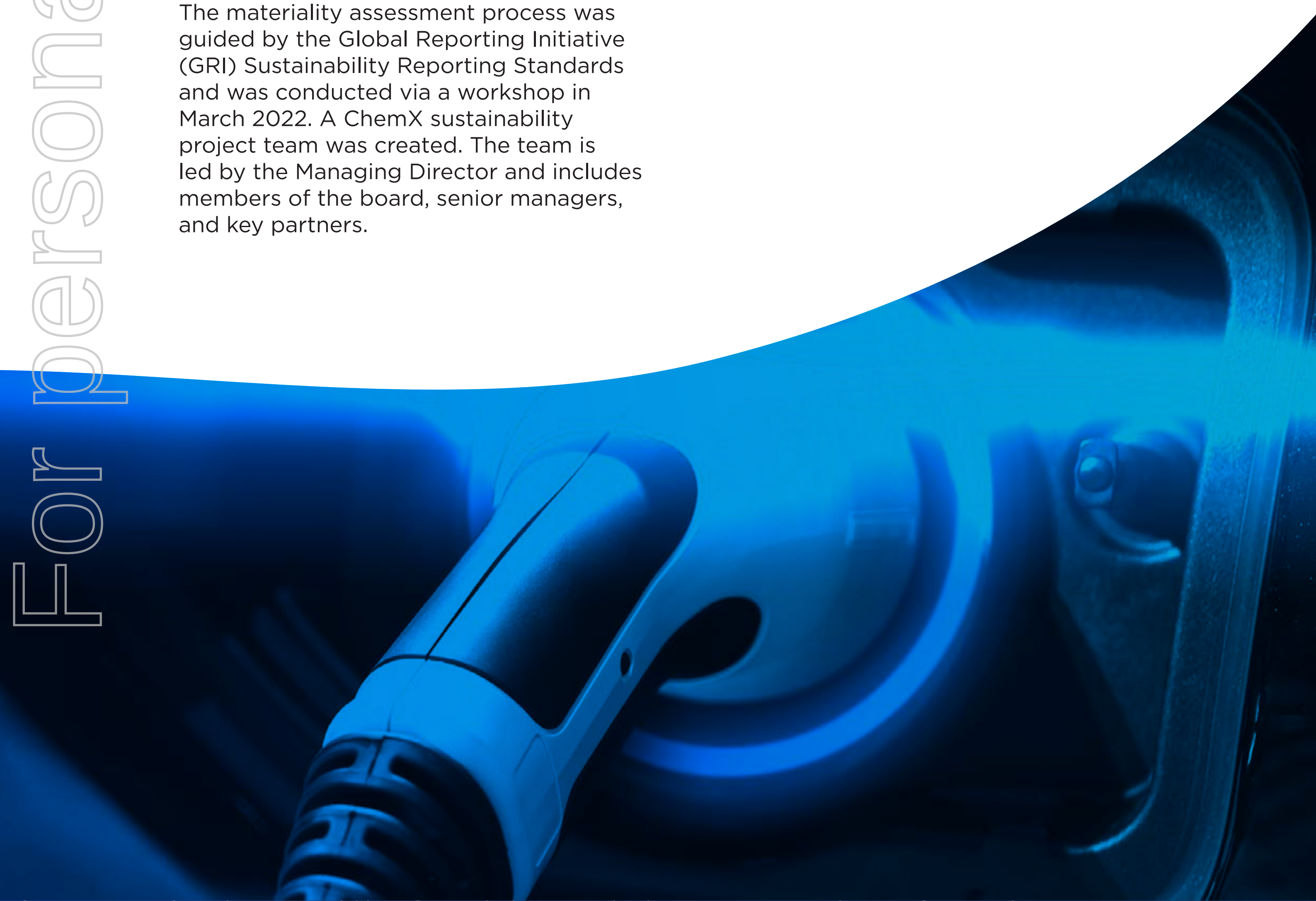
ChemX will be participating in advancing projects and initiatives of the GBA, including the Battery Passport program. The Battery Passport program is designed to establish a global criteria for a sustainable and transparent battery market. The process will include tracking the ESG performance of the components of each battery to ensure a responsible battery value chain.

Materiality Assessment and Stakeholder Mapping

A materiality assessment is the process used to identify and prioritise the sustainability topics that are considered the most important for the business and its stakeholders. These sustainability topics will become the key focus of our sustainability strategy and will change over time as the company matures.

The materiality assessment process was guided by the Global Reporting Initiative (GRI) Sustainability Reporting Standards and was conducted via a workshop in March 2022. A ChemX sustainability project team was created. The team is led by the Managing Director and includes members of the board, senior managers, and key partners.

The first step of the materiality process involved conducting a stakeholder mapping exercise to identify key stakeholders. Honest and transparent stakeholder engagement is essential for creating meaningful relationships. Forming trusted relationships enables us to mutually benefit from shared values.



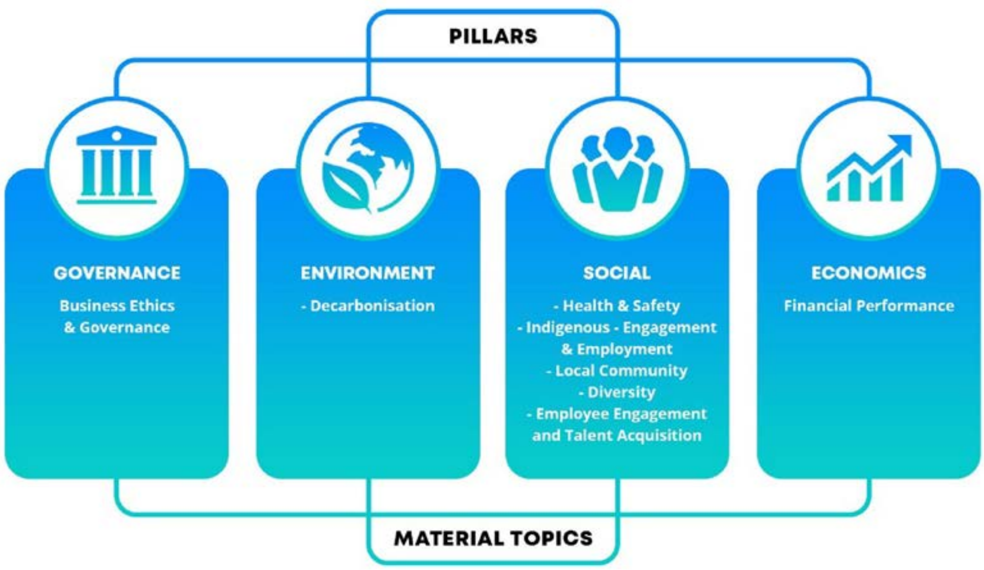
SUSTAINABILITY AT CHEMX MATERIALS

ChemX identified a comprehensive list of key stakeholders, as shown above.

The next step in the materiality assessment process involved identifying the key sustainability topics considered important to ChemX and its stakeholders. These topics were rated and prioritised by combining feedback from ChemX sustainability project team, stakeholder expectations, and an analysis of the external environment. The outcome of the materiality assessment resulted in determination of topics most important to our Company and our stakeholders, termed 'material topics'.

The material topics, as listed below, are grouped into our four sustainability pillars and will form the basis of ChemX's FY23 inaugural Sustainability Report.

ESG



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SUSTAINABILITY AT CHEMX MATERIALS

Roadmap

We have developed a projected roadmap for setting realistic and achievable objectives in conjunction with our business growth strategies. The roadmap begins with launching measurement and monitoring systems to understand ChemX's current level of sustainability maturity. Once these systems are in place, the next steps are focused on continuing to improve our sustainability performance.

MEASURE AND MONITOR		IMPROVE
2022	**2023**	**2024**
- Stakeholder mapping and materiality assessment - Peer and industry review - Sustainability ambition - Sustainability update in Annual Report	- Progress report against World Economic Forum "Stakeholder Capitalism framework - Gap analysis & action plan - Climate risk statement and TCFD roadmap - Data baselines set - First sustainability report	- Stakeholder survey and materiality reassessment - ESG improvement projects - Review inclusion of ESG targets in exec compensation - Supply chain engagement - Second sustainability report

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of ChemX Materials Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022. The comparative financial reporting period commenced upon incorporation on 9 October 2020 and ended 30 June 2021.

Directors

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

Ms Kristie Young
Independent Non-Executive Chair

Mr Warrick Hazeldine
Independent Non-Executive Director
(appointed 3 September 2021)

Mr David Leavy
Managing Director

Mr Stephen Strubel
Executive Director

Principal activities

The principal activity is mining exploration and the development of its propriety HiPurA® HPA technology.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to $1,885,521 (30 June 2021: $117,315).

Refer to the Chair and Managing Director's letter to Shareholders and Review of Activities for further information relating to operations.

Significant changes in the state of affairs

On 5 July 2021 the Company changed its name from NextGen Materials Limited to ChemX Materials Limited.

On 31 December 2021 the Company acquired HiPurA Pty Ltd and its High Purity Alumina processing technology.

On 18 January 2022 the Company commenced trading on the Australian Stock Exchange.

During the year total equity increased by $8,446,120 to $10,165,165 as result of the following:

Equity contributions from seed capital and prospectus investors *(Refer to note 10 'Issued capital')*	8,195,050
Share based payment -securities issued under the Employee Security Incentive Plan and granted to the Prospectus Lead Manager and an advisor *(Refer to note 24 'Share-based payments')*	598,970
Share based payment - shares issue to the Prospectus Lead Manager *(Refer to note 24 'Share-based payments')*	160,000
Shares issued and shares to be issued (deferred shares) to complete the HiPurA® acquisition *(Refer to note 19 'Asset acquisition')*	1,300,000
Shares issued to complete the acquisition of mineral exploration licences *(Refer to note 7 'Exploration and evaluation')*	464,224
Shares issued to repay convertible note borrowings *(Refer to note 9 'Borrowings')*	1,002,000
Capital raising costs incurred *(Refer to note 10 'Issued capital')*	(1,388,603)
Losses after income tax incurred	(1,885,521)
Changes in total equity for the year	**$8,446,120**

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

DIRECTORS' REPORT

Matters subsequent to the end of the financial year

On 11 July 2022, the Company issued eligible shareholders 22,693,038 listed Loyalty Options with an exercise price of $0.30, an expiry date of 11 July 2025 and a nominal issue price of $0.005.

On 18 August 2022 the Company announced that it would issue 2,000,000 fully paid ordinary shares pursuant to the HiPurA Share Sale Agreement upon completion of the Flow Sheet Design milestone. The shares were issued on 1 September 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Deferred Consideration Shares

Deferred Consideration Shares, also referred to as contingent consideration, relate to the acquisition of HiPurA Pty Ltd which was completed on 31 December 2021. The details are provided below.

i. The milestones of the Deferred Consideration Shares comprise: (a) 2,000,000 shares to be issued upon conditional admission of the Company to the official list of ASX (**Milestone 1**); (b) 2,000,000 shares to be issued upon the completion of the Flow Sheet Design, being the document indicating intended flowsheet to be used and a mass and energy balance for the HiPurA® HPA process , as approved by an independent technical consultant as agreed with the vendors' (**Milestone 2**); and (c) 2,500,000 shares to be issued upon commissioning of the HiPurA® Pilot Plant (**Milestone 3**).

ii. On 31 December 2021, the Company completed the acquisition of HiPurA Pty Ltd and issued 2,000,000 shares upon the conditional admission of the Company to the official list of ASX in satisfaction of Milestone 1.

iii. As at 30 June 2022, the number of Deferred Consideration Shares pending issue was 4,500,000 shares at a fair value of $0.20 per share totalling $900,000 which was credited to the share based payments reserve.

iv. Subsequent to the end of the reporting period, on 1 September 2022, the Company issued 2,000,000 Deferred Consideration Shares upon completion of the Flow Sheet Design in satisfaction of Milestone 2.

v. As at the date of this report, the number of Deferred Consideration Shares pending issue was 2,500,000 which relate to Milestone 3. No Deferred Consideration Shares were cancelled during the reporting period.

vi. In the event Milestone 3 is not satisfied within 3 years of the date the Company received conditional approval to list on ASX, the vendors' entitlement to the remaining 2,500,000 Deferred Consideration Shares will lapse.

Environmental regulation

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Groups operations are subject to various environmental regulations under the Commonwealth and State laws of Australia. The majority of its activities involve low levels of disturbances associated with exploration drilling programs. Approvals, licences and other regulatory requirements are performed as required by the Group's management for each of its exploration tenements. The Company's High Purity Alumina project is conducted in line with local government environmental regulations.

Information on Directors

Name:	Ms Kristie Young
Title:	Independent Non-Executive Chair
Experience and expertise:	Ms Young has over 20 years' professional experience across mining (underground and open cut), project evaluation, financial modelling, strategy, business development, commercial, growth, marketing, executive search, advisory, consultancy, technology, education and solutions. Prior to her Non-Executive Director portfolio career, she held growth and Business Development Director roles with leading professional services firms PwC and EY. As a mining engineer she worked with Mt Isa Mines, Plutonic Gold, Hamersley Iron, Gunpowder Copper, New Hampton Goldfields and Surpac Software. Ms Young holds a Bachelor of Engineering (Mining) Hons UQ 1995, Post Graduate Diploma of Education (Maths, IT) UWA 2001, Cert IV Human Resources 2014 and is a Graduate of the AICD 2015. She is a member of the AICD, WA Mining Club, WA School of Mines Alumni & the Energy Club of WA.
Other current directorships:	Lithium Australia Ltd (ASX:LIT) since 21 Dec 20 and Tesoro Gold Ltd (ASX:TSO) since 14 Sep 21.
Former directorships (last 3 years):	Primero Group Ltd (ASX:PGX) from 18 Aug 20 to 24 Feb 21.
Interests in shares:	1,250,000
Interests in options:	1,312,500

DIRECTORS' REPORT

Name:	Mr Warrick Hazeldine
Title:	Independent Non-Executive Director
Experience and expertise:	An Australian Institute of Company Directors graduate, Mr Hazeldine holds a Bachelor of Commerce from Curtin University. He is a winner of Business News' 40 Under 40 award, which recognises the top 40 entrepreneurs in WA under the age of 40. Mr Hazeldine has more than 20 years' capital markets experience from working with a range of ASX-listed companies on investor relations activities to attract capital and grow shareholder value. He has worked predominately in the natural resources sector, focusing on initial public offerings, mergers and acquisitions, and secondary capital raisings. In recent years, he has played a key role in several lithium, hydrogen and battery metal transactions. Mr Hazeldine is a founding director of investor and corporate communications firm Cannings Purple. A communications strategist and Board level advisor, he has an established network across the global resources and generalist funds and a track record in assisting companies build and manage their institutional and retail investor bases.
Other current directorships:	Non-Executive Chair of Global Lithium Resources Ltd (ASX:GL1) since 1 Feb 21.
Former directorships (last 3 years):	None
Interests in shares:	300,000
Interests in options:	1,075,000

Name:	Mr David Leavy
Title:	Managing Director
Experience and expertise:	David has over 25 years' experience in financial markets and as a CFO and/or director of several mining companies with advanced projects of a range of commodities, including five years working with several HPA technologies. David holds a Bachelor of Economics from Murdoch University and a Master of Applied Finance from Macquarie University.
Other current directorships:	None
Former directorships (last 3 years):	Pure Alumina Ltd (ASX:PUA) from 21 Jul 17 to 11 May 21.
Interests in shares:	3,862,500
Interests in options:	778,126
Contractual rights to shares:	1,000,000 shares to be issued as a vendor of HiPurA Pty Ltd subject to certain conditions and milestones pursuant to the HiPurA Share Sale Agreement.

DIRECTORS' REPORT

Name:	Mr Stephen Strubel
Title:	Executive Director
Experience and expertise:	Stephen has approximately 10 years' experience working in financial markets predominantly with Paterson's Securities. Stephen has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations. Stephen holds a Bachelor of Business Banking & Finance/International Trade, Graduate Certificate of Business in Finance from Victoria University and Master of Business Administration from the Australian Institute of Business. He is a fellow of the Governance Institute of Australia
Other current directorships:	Star Minerals Ltd (ASX: SMS) since 18 Feb 21.
Former directorships (last 3 years):	Auric Mining Limited (ASX:AWJ) from 12 Aug 19 to 27 May 22.
Interests in shares:	5,125,000
Interests in options:	1,250,000

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

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

Company Secretary

Ms Tamara Barr

Tamara brings over 17 years' experience as a Company Secretary and Corporate Governance Advisor to ASX listed, public and private companies and NFPs. She currently provides consultancy Company Secretarial services to ASX listed companies across a variety of sectors. She has practised Corporate Governance throughout Australia, the UK and Europe

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

Due to the size and nature of the Company, the Board fulfils the role of both the Audit & Risk Committee and Nomination & Remunerations Committee.

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board	
	Attended	**Held**
Ms Kristie Young	16	16
Mr Stephen Strubel	16	16
Mr David Leavy	16	16
Mr Warrick Hazeldine *(appointed 3 September 2021)*	13	14

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

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

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

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

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

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') aims to ensure that executive reward satisfies the following key criteria for good reward governance practices:

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

Non-Executive Director remuneration

The total maximum non-executive director fee pool is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of individual remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The current non-executive director fee pool, which excludes non-cash performance incentives such as options, has been set at an amount not to exceed $300,000 per annum.

Executive remuneration

The Group aims to reward executives including directors and other key management personnel based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The Board reviews and approves the remuneration levels to enable the Company to attract and retain executives who will create shareholder value having regard to the amount considered to be commensurate for a company of its size, level of activity and the executive's responsibilities. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

The executive remuneration and reward framework has four components:

- base pay, superannuation and non-monetary fringe benefits (fixed remuneration)
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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

There was no short term incentive ('STI') program in place during the reporting period.

The long-term incentives ('LTI') include long service leave and any share-based payments.

Employee Securities Incentive Plan (Incentive Plan)

The Company has adopted an Incentive Plan to allow eligible participants to be issued securities in the Company.

Eligible participants include a person who is a full-time or part-time employee, a non-executive director, a contractor or a casual employee of the Company, or an Associated Body Corporate (as ,defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Incentive Plan from time to time.

The purpose of the plan is to:

i. assist in the reward, retention and motivation of Eligible Participants;

ii. link the reward of Eligible Participants to Shareholder value creation; and,

iii. align the interests of Eligible Participants with shareholders by providing an opportunity to receive an equity interest.

Use of remuneration consultants

No remuneration consultants were engaged during the financial reporting period.

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

The Company has not held an AGM since listing.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the Directors of ChemX Materials Limited and the following person:

- Peter Lee - Chief Operating Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary*	Super-annuation	Long service leave	Equity-settled	Total
30 Jun 2022	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:							
Kristie Young	73,538	-	4,521	7,368	11	83,446	168,884
Warrick Hazeldine	58,233	-	-	-	-	83,446	141,679
Executive Directors:							
David Leavy	202,231	-	12,432	20,261	30	-	234,954
Stephen Strubel	137,885	-	8,476	13,814	20	-	160,195
Other Key Management Personnel:							
Peter Lee	30,000	-	1,775	3,035	4	125,203	160,017
	501,887	-	27,204	44,478	65	292,095	865,729

**Non-monetary includes the change in annual leave entitlements for the reporting period.*

There was no remuneration paid to key management personnel for the previous reporting period.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**30 Jun 2022**	**For the period 9 Oct 20 to 30 Jun 2021**	**30 Jun 2022**	**For the period 9 Oct 20 to 30 Jun 2021**	**30 Jun 2022**	**For the period 9 Oct 20 to 30 Jun 2021**
Non-Executive Directors:						
Kristie Young	51%	-	-	-	49%	-
Warrick Hazeldine	41%	-	-	-	59%	-
Executive Directors:						
David Leavy	100%	-	-	-	-	-
Stephen Strubel	100%	-	-	-	-	-
Other Key Management Personnel:						
Peter Lee*	22%	-	-	-	78%	-

** Peter Lee was granted performance rights upon appointment on 20 May 2022.*

Service agreements

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

Name:	Ms Kristie Young
Title:	Independent Non-Executive Chair
Term of agreement:	Ongoing
Details:	Ms Kristie Young entered into a letter of appointment with the Company to act in the capacity of non-executive chair. The material terms and conditions include a base salary of $80,000 excluding superannuation required by law. The remuneration received pursuant to the appointment is disclosed in the remuneration section.

Name:	Mr Warrick Hazeldine
Title:	Independent Non-Executive Director
Term of agreement:	Ongoing
Details:	A consultancy agreement was entered into with a related entity (Northpoint Equity Pty Ltd) in relation to Mr Warrick Hazeldine's services as a non-executive director. The material terms and conditions include a base annual fee of $49,500 (excluding GST). Mr Hazeldine is also remunerated for specific project work. The remuneration received pursuant to the agreement is disclosed in the remuneration section.

Name:	Mr David Leavy
Title:	Managing Director
Term of agreement:	3 years ending 20 July 2024 unless terminated earlier in accordance with a Managing Director Services Agreement (MD Services Agreement).
Details:	Mr David Leavy entered into a MD Services Agreement with the Company to act in the capacity of Managing Director. The material terms and conditions include: * a base salary of $220,000 excluding superannuation required by law, * an annual performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators; and * a long term performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators.
Termination by the Company	The Company may terminate the Managing Director's employment at any time for any reason by giving the Managing Director 3 months' notice in writing. The Company may terminate the Managing Director's employment summarily without notice or payment in lieu of notice for serious misconduct.
Termination by the Managing Director	The Managing Director may terminate their employment at any time by giving 3 months' notice in writing or by resigning where there is a Good Reason (as defined in the MD Services Agreement). If the Managing Director resigns for Good Reason (as defined in the MD Services Agreement), the Managing Director shall be entitled to 6 months' Base Salary

Name:	Mr Stephen Strubel
Title:	Executive Director
Term of agreement:	3 years ending 27 July 2024 unless terminated earlier in accordance with the Executive Director Services Agreement (ED Services Agreement).
Details:	Mr Stephen Strubel entered into an ED Services Agreement with the Company to act in the capacity of executive director. The material terms and conditions include; * a base salary of $150,000 excluding superannuation required by law, * an annual performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators; and * a long term performance-based bonus or incentive payment to be determined by the Company at its absolute discretion by reference to key performance indicators.
Termination by the Company	The Company may terminate the Executive Director's employment at any time for any reason by giving the Executive Director 3 months' notice in writing. The Company may terminate the Executive Director's employment summarily without notice or payment in lieu of notice for serious misconduct.
Termination by the Executive Director:	The Executive Director may terminate their employment at any time by giving 3 months' notice in writing or by resigning where there is a Good Reason (as defined in the ED Services Agreement). If the Executive Director resigns for Good Reason (as defined in the ED Services Agreement), the Executive Director shall be entitled to 6 months' Base Salary.

Name:	Mr Peter Lee
Title:	Chief Operating Officer
Agreement commenced:	20 May 2022
Term of agreement:	Ongoing
Details:	Mr Peter Lee entered into an employment agreement with the Company to act in the capacity of chief operating officer. The material terms and conditions include a base salary of $200,000 excluding superannuation required by law.
Participation in the Incentive Plan:	Mr Lee was granted 1,000,000 performance rights.

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

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

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

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Kristie Young	1,000,000	1 Nov 2021	1 Nov 2021	1 Nov 2024	$0.300	$0.083
Warrick Hazeldine	1,000,000	1 Nov 2021	1 Nov 2021	1 Nov 2024	$0.300	$0.083

Options granted carry no dividend or voting rights.

Performance rights

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

Name	Number of rights granted	Grant date	Vesting status by class	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Peter Lee	250,000	20 May 2022	A - not vested	20 May 2025	$0.000	$0.210
Peter Lee	250,000	20 May 2022	B - not vested	20 May 2025	$0.400	$0.180
Peter Lee	250,000	20 May 2022	C - not vested	20 May 2025	$0.600	$0.160
Peter Lee	250,000	20 May 2022	D - not vested	20 May 2025	$0.800	$0.150

The Performance Rights were granted to the Chief Operating Officer pursuant to an employment agreement. In addition to continuous employment, the Performance Rights are subject to the following Vesting Conditions:

- Class A: 250,000 Class A Performance Rights will vest on the announcement by the Company of the successful commissioning of the HiPurA® HPA Pilot Plant.
- Class B: 250,000 Class B Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a volume weighted average price (VWAP) at or above $0.40 for 10 consecutive days.
- Class C: 250,000 Class C Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a VWAP at or above $0.60 for 10 consecutive days.
- Class D: 250,000 Class D Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a VWAP at or above $0.80 for 10 consecutive days.

Performance rights granted carry no dividend or voting rights.

Link between remuneration and performance

The Company aims to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's historical financial performance. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	**2021**
	$	**$**
Profit / (loss) after income tax	(1,885,521)	(117,315)
	cents	**cents**
Earnings / (loss) per share	(3.25)	(11,731,500)

The share-based compensation section above includes performance rights with vesting subject to the successful commissioning of the HiPurA® HPA Pilot Plant and various share price hurdles.

Additional disclosures relating to key management personnel

Shareholding

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

Name	Balance at the start of the year	Received as part of remuneration	On market additions	Other* additions (net)	Balance at the end of the year
Ordinary shares					
Kristie Young	1,000,000	-	-	250,000	1,250,000
Warrick Hazeldine	-	-	50,000	250,000	300,000
David Leavy	2,050,000	-	-	1,062,500	3,112,500
Stephen Strubel	5,000,000	-	-	125,000	5,125,000
	8,050,000	-	50,000	1,687,500	9,787,500

** Other additions include shares issued to Directors upon conversion of Seed Capital Convertible Loan Agreements and upon the acquisition of HiPurA Pty Ltd (Refer note 17 'Related party transactions').*

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Kristie Young	-	1,000,000	-	-	1,000,000
Warrick Hazeldine	-	1,000,000	-	-	1,000,000
	-	2,000,000	-	-	2,000,000

Performance rights holding

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

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Peter Lee	-	1,000,000	-	-	1,000,000
	-	1,000,000	-	-	1,000,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of ChemX Materials Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 November 2021	1 November 2024	$0.300	2,000,000
18 January 2021	18 January 2024	$0.300	2,000,000
30 May 2022 *(issued 11 July 2022)*	11 July 2025	$0.400	1,500,000
11 July 2022	11 July 2025	$0.300	22,693,038
			28,193,038

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

Shares under option

Unissued ordinary shares of ChemX Materials Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 November 2021	1 November 2024	$0.300	2,000,000
18 January 2021	18 January 2024	$0.300	2,000,000
30 May 2022 *(issued 11 July 2022)*	11 July 2025	$0.400	1,500,000
11 July 2022	11 July 2025	$0.300	22,693,038
			28,193,038

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

Shares under performance rights

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

Grant date	Expiry date	Exercise price	Number under rights
20 May 2022	20 May 2025	$0.000	1,000,000

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

Shares issued on the exercise of options

There were no ordinary shares of ChemX Materials Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of ChemX Materials Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

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

The Company has paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

DIRECTORS' REPORT

Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

Auditor's Independence Declaration

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

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the Directors

Mr David Leavy
Managing Director

28 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

William Buck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CHEMX MINERALS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

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

J. C. Luckins
Director
Melbourne, 28th September 2022

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com williambuck.com.au

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ANNUAL FINANCIAL STATEMENTS

CONTENTS

GENERAL INFORMATION

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

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

Registered office

Danpalo Group Pty Ltd
Suite 1, 1 Tully Road
East Perth WA 6004

Principal place of business

Level 34
Central Park Tower
152 Georges Terrace
Perth WA 6000

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 September 2022. The Directors have the power to amend and reissue the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated 30 Jun 2022 $	For the period 9 Oct 20 to 30 Jun 2021 $
Revenue			
Government grants		371,018	-
Interest income		412	-
Expenses			
Employee benefits expense	4	(825,942)	-
Corporate & consulting	4	(576,141)	(40,939)
Due diligence		(385,695)	(67,201)
Development expenditure		(239,097)	-
Marketing & promotion		(109,514)	(9,175)
Depreciation and amortisation expense	4	(65,043)	-
Other expenses		(55,519)	-
Loss before income tax expense		(1,885,521)	(117,315)
Income tax expense		-	-
Loss after income tax expense		(1,885,521)	(117,315)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,885,521)	(117,315)
Basic earnings per share (cents)	23	(3.25)	(11,731,500.00)
Diluted earnings per share (cents)	23	(3.25)	(11,731,500.00)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Consolidated	
		30 Jun 2022	30 Jun 2021
		$	$
Assets			
Current assets			
Cash and cash equivalents		5,750,668	35,551
Other receivables	5	418,215	10,052
Term deposits		20,000	-
Prepayments		9,203	12,945
Total current assets		6,198,086	58,548
Non-current assets			
Property, plant and equipment		9,098	-
Intangibles	6	1,235,534	-
Exploration and evaluation	7	2,987,865	2,026,646
Environmental bond		20,000	-
Total non-current assets		4,252,497	2,026,646
Total assets		10,450,583	2,085,194

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Consolidated 30 Jun 2022 $	30 Jun 2021 $
Liabilities			
Current liabilities			
Trade and other payables	8	254,128	78,149
Borrowings	9	-	288,000
Employee benefits		31,215	-
Total current liabilities		285,343	366,149
Non-current liabilities			
Employee benefits		75	-
Total non-current liabilities		75	-
Total liabilities		285,418	366,149
Net assets		10,165,165	1,719,045
Equity			
Issued capital	10	10,669,031	1,836,360
Reserves	11	1,498,970	-
Accumulated losses		(2,002,836)	(117,315)
Total equity		10,165,165	1,719,045

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued capital $	Share-based payments reserve $	Retained profits $	Total equity $
Balance at 9 October 2020	-	-	-	-
Loss after income tax expense for the period	-	-	(117,315)	(117,315)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(117,315)	(117,315)
Issue shares for acquisition of mineral exploration licenses	1,850,000	-	-	1,850,000
Transactions with owners in their capacity as owners:				
Contributions of equity (note 10)	8,601	-	-	8,601
Capital raising costs	(22,241)	-	-	(22,241)
Balance at 30 June 2021	1,836,360	-	(117,315)	1,719,045

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

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Issued capital $	Share-based payments reserve $	Retained profits $	Total equity $
Balance at 1 July 2021	1,836,360	-	(117,315)	1,719,045
Loss after income tax expense for the year	-	-	(1,885,521)	(1,885,521)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,885,521)	(1,885,521)
Transactions with owners in their capacity as owners:				
Contributions of equity (note 10)	8,195,050	-	-	8,195,050
Share-based payments (note 24)	160,000	598,970	-	758,970
Shares issued and to be issued in the future for asset acquisition (note 19)	400,000	900,000	-	1,300,000
Shares issued for acquisition of mineral exploration licenses (note 7)	464,224	-	-	464,224
Shares issued on conversion of borrowings (note 9)	1,002,000	-	-	1,002,000
Capital raising costs	(1,388,603)	-	-	(1,388,603)
Balance at 30 June 2022	10,669,031	1,498,970	(2,002,836)	10,165,165

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated	
		30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		(1,632,547)	(62,163)
Interest received		412	-
Government grants received		28,583	-
Net cash used in operating activities	22	(1,603,552)	(62,163)
Cash flows from investing activities			
Payments for term deposits		(20,000)	-
Payments for property, plant and equipment		(9,675)	-
Payments for exploration and evaluation	7	(496,995)	(176,646)
Net cash used in investing activities		(526,670)	(176,646)
Cash flows from financing activities			
Proceeds from issue of shares	10	8,195,050	8,601
Proceeds from borrowings	9	714,000	288,000
Share issue transaction costs		(1,063,711)	(22,241)
Net cash from financing activities		7,845,339	274,360
Net increase in cash and cash equivalents		5,715,117	35,551
Cash and cash equivalents at the beginning of the financial year		35,551	-
Cash and cash equivalents at the end of the financial year		5,750,668	35,551

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The comparative financial reporting year commenced upon incorporation on 9 October 2020 and ended 30 June 2021.

New or amended Accounting Standards and Interpretations adopted

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

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

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 18.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ChemX Materials Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the period then ended. ChemX Materials Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants are recognised at a point in time when there is reasonable assurance that both the grant will be received and conditions will be met.

Income tax

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

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

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

Plant and equipment	3-7 years

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

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

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Acquired intellectual property

Acquired intellectual property including the propriety High Purity Alumina (HiPurA) technology is capitalised where it is probable that future economic benefits exist and thereafter amortised on a straight line basis over the term of its expected useful economic life being 10 years.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible loan that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Contingent consideration for acquisitions

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. The amount recognised as contingent consideration is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Contingent consideration will be settled in shares is regarded as a share based payment. Hence this has been classified as equity whereby proof of concept is adequately documented and the contingencies have a high probability of realisation. This has been included in the cost of the asset on acquisition. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

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

Recognition of refundable R&D tax offset receivable

Over the past year, the Company has successfully claimed from the Australian Taxation Office credits for its research and development program. Under this program, the ATO has the right, extending back 4 tax years to investigate, audit and potentially clawback these claims in the event that they fail to meet the necessary criteria as established under the research and development credit claim legislation and regulations. It is the directors' view that there is no probable likelihood that any potential action may take place based upon the following reasons:

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

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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

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

Income tax

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

Recovery of deferred tax assets

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

Contingent consideration for acquisitions

Contingent consideration is accounted for as part of the cost of the asset acquired for acquisitions whereby proof of concept is adequately documented and the contingencies have a high probability of realisation. Significant judgement is involved in the determination of proof of concept and assessing the probability of contingency realisation.

Exploration and evaluation costs

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

Capital raising costs included in equity

Significant judgement was required to identify costs incurred to include in equity on the basis of being directly attributable to capital raisings.

Convertible loan facilities

A significant judgment was made in relation to the non-recognition of any embedded derivatives on convertible loan facilities or fair value assessments of the convertible loan facility host contracts upon recognition. In the absence of any other reliable estimates, convertible loans were recognised at cost (funds advanced).

The principal accounting policies adopted in the preparation of the financial statements are consistent with policies in the annual report for the period ended 30 June 2021.

NOTE 3. OPERATING SEGMENTS

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

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

NOTE 4. EXPENSES

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	577	-
Amortisation		
Intellectual property (High Purity Alumina processing technology)	64,466	-
Total depreciation and amortisation	65,043	-
Corporate, employment & consulting		
Corporate, employment & consulting expenses	434,158	40,939
Share-based payments - advisory services (Refer to note 24 'Share-based payments')	141,983	-
	576,141	40,939
Employee benefits expense		
Defined benefit superannuation expense	42,981	-
Share-based payments expense - Director options (Refer to note 24 'Share-based payments')	166,892	-
Share-based payments expense - KMP performance rights (Refer to note 24 'Share-based payments')	125,203	-
Employee benefits expense - other (salaries, wages and non-superannuation related oncosts)	490,866	-
	825,942	-

NOTE 5. CURRENT ASSETS - OTHER RECEIVABLES

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Refundable R&D tax offset receivable	342,435	-
BAS receivable	75,780	10,052
	418,215	10,052

NOTE 6. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Intellectual property - at cost *	1,300,000	-
Less: Accumulated amortisation	(64,466)	-
	1,235,534	-

* High Purity Alumina processing technology.

Reconciliations

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

Consolidated	Intellectual property $	Total $
Balance at 1 July 2021	-	-
Additions through asset acquisition (note 19)	1,300,000	1,300,000
Amortisation expense	(64,466)	(64,466)
Balance at 30 June 2022	1,235,534	1,235,534

NOTE 7. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Exploration and evaluation	2,987,865	2,026,646

	Consolidated
	30 Jun 2022
	$
Exploration and evaluation at end of the current financial year comprises:	
Mineral exploration licences EL 5920 & EL 6634 located on the Eyre Peninsula.	
- Deposits paid	150,000
- Share based payment	1,850,000
- Legal fees	26,646
Balance as at 30 June 2021	2,026,646
- Share based payment (Refer to note 24 'Share-based payments')	464,224
- Other expenditure	496,995
Balance as at 30 June 2022	2,987,865

On 22 December 2020 the Company executed an agreement to acquire mineral exploration licences EL 5920 & EL 6634 located on the Eyre peninsula. Consideration totalling $2,000,000 was paid as follows:

* non-refundable deposits totalling $150,000 comprising $50,000 paid upon signing of the agreement and an additional $100,000 paid at the end of the due diligence period, and

* the agreement was completed on 17 June 2021 with $1,850,000 consideration paid to the buyer through the issue of 9,250,000 ordinary shares at $0.20 each. South Australian Government consent was granted, and the legal title was then transferred to the Company.

The Company has also incurred a total of $26,646 in legal costs relating to this acquisition.

On 31 December 2021 additional consideration of $464,224 was paid through the issue of 2,321,119 Shares at $0.20 per share.

NOTE 8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Trade payables	100,999	58,079
Accrued expenses and other payables	153,129	20,070
	254,128	78,149

NOTE 9. CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Convertible loans	-	288,000

Refer to note 13 for further information on financial instruments.

	Founders	Seed Capital investors	Related Party Seed Capital investors (Directors)	Total
Convertible loans	$	$	$	
Balance as at 1 July 2021	288,000	-	-	288,000
Drawdowns	-	639,000	75,000	714,000
	288,000	639,000	75,000	1,002,000
Conversions*				
- 18,000,000 shares issued at $0.016 each	(288,000)	-	-	(288,000)
- 781,250 shares issued at $0.16 each	-	(125,000)	-	(125,000)
- 7,362,500 shares issued at $0.08 each	-	(514,000)	(75,000)	(589,000)
	(288,000)	(639,000)	(75,000)	(1,002,000)
	-	-	-	-

* Refer note 10 ‘Issued capital’ & note 17 ‘Related party transactions’.

NOTE 10. EQUITY - ISSUED CAPITAL

	Consolidated			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Shares	Shares	$	$
Ordinary shares - fully paid	90,771,744	17,850,000	10,669,031	1,836,360

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	17,850,000		1,836,360
Shares issued for cash				
Issue shares to investors for seed capital	30 August 2021	875,625	$0.080	70,050
Issue shares to investors for seed capital	3 November 2021	781,250	$0.160	125,000
Shares issued under the prospectus offer	31 December 2021	40,000,000	$0.200	8,000,000
Convertible Loan repayments				
Shares issued pursuant to the Founders (Convertible) Loan Note Facility - refer note 9 'Borrowings'	31 December 2021	18,000,000	$0.016	288,000
Shares issued pursuant to the Seed Capital Convertible Loan Agreements - refer note 9 'Borrowings'	31 December 2021	781,250	$0.160	125,000
Shares issued pursuant to the Seed Capital Convertible Loan Agreements - refer note 9 'Borrowings'	31 December 2021	7,362,500	$0.080	589,000
Share-based payments				
Shares issued pursuant to the HiPurA® acquisition - refer note 19 'Asset acquisition'	31 December 2021	2,000,000	$0.200	400,000
Shares issued to the Lead Manager of the prospectus offer - refer note 24 'Share-based payments'	31 December 2021	800,000	$0.200	160,000
Shares issued under the Archer Sale Deed - refer note 7 'Exploration and evaluation'	31 December 2021	2,321,119	$0.200	464,224
Capital raising costs				(1,388,603)
Balance	30 June 2022	90,771,744		10,669,031

NOTE 10. EQUITY - ISSUED CAPITAL (CONTINUED)

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

The Group may look to raise capital when an opportunity to invest in a business or existing asset growth acceleration was seen as value adding relative to the current Company's share price at the time of the investment.

NOTE 11. EQUITY - RESERVES

	Consolidated	
	30 Jun 2022	**30 Jun 2021**
	$	**$**
Share-based payments reserve	1,498,970	-

NOTE 11. EQUITY - RESERVES (CONTINUED)

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

Consolidated	Share-based payments reserve $	Total $
Balance at 1 July 2021	-	-
Issue and vesting of Lead Manager Options - refer note 24 'Share-based payments'	164,892	164,892
Issue and vesting of Options to Directors - refer note 24 'Share-based payments'	166,892	166,892
Issue and vesting of Options to Suppliers for Advisory services - refer note 24 'Share-based payments'	141,983	141,983
Issue and vesting of Performance Rights to Key Management Personnel - refer note 24 'Share-based payments'	125,203	125,203
Shares to be issued in the future for asset acquisition - refer note 19 'Asset acquisition'	900,000	900,000
Balance at 30 June 2022	1,498,970	1,498,970

NOTE 12. EQUITY - DIVIDENDS

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

NOTE 13. FINANCIAL INSTRUMENTS

Financial risk management objectives

During the year, the Group was exposed to only one material financial risk being liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Material financial instruments of the Group consist of cash and accounts payable.

The Board is responsible for managing the risks attached to financial instruments. As the only material risk relates to liquidity risk, this is done through cashflow forecasting techniques.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

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

NOTE 13. FINANCIAL INSTRUMENTS (CONTINUED)

Remaining contractual maturities

Details of the contractual maturities of financial instruments are disclosed in notes to these financial statements, including significant accounting policies in Note 1.

All financial liabilities at year end had payment terms due within 60 days.

Fair value of financial instruments

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

NOTE 14. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Short-term employee benefits	529,091	-
Post-employment benefits	44,478	-
Long-term benefits	65	-
Share-based payments	292,095	-
	865,729	-

NOTE 15. CONTINGENT LIABILITIES

The previous owner of the mineral exploration licences is entitled to a 2% Net Smelter Return royalty on the value of all minerals (excluding graphite) extracted from the Tenements. Refer note 7 'Exploration and evaluation'

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

NOTE 16. COMMITMENTS

	Consolidated	
	30 Jun 2022	30 Jun 2021
	$	$
Minimum exploration expenditure commitments		
Within one year	205,000	115,000
One to five years	560,000	205,000
More than five years	140,000	-
	905,000	320,000

The Company holds two mineral exploration licences EL 5920 & EL 6634 located on the Eyre peninsula.

Expenditure commitments are reported and assessed every two years in an Expenditure Return. If expenditure commitments have not been met, the licence holder can request a variation to their expenditure commitment and ask to have the underspend carried over into the future term, or they can request to have the expenditure commitment waived, or they can request to reduce the area of the licence to ensure compliance.

EL 5920 was due to expire on 19 February 2022. On 27 January 2022 a renewal application was lodged to extend the expiry date to 19 February 2028.

EL 6634 is due to expire on 31 January 2026.

During the year, the Group entered as a party to a research project with Future Battery Industries CRC Limited with a commitment to contribute $500,000 spread across agreed projects.

As at 30 June 2022, the Group has contributed $113,000 towards the $500,000 commitment.

NOTE 17. RELATED PARTY TRANSACTIONS

Parent entity

ChemX Materials Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 14 and the remuneration report included in the Directors' report.

NOTE 17. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties

(a) Assets acquired from related parties

During the reporting period the Company acquired HiPurA Pty Ltd and its High Purity Alumina processing technology. At the time Director David Leavy held a 50% ownership interest in HiPurA Pty Ltd.

On 31 December 2021 the Company issued 2,000,000 ordinary shares to the vendors of HiPurA Pty Ltd at an issue price of $0.20 for consideration of $400,000. As one of the vendors, David Leavy was issued 750,000 ordinary shares for consideration of $150,000.

Refer to note 21 'Events after the reporting year' for details of further shares issued to vendors upon completion of the Flow Sheet Design milestone under to the HiPurA Share Sale Agreement.

Refer to note 19 'Asset acquisition' and note 24 'Share-based payments'

(b) Receivable from and payable to related parties

As at 30 June 2022 trade payables included $3,300 (2021: Nil) owing to a related entity of Warrick Hazeldine (Director).

There were no other trade payables to or trade receivables from related parties at the current and previous reporting date.

(c) Loans to/from related parties & equity transactions with related parties

During the reporting period directors participated in Seed Capital Convertible Loan Agreements on the same terms as non-related participants. On 31 December 2021 these loans were fully converted to equity.

Name	Seed capital advanced during the year $	Shares issued on 31 December 2021	Fair value of convertible loans repaid @ $0.08 per share $
Kirstie Young	20,000	250,000	20,000
David Leavy	25,000	312,500	25,000
Stephen Strubel	10,000	125,000	10,000
Warrick Hazeldine	20,000	250,000	20,000
	75,000	937,500	75,000

For further details refer to note 9 'Borrowings' and note 24 'Share-based payments'.

There were no loans outstanding to or from related parties at the reporting date.

Terms and conditions

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

NOTE 18. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Loss after income tax	(1,646,148)	(117,315)
Total comprehensive loss	(1,646,148)	(117,315)

Statement of financial position

	Parent	
	30 Jun 2022	30 Jun 2021
	$	$
Total current assets	6,176,315	58,548
Total assets	10,675,787	2,085,194
Total current liabilities	271,174	366,149
Total liabilities	271,249	366,149
Equity		
Issued capital	10,669,031	1,836,360
Share-based payments reserve	1,498,970	-
Accumulated losses	(1,763,463)	(117,315)
Total equity	10,404,538	1,719,045

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Capital commitments

Refer to note 16 'Commitments'.

NOTE 18. PARENT ENTITY INFORMATION (CONTINUED)

Contingent liabilities

Refer to note 15 'Contingent liabilities'.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

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

NOTE 19. ASSET ACQUISITION

On 31 December 2021 the Company issued 2,000,000 ordinary shares at $0.20 per share to vendors Nicholas Welham and David Leavy as partial consideration of $400,000 for the acquisition of 100% of HiPurA Pty Ltd. At the time Director David Leavy held a 50% ownership interest in HiPurA Pty Ltd.

Additional shares were to be issued to the vendors subject to achievement of the following milestones:

i. Completion of Flow Sheet Design - 2,000,000 shares at $0.20 per share. These shares were issued on 1 September 2022 on achievement of this milestone.

ii. Commissioning of the Pilot Plant - 2,500,000 shares at $0.20 per share.

In determination of fair value, the Company had assessed a 100% probability of meeting the milestones required for the issue of these shares in the future.

Details of the asset acquisition are as follows:

	Fair value $
Intellectual property (High Purity Alumina processing technology)	1,300,000
Acquisition-date fair value of the total consideration transferred	1,300,000
Representing:	
Shares issued to vendors. Refer to note 24 'Share-based payments'.	400,000
Shares to be issued to vendors in the future (subject to the achievement of milestones).	900,000
	1,300,000

NOTE 20. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

		Ownership interest	
	Principal place of business /	30 Jun 2022	30 Jun 2021
Name	Country of incorporation	%	%
HiPurA Pty Ltd (acquired 31 December 2021)	Australia	100.00%	-

NOTE 21. EVENTS AFTER THE REPORTING YEAR

On 11 July 2022, the Company issued eligible shareholders 22,693,038 listed Loyalty Options with an exercise price of $0.30, an expiry date of 11 July 2025 and a nominal issue price of $0.005.

On 18 August 2022 the Company announced that it would issue 2,000,000 fully paid ordinary shares pursuant to the HiPurA Share Sale Agreement upon completion of the Flow Sheet Design milestone. The shares were issued on 1 September 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 22. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Loss after income tax expense	(1,885,521)	(117,315)
Adjustments for:		
Depreciation and amortisation	65,043	-
Share-based payments	434,078	-
Change in operating assets and liabilities:		
Increase in other receivables	(408,163)	(10,052)
Decrease/(increase) in prepayments	3,742	(12,945)
Increase in other operating assets	(20,000)	-
Increase in trade and other payables	175,979	78,149
Increase in employee benefits	31,290	-
Net cash used in operating activities	(1,603,552)	(62,163)

NOTE 23. EARNINGS PER SHARE

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Loss after income tax	(1,885,521)	(117,315)

	Cents	Cents
Basic earnings per share	(3.25)	(11,731,500.00)
Diluted earnings per share	(3.25)	(11,731,500.00)

The performance rights and options on issue are non-dilutive as the Group has generated a loss for the year.

NOTE 23. EARNINGS PER SHARE (CONTINUED)

Earnings per share in the prior financial period is not comparable to the current financial year due to the significant increase in number of shares.

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	57,949,382	1
Weighted average number of ordinary shares used in calculating diluted earnings per share	57,949,382	1

The performance rights and options on issue have not been included in the weighted average number of shares used for calculating the diluted loss per share as they do not meet the requirements for inclusion under AASB 133 'Earnings per share'.

NOTE 24. SHARE-BASED PAYMENTS

Reconciliation of share based payments

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Included in equity as capital raising costs		
Shares issued to lead manager of the prospectus offer *	160,000	-
Options granted to lead manager of the prospectus offer (a)	164,892	-
Total	324,892	-
Statement of profit or loss and other comprehensive income		
Options granted to directors under the Employee Securities Incentive Plan**(a)	166,892	-
Options granted to suppliers for advisory services (a)	141,983	-
Performance rights granted to KMP under the Employee Securities Incentive Plan**(b)	125,203	-
Total	434,078	-
Other		
Shares issued to acquire HiPurA Pty Ltd (refer note 19 'Asset acquisition')	400,000	-
Shares issued to acquire tenements (refer note 7 'Exploration and evaluation')	464,224	-
Shares to be issued as deferred consideration to acquire HiPurA Pty Ltd (refer note 19 'Asset acquisition')	900,000	-
Total	1,764,224	-
	2,523,194	-

NOTE 24. SHARE-BASED PAYMENTS (CONTINUED)

**On 31 December 2021 the Company issued 800,000 ordinary shares at a fair value of $0.20 per share to the lead manager of the prospectus offer.*

***Shareholders have approved an Employee Securities Incentive Plan (Incentive Plan) whereby the Group may, at the discretion of the Board, grant securities including options and performance rights over ordinary shares in the Company to certain key management personnel of the Group. The securities are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.*

(a) Options

During the year options were granted as follows:

- On 1 November 2021, the Company granted 2,000,000 options over ordinary shares to directors under the Incentive Plan
- On 18 January 2022 the Company granted 2,000,000 options over ordinary shares to the lead manager of the prospectus offer.
- On 30 May 2022 the Company granted and agreed to issue two tranches of 750,000 options over ordinary shares to a professional advisor.

Set out below are summaries of options granted:

30 Jun 2022							
Grant date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited/ other**	**Balance at the end of the year**
01/11/2021	01/11/2024	$0.300	-	2,000,000	-	-	2,000,000
18/01/2022	18/01/2024	$0.300	-	2,000,000	-	-	2,000,000
30/05/2022	11/07/2025	$0.400	-	750,000	-	-	750,000
30/05/2022	11/07/2025	$0.400	-	750,000	-	-	750,000
			-	5,500,000	-	-	5,500,000
Weighted average exercise price			$0.000	$0.327	$0.000	$0.000	$0.327
Options exercisable			-	4,750,000	-	-	4,750,000

The weighted average remaining contractual life of options outstanding at the end of the financial period was 2.34 years (30 June 2021: nil years).

NOTE 24. SHARE-BASED PAYMENTS (CONTINUED)

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

Grant date*	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair valueat grant date
01/11/2021	01/11/2024	$0.200	$0.300	80.00%	-	0.69%	$0.082
18/01/2022	18/01/2025	$0.200	$0.300	80.00%	-	0.69%	$0.083
30/05/2022	11/07/2025	$0.205	$0.400	100.00%	-	2.81%	$0.088
30/05/2022	11/07/2025	$0.205	$0.400	100.00%	-	2.81%	$0.102

** On 30 May 2022 two grants of 750,000 options were made. In the table above Tranche A is listed first and Tranche B is listed second. Tranche A options vested immediately and Tranche B options will vest when the 10 day VWAP for the Company shares reaches $0.40. This vesting hurdle is yet to be achieved.*

(ii) Performance rights

The Performance Rights were issued to the Chief Operating Officer pursuant to an employment agreement. In addition to continuous employment, the Performance Rights are subject to the following Vesting Conditions:

- Class A: 250,000 Class A Performance Rights will vest on the announcement by the Company of the successful commissioning of the HiPurA® HPA Pilot Plant.
- Class B: 250,000 Class B Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a volume weighted average price (VWAP) at or above $0.40 for 10 consecutive days.
- Class C: 250,000 Class C Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a VWAP at or above $0.60 for 10 consecutive days.
- Class D: 250,000 Class D Performance Rights will vest on the day the share price of the Company (ASX:CMX) trades on ASX at a VWAP at or above $0.80 for 10 consecutive days.

As at 30 June 2022 and as at the date of this report none of the vesting conditions have been met.

Set out below are summaries of performance rights granted under the Incentive Plan:

30 Jun 2022							
Grant date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited/ other**	**Balance at the end of the year**
20/05/2021	20/05/2021	$0.000	-	1,000,000	-	-	1,000,000
			-	1,000,000	-	-	1,000,000
Performance rights exercisable				-	-	-	-

NOTE 24. SHARE-BASED PAYMENTS (CONTINUED)

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.89 years (30 June 2021: nil years).

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

Class	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
A	20/05/2022	20/05/2025	$0.205	$0.000	100.00%	-	2.81%	$0.205
B	20/05/2022	20/05/2025	$0.205	$0.000	100.00%	-	2.81%	$0.181
C	20/05/2022	20/05/2025	$0.205	$0.000	100.00%	-	2.81%	$0.162
D	20/05/2022	20/05/2025	$0.205	$0.000	100.00%	-	2.81%	$0.147

NOTE 25. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	30 Jun 2022	For the period 9 Oct 20 to 30 Jun 2021
	$	$
Audit services - William Buck		
Audit or review of the financial statements	31,000	15,000
Other services - William Buck		
Investigating accounting services	10,000	-
Employee incentive plan review	2,750	-
	12,750	-
	43,750	15,000

DIRECTORS' DECLARATION

30 JUNE 2022

In the Directors' opinion:

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Mr David Leavy
Managing Director

28 September 2022

INDEPENDENT AUDITOR'S REPORT

For personal use only

William Buck
ACCOUNTANTS & ADVISORS

ChemX Minerals Limited
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of ChemX Minerals Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com williambuck.com.au

William Buck
ACCOUNTANTS & ADVISORS

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ACCOUNTING FOR TRANSACTIONS RELATING TO THE INITIAL PUBLIC OFFERING ("IPO")	
Area of focus **Refer also to note 1**	**How our audit addressed it**
As set out in Note(s) 7, 9, 10, 11, 14, 17 and 24 the Group conducted an IPO transaction during the year. In leading up to this event, the Group conducted the following significant transactions: — Issued convertible notes and converted all notes on hand to ordinary shares; — Raised pre-IPO capital through the issue of ordinary shares; — Raised capital under the IPO; — Issued broker and employee options as part of incentives set out in the IPO Prospectus; — Issued ordinary shares pursuant to the Archer Sales Deed for tenements acquired in a prior period; and — Incurred capital raising costs from its brokers, professional advisors and regulators in-relation to the IPO. These significant transactions were key sources of estimation and judgement uncertainty for these financial statements and is therefore a key audit matter, namely: — Appropriately accounting for the shares issued to settle the convertible notes; — Appropriately valuing the options and shares issued for nil cash consideration at their appropriate fair value, vested in the appropriate accounting period; — Ensuring that all related party transactions were completely and accurately disclosed; and — Determining the appropriate apportionment of costs of the IPO between equity, when directly connected to the issue of new share capital, and a charge to the profit or loss, when connected to the quotation of existing share capital.	In addressing these transactional risks we performed the following procedures: — We traced through all obligations attached to these IPO costs to supporting documentation; — We recalculated the calculation of the broker and employee options, which were valued using Black-Scholes models and assessed the appropriateness of inputs applied in the model; — We recalculated the vesting charge of those options taken to 30 June 2022; — We recalculated the roll of equity from the previous financial year through to 30 June 2022, which includes the funds raised from the IPO, pre-IPO capital raising and settlement of convertible notes; — We assessed the appropriateness of the treatment of the IPO costs, those of which were classified as equity and those charged to the profit or loss depending upon their linkage to the issue of new share equity; and — We also assessed the appropriateness of disclosures made in-relation to these matters, as described in *critical estimates and judgements* in a note to the financial statements and also the attaching related party disclosures.

SHARE-BASED PAYMENTS	
Area of focus **Refer also to notes 1, 4, 11, 14, 24 and Remuneration Report**	**How our audit addressed it**
The Group has incurred share-based payments expenses during the year as part of performance rights granted to employees as well as options to advisors for services rendered during the year. The options issued to the advisors are split into 2 tranches, with the 2nd tranche having market conditions attached. The performance rights	Our audit procedures included the following: — Understanding the terms of the performance rights and options being issued including the number of options and performance rights issued,

William Buck
ACCOUNTANTS & ADVISORS

SHARE-BASED PAYMENTS	
Area of focus **Refer also to notes 1, 4, 11, 14, 24 and Remuneration Report**	**How our audit addressed it**
are split into 4 tranches with 3 of the tranches having market conditions attached with the remaining tranche having non-market conditions attached. There is a risk that the Group may not have valued these performance rights and options appropriately and that the expense due to be recognised from these options issued during the year is incorrect. As there is significant estimation and judgement involved, this has been deemed to be a key audit matter. Both the performance rights and advisor options were valued using a Binominal model. The advisor options vest immediately with the expense fully recognised during the year. The performance rights tranches with market conditions attached have vested immediately whilst the tranche without market conditions have been vesting over the period in which management judges that the non-market condition will be achieved being 2 years.	grant date, expiry date, exercise price and the presence of any market or non-market conditions; — For the specific application of the binomial model, we assessed the experience of the expert used to advise the value of the arrangements. We also assessed the reasonableness of the assumptions detailed in their report; — Recalculating the expense recognised during the year in line with the terms of the options and performance rights; and — Assessing the adequacy of the Group's disclosures in the financial report.
ACQUISTION OF HIPURA PTY LTD AND ASSESSMENT OF CARRYING VALUE OF INTANGIBLE ASSETS	
Area of focus **Refer also to notes 1, 4, 6, 10, 11, 17, 19, 21 and 24**	**How our audit addressed it**
During the year, the Group acquired HiPurA Pty Ltd and its High Purity Alumina processing technology which is recorded in the statement of financial position as an intangible asset. This asset will be used in the build and development of the pilot plant, hence its consideration included both the issue of 2,000,000 ordinary shares at an issue price of $0.20 together with additional shares to be issued subject to the achievement of the following milestones: — Completion of Flow Sheet Design – 2,000,000 shares at a price of $0.20 per share; and — Commission of the Pilot Plant – 2,500,000 shares at a price of $0.20 per share. Accounting for this transaction is complex and required significant judgements and estimates by management on the initial entries recorded, specifically to determine the fair value of the asset which was deemed at cost and inclusive of the contingent consideration due upon the achievement of the milestones in the context of Australian Accounting Standards.	Our audit procedures included: — Assessing that the acquired entity does not meet the definition of a business under *AASB 3 – Business Combinations* and has been accounted for as an asset acquisition; — Reviewing the sale and purchase agreement to understand the key terms and conditions of the acquisition, including the milestones for the deferred consideration; — Calculating the fair value of the assets acquired including assessing management's accounting policy with respect to the inclusion of all contingent consideration as part of the cost at fair value; — Reviewing the amortisation charge applied to the intangible asset for consistency with accounting policies; and

William Buck
ACCOUNTANTS & ADVISORS

ACQUISTION OF HIPURA PTY LTD AND ASSESSMENT OF CARRYING VALUE OF INTANGIBLE ASSETS	
Area of focus **Refer also to notes 1, 4, 6, 10, 11, 17, 19, 21 and 24**	**How our audit addressed it**
As a result of the transaction, an intangible asset of $1,300,000 was recognised on the Group's Consolidated Statement of Financial Position to be amortised over a 10-year period. There is a risk that the carrying amount of the intangible assets exceeds its recoverable value. As there is significant estimation and judgement involved, this has been deemed to be a key audit matter.	— Assessing the adequacy of the Group's disclosures in respect of the acquisition in the financial report and subsequent events given the completion of milestone 2 and the issue of 2,000,000 shares as a result.
CAPITALISATION OF EXPLORATION AND EVALUATION COSTS	
Area of focus **Refer also to notes 1 and 7**	**How our audit addressed it**
The Group has incurred exploration and evaluation costs for exploration projects in Australia of $2,987,865 for the year ended 30 June 2022 and has elected to capitalise all these costs as a non-current asset in the Statement of Financial Position in accordance with the Group accounting policies. There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the Statement of Financial Position from the current and historical periods, be no longer recoverable. The assessment of the non-current assets for impairment requires significant judgement involved and as such, has been deemed to be a key audit matter. During the year no impairment charge was recognised in relation to exploration and evaluation.	Our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's purchase in that area of interest at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the Statement of Financial Position to identify any other additional indicators of impairment. We also assessed the adequacy of the Group's disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

William Buck
ACCOUNTANTS & ADVISORS

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of ChemX Minerals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

William Buck
ACCOUNTANTS & ADVISORS

Responsibilities

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

William Buck

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

J. C. Luckins
Director
Melbourne, 28th September 2022

ASX ADDITIONAL INFORMATION

30 JUNE 2022

The Company is Listed on the Australian Securities Exchange.

The shareholder information set out below was applicable as at 9 September 2022.

Distribution of equity securities

Analysis of number of listed equitable security holders by size of holding:

	Ordinary shares (CMX) Number of holders	Ordinary shares % of total shares issued	Listed Options over Ordinary Shares (CMXO) Number of holders	Listed Options over Ordinary Shares % of total options issued
1 to 1,000	17	-	20	0.05
1,001 to 5,000	197	0.69	103	1.38
5,001 to 10,000	215	2.07	38	1.28
10,001 to 100,000	338	12.65	108	18.83
100,001 and over	101	84.59	29	78.46
	868	100.00	300	100.00
Holding less than a marketable parcel	100	-	-	-

Distribution of equity securities

Analysis of number of unlisted equitable security holders by size of holding:

	Unlisted Options over Ordinary Shares		Unlisted Performance Rights over Ordinary Shares	
	Number of holders	% of total options issued	Number of holders	% of total performance rights issued
1 to 1,000	0	0.00	0	0.00
1,001 to 5,000	0	0.00	0	0.00
5,001 to 10,000	0	0.00	0	0.00
10,001 to 100,000	0	0.00	0	0.00
100,001 and over	5	100.00	1	100.00
	5	100.00	1	100.00

ASX ADDITIONAL INFORMATION

30 JUNE 2022

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares (CMX)	
	Number held	% of total shares issued
R J & A INVESTMENTS PTY LTD <MULLER MORVAN FAMILY A/C>	19,250,000	20.75
ARCHER MATERIALS LTD	11,571,119	12.47
MR STEPHEN STRUBEL	5,125,000	5.52
MR DAVID JOHN LEAVY	3,862,500	4.16
BRIO CAPITAL MASTER FUND LTD	2,716,152	2.93
3A CAPITAL ANSTALT	2,670,000	2.88
NEOMETALS INVESTMENTS PTY LTD	2,500,000	2.69
MERCER STREET GLOBAL OPPORTUNITY FUND LLC	1,800,000	1.94
PANTHER TRADING PTY LTD <PANTHER A/C>	1,750,000	1.89
NICHOLAS JAMES WELHAM	1,450,000	1.56
MR NICHOLAS JAMES WELHAM + MS ERICA BIBIANA ROSERO REYES <THE WELHAM ROSERO FAM A/C>	1,250,000	1.35
MS KRISTIE PETA YOUNG	1,250,000	1.35
HSBC CUSTODY NOMINEES <(AUSTRALIA) LIMITED A/C>	1,002,231	1.08
MR PADDY JAMES MOYLAN	1,000,000	1.08
VENTNOR SECURITIES PTY LTD	800,000	0.86
MR CHRISTOPHER RICHARD BRISCOE	700,000	0.75
PETHOL (VIC) PTY LTD	625,000	0.67
MR PHILIP ANDREW THICK	625,000	0.67
BOND STREET CUSTODIANS LIMITED <PETKIN - D47410 A/C>	590,000	0.64
BLUESEA AUSTRALIA PTY LTD	500,000	0.54
	61,037,002	65.79

	Listed Options over Ordinary Shares (CMXO)	
	Number held	% of total options issued
R J & A INVESTMENTS PTY LTD <MULLER MORVAN FAMILY A/C>	4,812,500	21.21
ARCHER MATERIALS LTD	2,892,780	12.75
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,709,979	7.54
MR STEPHEN STRUBEL	1,250,000	5.51
MR DAVID JOHN LEAVY	778,126	3.43
3A CAPITAL ANSTALT	667,500	2.94
NICHOLAS JAMES WELHAM	500,000	2.20
MERCER STREET GLOBAL OPPORTUNITY FUND LLC	475,000	2.09
MPL ENTERPRISES PTY LTD <MPL SUPERANNUATION FUND A/C>	400,000	1.76
VENTNOR SECURITIES PTY LTD	400,000	1.76
SUPER SECRET PTY LIMITED <TKOCZ SF A/C>	372,692	1.64
MADEIROS PTY LTD <VISSER SUPER FUND A/C>	348,980	1.54
MR MD AKRAM UDDIN	345,000	1.52
MS KRISTIE PETA YOUNG	312,500	1.38
MR CHRISTOPHER RICHARD BRISCOE	300,000	1.32
MICHAEL EU SENG ILES	240,000	1.06
MR PATRICK JAMES BELL + DR FRANCESCA ANN BELL <FP BELL A/C>	237,500	1.05
MR MALCOLM JOHN STRACHAN	202,500	0.89
ROGER BLAKE + ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	200,000	0.88
MR JASON PAUL DICKIE	200,000	0.88
	16,645,057	73.35

Unquoted equity securities

	Number on issue	Number of holders
CMXAC Fully Paid Ordinary Shares ASX Escrowed until 31/12/2022	3,795,000	15
CMXAD Fully Paid Ordinary Shares ASX Escrowed until 18/01/2024	40,110,618	15
Fully Paid Ordinary Shares ASX Escrowed until 01/09/2024	2,000,000	2
CMXAE Unlisted Options Expiring 18/01/2024 Escrowed until 18/01/2024	2,000,000	2
CMXAF Unlisted Options Expiring 01/11/2024 Escrowed until 01/11/2024	2,000,000	2
Unlisted Options Expiring 11/07/2025	1,500,000	1
CMXAG Unlisted Performance Rights	1,000,000	1

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
NEOMETALS INVESTMENTS PTY LTD	Ordinary Fully Paid Shares ASX Escrowed until 31/12/2022	1,200,000
R J & A INVESTMENTS PTY LTD <MULLER MORVAN FAMILY A/C>	Ordinary Fully Paid Shares ASX Escrowed until 18/01/2024	16,560,000
ARCHER MATERIALS LTD	Ordinary Fully Paid Shares ASX Escrowed until 18/01/2024	11,571,119
MR NICHOLAS JAMES WELHAM + MS ERICA BIBIANA ROSERO REYES <THE WELHAM ROSERO FAM A/C>	Ordinary Fully Paid Shares ASX Escrowed until 01/09/2024	1,250,000
MR DAVID JOHN LEAVY	Ordinary Fully Paid Shares ASX Escrowed until 01/09/2024	750,000
MR WARRICK HAZELDINE	Unlisted Options Expiring 01/11/2024 Escrowed until 18/01/2024	1,000,000
MS KRISTIE PETA YOUNG	Unlisted Options Expiring 01/11/2024 Escrowed until 18/01/2024	1,000,000
CHEN DM PTY LTD	Unlisted Options Expiring 18/01/2024 Escrowed until 18/01/2024	1,000,000
VENTNOR SECURITIES PTY LTD	Unlisted Options Expiring 18/01/2024 Escrowed until 18/01/2024	1,000,000
AMVEST CAPITAL PRINCIPAL STRATEGIES LLC	Unlisted Options Expiring 11/07/2025	1,500,000

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
ChemX Materials Ltd	44,430,993*	48.95
RJ & A Investments Pty Ltd	19,250,000	21.21
Archer Materials Limited	11,571,119	12.75
Mr Stephen Strubel and Associates Entities	5,125,000	5.65

* Relevant interest arising from a restriction on disposal of shares due to ASX imposed escrow, as notified to ASX on 18 January 2022

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

On market buy back

There was no on market buy back in operation.

There are no other classes of equity securities.

CHEMX MATERIALS

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