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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER

2023

Gulf Minerals Limited

(formerly Advanced Energy Minerals Ltd)

Chairperson's Letter

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Dear Fellow Shareholder,

I am writing to provide you with an update on the progress of our company and the significant developments in the past year.

In early 2023, the Company completed the restructuring of its HPA business setting up a Canadian holding company, Advanced Energy Minerals Inc. ("AEM"), currently owned 60%:40% with ViVent Initiatives. Driving this business forward has been the primary focus for 2023.

The expansion of AEM's Cap-Chat plant commenced in mid-2023 after raising approximately C$20 million. This two-year Stage 1 capital works program is aimed at increasing production capacity to 9 tpd of High Purity Alumina (HPA). Key milestones reached include the ordering of a tunnel kiln, scheduled for delivery in June 2024, and the transition to 100% electric operations powered by renewable energy. Other advancements include the installation of a larger spray dryer and the construction of controlled environment enclosures to ensure product integrity during processing.

In the area of sales and marketing, AEM's HPA has been qualified by ten predominantly blue-chip customers, with ongoing qualification processes with many more. Despite encountering challenges such as soft market conditions and distributor-related issues, strategic measures including the recruitment of dedicated business development managers for key markets have been implemented to enhance customer targeting and engagement.

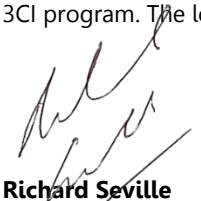
Financially, we have secured favourable loan arrangements with Investment Quebec (IQ) and Economic Development Canada (DEC), further bolstered by anticipated capital expenditure rebates under Quebec's 3CI program. The loan facility from IQ is for CAD7 million and is complemented CAD2 million tied loan from DEC. This capital injection not only supports our expansion plans but also solidifies partnerships with Quebec's and Canada's premier investment agencies.

In the area of research and development, our commitment to innovation remains unwavering. The relocation of our Montreal laboratory to larger and improved facilities signifies our dedication to advancing product development and technical capabilities. Meanwhile, as part of encouraging the development of a dynamic and agile organizational culture we have restructured management structure and and made two external appointments and two internal promotions to the executive team.

Turning our attention to our operations in Australia, I am pleased to announce the renewal of MDL 469 by the Queensland State Resources Department for three years. Our focus on the Kendall River Kaolin Project is gaining momentum, with plans for a drilling program to support economic studies and inform product development efforts.

We are advanced in our process to purchase 40% of AEM from ViVent Initiatives so that Gulf becomes the company which undertakes the IPO, and, in line with our strategic vision, we will be contemporaneously separating our Kaolin Assets from the HPA business into a new entity, Cape York Kaolin Ltd.

Lastly, I would like to thank our committed and hardworking team in Canada and Australia. There is a palpable sense of excitement within our organization as we advance towards achieving our goals. I also want to extend my heartfelt gratitude to you, our valued shareholders, for your continued support and confidence in our endeavours.



Richard Seville
Executive Chairperson
22 April 2024

Corporate Information

Directors
Richard Seville, Executive Chairperson
Michael Adams, Executive Director
Hans Bohi, Non-executive Director
Gregory Baker, Non-executive Director
John Fletcher, Non-Executive Director
Timothy Fletcher, Executive Director
Steve Petersohn, Executive Director - Finance
Peter Thomson, Executive Director

Company Secretary
Rachel Wong

Principal & Registered office
3 Amy Close, Wyong NSW 2259, Australia
Email: rwong@aem-international.com

Share Registry
Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000, Australia
Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000
Email: web.queries@computershare.
Website: www.investorcentre.com

Auditor
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street, Perth, WA 6000

Banker
ANZ Banking Corporation Limited

Lawyers
DLA Piper, Thomson Geer

Gulf International Offices

Advanced Energy Minerals Inc.
40 King Street West, Suite 5800
Toronto, Canada, ON M5H 3S1

AEM Canada Group Inc. & AEM Technologies Inc.
500, Boulevard Cartier West,
Laval (Québec), Canada, H7V 5B7
Email: info@aemcanada.com

Advanced Energy Minerals (UK) Limited
Unit 4F Ignite Project,
The Innovation Centre, Warwick Technology Park,
Gallows Hill, CV34 6UWW8 6BD
United Kingdom
Tel: +44 7927 552 973
Email: madams@aem-international.com

A.E.M.I. Group Cyprus office
Sotiras, 2 Tziovani Building,
Flat/Office 6 Paralimni 5286
Famagusta Cyprus

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Directors' report

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as "the Group") consisting of Gulf Minerals Limited ("Gulf") (formerly Advanced Energy Minerals Limited prior to the change of name effective from 17 August 2023), referred to hereafter as the "company" or "parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors

The names and details of the Group's directors in office during the year ended 31 December 2023 and until the date of this report are as follows.

Current directors

Richard Seville	Executive Chairperson
Michael Adams	Executive Director
Gregory Baker	Non-Executive Director
Hans K. Bohi	Non-Executive Director
John Fletcher	Non-Executive Director
Timothy Fletcher	Executive Director
Steven Petersohn	Executive Director
Peter Thomson	Executive Director

Principal activities

Gulfs principal activities are:

The HPA Project (60%)

Advanced Energy Minerals Inc ("AEM") – holding company for operating companies 1) AEM Canada Inc ("ACG") - operator of a chemical plant (under expansion) in Quebec, Canada, for the production of High Purity Alumina (HPA) which is used in the synthetic sapphire/LED industry, advanced ceramics and battery applications and other associated products and 2) AEM Technologies Inc ("AET") - research and development facilities at Laval in Quebec Canada.

The HPA project is operated by ACG and AET which were part of the consolidated group in the previous financial year. Following the company restructuring on 1 January 2023, the entities were transferred to AEM of which Gulf has joint control with ViVent Initiatives prior to the distribution of shares to ViVent or Gulf shareholders or a qualifying public offering. Accordingly, the Company determined there had been a loss of control and AEM Inc. is equity accounted for the year ended 31 December 2023.

Kendal River Kaolin (100%) ("KRK")

Exploration and development of the Kendal River Kaolin project, Queensland, Australia which has the potential to be an exporter of high-quality hydrous kaolin ("KRK"). MDL469 is owned 100% by Gulf whilst ML100200 is owned beneficially 60% by Gulf and 40% by Vivent Initiatives Limited through AEMIG. The principal property is a large, 23,611-hectare mineral development license, MDL469, which is surrounded by six surrounding EPM applications.

The company also holds a 60% beneficial interest in 9.9-hectare mining lease, ML100200 within MDL469i through AEMIG.

Dividends

There were no dividends paid or recommended during the year ended 31 December 2023 (2022: No dividends were paid or recommended).

Review of Operations

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Overview

The Company made significant progress advancing the HPA project through the year but progress on the KRK project was constrained by a prioritisation of management focus on the HPA and access to capital for the kaolin.



HPA Project - AEM Inc

AEM (60%) is the holding company for the HPA business and operates through two subsidiaries, ACG which runs operations at Cap Chat in Quebec, Canada, and AET which operates research and development facilities at Laval in Quebec Canada.

In mid-2023, following a successful debenture raise of approximately C$20 million, AEM accelerated its capital investment programme at the Cap-Chat plant towards expanding the capacity of the plant to 9 tpd of HPA, notably, placing an order in July 2023 for a 6 tpd tunnel calcination kiln, which is due to be delivered to site and commissioned by the end of the third quarter of 2024. This investment programme is schedule to extend through 2024 and into early 2025.

The operational focus during the report period continued to be on the qualification of product with customers - a process that typically takes 12 to 18 months to complete and often requires iterative tailoring of product to meet a customer's exact requirements. The number of opportunities in AEM's sales pipeline grew substantially, but generally took longer to achieve qualification than expected due primarily to 1) soft market conditions in chemicals and advanced manufacturing (particularly in Europe) and 2) the company's earlier emphasis of using distributors negatively impacted customer targeting and engagement. In response, in the latter stages of the report period, AEM recruited business development managers for the US and Asian markets, reducing its reliance on distributors and quickly producing several new significant high-quality contract opportunities for the pipeline.

AET continued to provide R&D support to operations through the reporting period and continued to build its collaborative research activities with local universities, notably with Polytechnique Montreal. This provided access to advanced laboratory equipment and facilitating its ability to take advantage of provincial and federal funding programmes for supporting R&D. AET relocated its laboratory to larger, better provisioned premises in late 2023.

KRK

Gulf has been granted a 3-year extension to its Mineral Development Licence ("MDL 469") covering an area of 23,611 ha to evaluate the development of the kaolin resource at the site and has applied for six Exploration Permits for Minerals ("EPM 27007" to "EPM 27012") over a total of 182,159 ha of adjoining land.

The year has seen good progress in the development of a lower risk, more economically attractive, revised concept Kendall River Kaolin (KRK) project, despite the continued limited availability of capital to invest in the project due to the priority being given to the HPA project.

The new concept relies on a new mine haul road that makes use of an historic river crossing over the Archer River and tracks north from the Kendall River Station towards a transhipment point near Aurukun. This new concept greatly reduces the up front cost of a slurry pipeline and allows the project to start small and to grow into the growing regional market for premium grade hydrous kaolin, the price for which continues to rise.

Positive re-engage with the Traditional Owners that hold Native Title over surrounding areas is underway, the relevant Government Departments appear to be 'on-side' and work on an updated Pre-Feasibility Study for the project has started.

Tenement table

Company	Tenement Number	Area (hectares)	Date of Grant or Lodgement	Date of Expiry	Location
Gulf	MDL469	23,611	01-Dec-15	1-Dec-26	Cape York, QLD
AHA	ML100200	10	12-May-20	31-May-40	Cape York, QLD
Gulf	EPM27007	33,203	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
Gulf	EPM27008	31,544	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
Gulf	EPM27009	31,187	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
Gulf	EPM27010	33,172	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
Gulf	EPM27011	33,162	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
Gulf	EPM27012	19,891	16-Aug-19	Not Yet Granted, security deposit paid Feb 21	Cape York, QLD
	EPM Total Area	182,159			

Note – ML100200 is owned beneficially 60% by Gulf and 40% ViVent Initiatives via AEMIG

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Significant Change in State of Affairs

Change of company name

On 17 August 2023 the ASIC approved the change of company name to Gulf Minerals Limited (formerly Advanced Energy Minerals Limited).

Restructuring of interests in HPA project

In November 2022, Gulf and ViVent received an independent fair market value estimation report on the HPA operation in Canada from MNP[1] as part of the process to put in place a Canadian holding company to replace the Cypriot holding company for holding the Canadian HPA assets. The valuation indicated a fair market value of C$91,350,000 net of shareholder loans from AEMIG. This valuation set the entry value of the corporation into Canada amongst other things.

Based on this valuation, the group carried out a series of restructuring steps during the first quarter of 2023:

- Incorporation of Advanced Energy Minerals Inc. ("AEM Inc.")
- Transferred 100% of the ownership of ACG and AET from AEMIG to AEM Inc.
- The total loans advanced to the HPA business by Gulf and ViVent at 31 January 2023 of US$7,403,206 and US$5,782,472 respectively were substantially converted in February 2023 into 9,868,490 newly issued AEM Inc. common shares for Gulf and 6,578,993 newly issued AEM Inc. common shares for ViVent, taking the total AEM Inc. common share ownership of Gulf and ViVent to 66,082,550 (60%) and 44,055,033 (40%) respectively. On completion of these transactions, Gulf and ViVent were left with loans outstanding to AEM Inc. of US$254,800 and US$745,200 respectively. AEM Inc. subsequently repaid these loans in April 2023. This process resulted in the issue of 110,137,533 shares in AEM Inc at C$1 per share and the removal of all secured shareholder loans.
- As the last stage of the restructure, Gulf and ViVent executed a new shareholders' agreement with AEM Inc. In April 2023 to replace the AEMIG shareholders agreement that was temporarily adopted during the corporate re-organization. The new agreement does not contain any of the previous restrictions which may be appropriate in a joint venture style agreement and empowers the board to run the company according to normal governance practices. The agreement maintains reasonable shareholder protections such as pre-emptive rights, and decisions by the board relating to issuance of equity of more than 15% of the issued capital in one year, issuing of security over company assets, and matters relating to a strategic investor investment require a super majority.

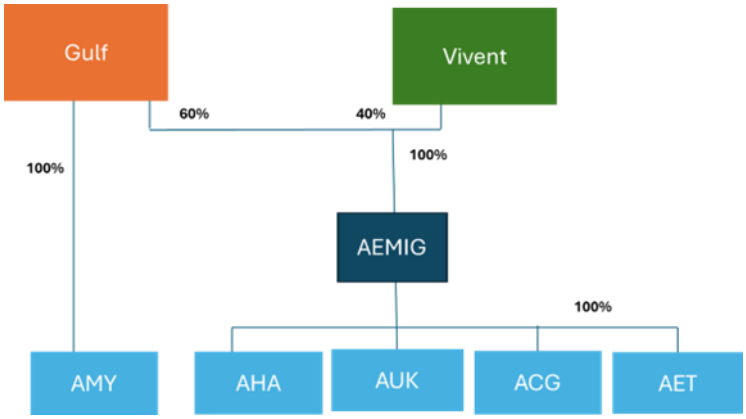
  Under the restructured shareholder's agreement, Gulf and ViVent have the right to appoint two Directors each out of a total of eight (i.e. up to four independent Directors). As such Gulf does not have the power to control AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and non-controlling interests of AEM Inc.
- The restructured shareholder's agreement also provided that the Shareholders will not be obliged to provided funding to AEM Inc.
- The post-restructuring value of investment in AEM Inc. is now equity accounted and based on the cost of investments i.e. the amount of loans to ACG and AET converted to AEM Inc. shares. No gains were recognised from the fair market valuation described above.

[1] *MNP (previously known as Meyers Norris Penny) is one of the largest full-service chartered professional accountancy and business advisory firms in Canada.*

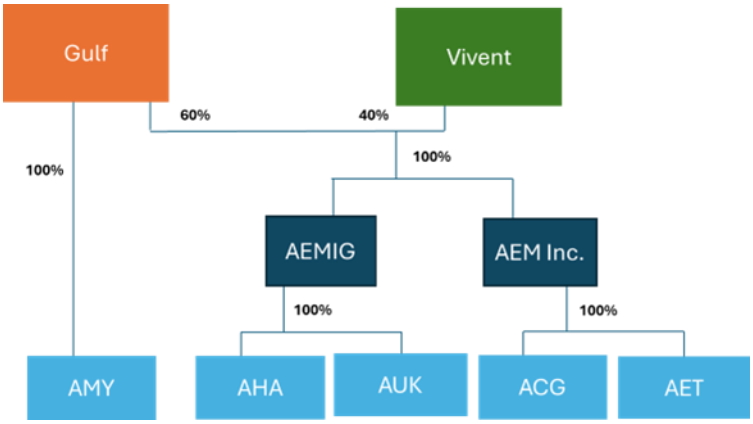
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The pre-restructuring and post-restructuring corporate structures are as follows:

Pre-restructuring



Post-restructuring



Funding

AEM Inc.(60%) pre-IPO debenture raise

In September 2023, AEM Inc. completed a ~C$20 million Pre-IPO financing round to provide sufficient funds to commence the expansion of the Cap Chat chemical plant in Quebec to a commercial scale.

The terms of the pre-IPO debentures were as follows:

Amount:	C$20,316,128
Term:	31 May 2025
Conversion:	Automatic at Qualified Public Listing (QPL)
Interest:	10% fixed annual rate, additional 10% after 31 May 2025 if QPL not completed
Conversion price:	the lesser of the following values: (i) the QPL Offer Price less the Allowed Discount* and (ii) the Valuation Cap Price :

*"Allowed Discount" means: (1) 20% of the QPL Offer Price if the QPL occurs prior to or on May 31, 2024; (2) 25% of the QPL Offer Price if the QPL occurs after May 31, 2024 but prior to or on November 30, 2024; or (3) 30% of the QPL Offer Price if the QPL occurs after November 30, 2024 but prior to or on the Maturity Date.

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Cleveland Investment Global – AUK loan conversion
The non-interest bearing loan of USD270,000 borrowed from Cleveland Investment Global Limited ("CIG") to AUK under the Loan Agreement dated 23 July 2021 (2022:US$270,000) was fully settled by conversion to ordinary shares of Gulf at $0.20 on 28 March 2023.

Bridge loan from Richard Seville:
In January 2023, the Chairperson, via his related entity (Richard Seville & Associates PL ATF The Seville Super fund), extended an unsecured bridge loan of $0.75 million to the Company to fund the Company's activities while the receipt of $0.75 million subscription funds was pending. The loan was fully repaid on 14 July 2023 and the associated interest expense was $20,148. The terms of the bridge loan were as follows:

Amount:	A$750,000
Term:	3-6 months
Interest:	10% for first 3 months, 12% for the 4th, 5th and 6th month.

During the year ended 31 December 2023, no external debts were raised apart from the fully repaid additional loan from Vivent of US$745,200 to AEM Inc. (2022: A$2,649,085). The US$5,040,000 loan borrowed from ViVent Initiative Limited under the Standby Loan Facility under the Shareholder Agreement (AEMIG) dated 15 April 2020 was fully settled by conversion to AEM Inc. shares at C$1 per share.

Expiry of management performance options
The Tranche A, B and C options (1,500,000 options per tranche) granted to Michael Adams expired on 20 February 2023.

Julian Ford litigation
In the Julian Ford litigation before the Federal Court of Australia (as to which, see Significant Change in State of Affairs section in the Company's annual reports for the years ended 31 December 2021 and 2022) on 12 September 2023 the parties agreed to fully and finally settle all proceedings and disputes between them on terms that are:

(a) mutually satisfactory;
(b) without any admission of wrongdoing or liability; and
(c) strictly confidential.

As part of that settlement, the relevant legal proceedings were dismissed on 13 September 2023 and the Company and Mr Ford undertook a selective share buy-back by which the Company bought back from Mr Ford (in exchange for the extinguishment of Mr Ford's loan under Loan Agreement dated 7 July 2017, as to which see Note 27. Related Party disclosures (below)) and cancelled 3,750,000 ordinary shares in the Company in accordance with Division 2 of Part 2J.1 of the Corporations Act 2001 (Cth). The selective share buy-back was approved by the Company's shareholders at an extraordinary general meeting held on 5 October 2023 and completed on or about 9 October 2023.

The Company is pleased to have resolved this matter. Mr Ford remains among the Company's top ten shareholders, and both the Company and Mr Ford are mutually focussed on the success of the Company's projects.

Other than the above, there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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Matters subsequent to balance date

Purchase of ViVent Initiatives interests of 40% of AEMIG and AEM Inc:

The company is close to finalising the agreement with ViVent Initiatives to purchase the 40% interests in AEM Inc. and AEMIG with the consideration being in the form of Gulf shares calculated on the relative enterprise values of the two companies post spin-out of MDL469 and the EPM(A)'s as described below. The ViVent will be distributing shares to its minority shareholders. Gulf will then become the HPA company which will progress to undertaking an Initial Public Offering or other listing process towards the end of 2024.

Separation of HPA and Kaolin Businesses:

The company is in the process of separating its HPA and Kaolin businesses into separate corporate entities. This will involve spinning out the kaolin assets into a new company, Cape York Kaolin Ltd, while Gulf will retain the HPA business. The separation aims to maximize shareholder value and facilitate future listings for each business.

In March 2024, the Company incorporated Cape York Kaolin Limited (CYK, 100% subsidiary) and Kendall River Kaolin Pty Ltd (KRK,100% subsidiary of CYK). Shareholders will receive shares in Cape York Kaolin through an in specie unfranked dividend, with details to be provided later.

AEM Inc / HPA operation developments:

Approval of Loans: AEM Inc. secured approval for loans totalling CAD 9 million from Investment Quebec and Economic Development Canada. These loans will provide low-cost capital to finance the expansion projects. Investment Quebec (IQ) approved a CAD 7 million loan, while Economic Development Canada (DEC) approved an additional CAD 2 million loan. These loans are secured against AEM Inc.'s assets and offer attractive terms, including long tenors (10 and 9 years respectively) and initial repayment holidays.

Cap Chat Expansion: The expansion project at the Cap-Chat plant is progressing well. A two-year Stage 1 capital works program commenced in May 2023 to expand production capacity to 9 tpd of High Purity Alumina (HPA). Key updates include the order and upcoming delivery of a c. US$3.5 million tunnel kiln, commissioning of a new building for the kiln, and plans for saggar handling robots. The kiln is expected to provide an additional 6 tpd of calcination capacity and is scheduled for commissioning in September 2024.

Sustainability Initiatives: Significant progress has been made in sustainability efforts. AEM Inc.'s plant is now 100% electric, powered by renewable energy sources, resulting in a reduction of carbon emissions to 0.7 tonnes CO2 per tonne of HPA. This achievement positions AEM Inc. as a leading green manufacturer compared to industry peers.

Sales and Marketing: AEM Inc.'s HPA has been qualified by ten blue-chip customers, with ongoing efforts to qualify more. Despite a strong pipeline of potential customers, the conversion of prospects into sales orders has been slower than expected due to soft market conditions in certain regions, particularly Europe. To address this, AEM Inc. is reducing its reliance on distributors and has recruited business development managers for the US and Asian markets.

Financing Details: In addition to the approved loans, AEM. plans to apply for a capital expenditure rebate under Quebec's 3CI program. This rebate is expected to provide approximately CAD$1.3 million for equipment purchased in 2023.

Research & Development: AEM Inc. continues to invest heavily in research and development to expand its product range for HPA. A Montreal laboratory has been relocated to a new site with improved facilities, serving as AEM head office and technical development center. The R&D team is working on several new products expected to be introduced to the market in 2024.

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As a necessary step in the aforementioned planned purchase by the Company of ViVent Initiatives interest in AEMIG which owns indirectly ML100200, and the spin-out of MDL469 and EPM(A)'s by Gulf to Cape York Kaolin, the Company obtained an independent valuation of the fair market value of these assets. The MDL 469 and the EPM(A)s were valued at $520,000 and ML100200 at $730,000. Consequently, (1) the MDL469 value was written down to $520,000 and reclassified as held for sale asset based on the plan to transfer the MDL469 assets to the newly incorporated subsidiary to be distributed to shareholders and (2) ML100200 was written down to $730,000 before the current year expenditures. The total amount of exploration and evaluation asset written off as a result of this event after balance date was $5,432,633.

Two new senior executives have been appointed: Alexis Clark as CFO and Stéphane Blanchette as Chief Human Resources Officer. Following the resignation of the COO, the Canadian management structure has been restructured to a flatter, more agile model, with two existing employees promoted to the senior leadership team.

Human resources updates:

Rachel Wong tendered her 6-month resignation notice for her Company Secretary position on 29 February 2024. The Company is seeking suitable replacement as of the date of this report.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity 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 consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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Information on Directors

The names and details of the Group's directors in office during the year ended 31 December 2023 and until the date of this report are as follows:

Directors	Qualifications, experience and special responsibilities
Mr Richard Seville	BSc.(Mining Geology), M.Eng.(Rock Engineering) Richard comes with a highly successful track record in the junior to mid-cap resources space with over 25 years as Managing Director or Executive Director of various ASX, TSX or AIM listed companies. This included 12 years as MD/CEO of lithium producer Allkem (ASX:AKE) which he took from at IPO in 2007 to a significant producer of lithium chemicals and party of the battery supply chain. Richard is very familiar with equity markets, particularly in the junior and mid-cap space, and has lead raisings of approximately AUD500 million over the past 25 years. Richard served as an NED of Allkem until January 2024, and Oz Minerals (ASX:OZL) until May 2023. He is currently the non-executive Chairperson of ASX listed potash developer Agrimin.
Michael Adams **Executive Director** CEO of AEM Inc.	MA in Engineering and MBA Mr. Adams has nearly 40 years of business experience in the development and financing of major projects and new business initiatives. He joined Somerley in 2009, having previously worked for several multinational corporations and advisory firms. A Chartered Engineer, Mr. Adams is a past Chairman of the Shanghai Chapter of the European Union Chamber of Commerce in China and holds a master's degree in Engineering from Cambridge University and an MBA from INSEAD.
Gregory Baker **Non-Executive Director**	B.Bus. Greg has over 30-years of experience in financial services and investment management. He has worked in Sydney, Hong Kong, Ireland and Singapore. He now manages investment portfolios from Sydney, Australia.
Hans K. Bohi **Non-Executive Director**	BSc (Agr Eng) Hans Bohi is a Suisse national who manages a century old family business. Hans is experienced in remote area development and construction. During his tenure, the family business has expanded its hydro power production and electric utility operations, while also re-developing abandoned factories and commercial real estate in Switzerland. In recent times, the family business has expanded its agricultural and forestry real estate from Switzerland to the USA and to Australia. The expansion strategy is targeting agriculture, timberland and renewable energy.
John Fletcher **Non-Executive Director**	CBE John Fletcher served on the main board of Trafalgar House Public Co., Ltd. as Director and Chairman and subsequently Chairman and President of Kvaerner's worldwide engineering and construction operations. With over 40 years of experience, John has extensive high-level connections and international exposures overseeing major projects including construction, property, energy and finance. John is currently a director and substantial shareholder of the Hong Kong and Beijing based investment bank, Somerley Group Limited.
Timothy Fletcher **Executive Director**	B.Sc. (Estate Management) Tim's expertise in overseeing commercial property development covering various international locations including Mexico, London, Hong Kong and China. Tim is also an advisor for Mainland China & Australia in the area of mining and minerals.
Steven Petersohn **Executive Director**	B.A. Over 40 years of international experience in trading and distribution, investment banking and fund management. Based in Hong Kong and New York, Steven currently holds directorships in a boutique business and management consultancy firm and a SGX listed premium automotive dealership group.
Peter Thomson **Executive Director**	BA Hons, MBA 30+ years of Business Development experience in Engineering & Construction, Power & Water Industries, spread across the UK, Hong Kong/China, Japan, South Africa and Australia. Now based in Perth, WA, and MD of Glenfield Asia Pacific Ltd, manages a services business providing valve related technical sales support for Dams, Reservoirs and Hydro sectors across the Asia Pacific Region.
Company Secretary	**Qualifications, experience and special responsibilities**
Rachel Wong	B.Com, M.Com, CPA Rachel began her career with PriceWaterhouseCoopers and served as CFO and Company Secretary with two publicly listed Australian companies for over 10 years.

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Meetings of Directors

The number of management meetings and meetings of the Company's Board of Directors held during the year ended 31 December 2023, and the number of meetings attended:

Director	Directors' meetings	
	Eligible to attend	Attended
Richard Seville	5	5
Michael Adams	5	5
Gregory Baker	5	4
Hans K. Bohi	5	5
John Fletcher	5	5
Tim Fletcher	5	5
Steven Petersohn	5	5
Peter Thomson	5	5

The Directors consider given the size and complexity of the Company's operations at the current stage, it is in the best interest of the Company for audit and remuneration matters to be directly considered and decided by the Board of Directors**.**

Shares under option

Unissued ordinary shares of Gulf under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
14-January-2022	13-January-2025	0.18	4,000,000
13-July-2022	12-July-2024	0.25	11,641,458
30-November-2023	30-November-2025	0.25	833,587

Shares issued on the exercise of options

During the year ended 31 December 2023 and up to the date of this report, ordinary shares of Gulf issued on the exercise of options granted are as follows:

Grant date	Expiry date	Exercise price	Number of shares issued
14-January-2022	13-January-2025	0.18	1,000,000

Key Management Personnel (KMP) Remuneration

Please refer to Note 29 Key management personnel disclosures.

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Key Management Personnel (KMP) Shares

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

Name		Balance at start of the year	Issued as remuneration	Issued on exercise of options	Net change other	Balance at end of the year
Director						
Richard Seville		17,474,823	552,000	1,000,000	-	19,026,823
John Fletcher		49,805,090	-	-	1,920,068	51,725,158
Michael Adams		954,556	-	-	-	954,556
Timothy Fletcher		3,500,000	-	-	-	3,500,000
Peter Thomson		378,449	258,778	-	-	637,227
Hans K. Bohi		12,058,663	-	-	4,583,587	16,642,250
Gregory Baker		1,500,000	-	-	-	1,500,000
Steven Petersohn		7,562,315	1,462,500	-	-	9,024,815
Total		93,233,896	2,273,278	1,000,000	6,503,655	103,010,829

Key Management Personnel (KMP) Options

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

Name	Note	Balance at start of the year	Granted during the year as remuneration	Exercised during the year	Forfeited / lapsed	Balance at end of the year	Vested and exercisable	Unvested
Director								
Richard Seville		5,000,000	-	(1,000,000)	-	4,000,000	4,000,000	-
John Fletcher		11,641,458	-	-	-	11,641,458	11,641,458	-
Michael Adams	a	4,500,000	-	-	(4,500,000)	-	-	-
Hans K. Bohi		-	833,587	-	-	833,587	833,587	-
Total		21,141,458	833,587	(1,000,000)	(4,500,000)	16,475,045	16,475,045	-

(a) The Tranche A, B and C options (1,500,000 options per tranche) granted to Michael Adams expired on 20 February 2023.

Indemnification and Insurance of Directors, Officers and Auditors

The Company has executed agreements with the Directors and Officers of the Company indemnifying them against all losses or liabilities incurred by each Director or Officer in their capacity as Directors or Officer of a Group Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence.

The Company has paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for the current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed for confidentiality reasons.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

Non-Audit Services

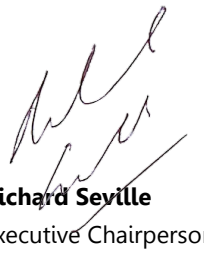
The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the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

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

During the year, HLB Mann Judd, the Company's auditor did not provide any other services in addition to their statutory audits. Non-audit fees amount was therefore $Nil (2022: $Nil). Details of remuneration paid to the auditor can be found within the financial statements at note 30.

Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the year ended 31 December 2023 has been received and can be found on page 48 of the annual report.



Richard Seville
Executive Chairperson
Dated 22 April 2024

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Consolidated Statement of profit or loss and other comprehensive loss

For the year ended 31 December 2023

	Note	12 months to 31-Dec 2023	12 months to 31-Dec 2022
		$	$
Revenue	5	-	59,392
Other income	6	520,284	4,926,853
		520,284	**4,986,245**
Expenses			
Write off MDL assets	16	(5,432,633)	-
Interest in associates impairment	13	(1,205,926)	-
Raw materials and consumables used		-	(444,937)
Employee benefits expense		(1,044,196)	(1,855,957)
Depreciation and amortisation		(878)	(763,010)
Patent maintenance		-	(71,875)
Production expenses	7	-	(3,085,940)
UK project		-	(1,117,269)
Research and development expenses	7	-	(1,900,388)
Market Studies		-	(427,453)
Other expenses	7	(654,911)	(1,185,604)
Finance costs	7	(20,877)	(211,039)
Share-based payments		-	(576,250)
Foreign exchange gain/ (loss)		615,665	(539,498)
Total expenses		**(7,743,756)**	**(12,179,220)**
Profit/(Loss) before Tax		**(7,223,472)**	**(7,192,975)**
Income tax (expense)/ benefit	8	-	-
Net Profit/(Loss) for the Year		**(7,223,472)**	**(7,192,975)**
Other Comprehensive Profit/(Loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		24,924	49,810
Total Comprehensive Profit/(Loss) for the Period		**(7,198,548)**	**(7,143,165)**
Profit/(Loss) for the Period Attributable to:			
Owners of Gulf Minerals Ltd		(7,401,681)	(5,093,726)
Non-controlling interest		178,209	(2,099,249)
		(7,223,472)	**(7,192,975)**
Total Comprehensive Profit/(Loss) Attributable to:			
Owners of Gulf Minerals Ltd		(7,376,757)	(5,063,840)
Non-controlling interest		178,209	(2,079,325)
		(7,198,548)	**(7,143,165)**

The consolidated statement of profit or loss and other comprehensive loss is to be read in conjunction with the accompanying notes.

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Consolidated Statement of financial position

As at 31 December 2023

	Note	31 December, 2023	31 December, 2022
Current Assets		$	$
Cash and cash equivalents	9	89,437	276,761
Trade and other receivables	10	19,235	244,931
Inventories	11	-	631,943
Held-for-sale - MDL469 exploration assets	15	520,000	-
Current Assets - others	12	94,948	154,745
Total Current Assets		**723,620**	**1,308,380**
Non-Current Assets			
Interest in associate (AEM Inc.)	13	-	-
Property, plant, and equipment	14	1,438	8,140,285
Exploration and evaluation asset	16	730,000	6,455,114
Intangibles	17	-	369,223
Mining Lease		138,039	138,039
Total Non-Current Assets		**869,477**	**15,102,661**
Total Assets		**1,593,097**	**16,411,041**
Current Liabilities			
Trade and other payables	18	263,985	1,734,867
Other liabilities	19	137,757	7,835,776
Employee benefits	20	90,305	185,420
Total Current Liabilities		**492,047**	**9,756,063**
Non- Current Liabilities			
Shareholder convertible loan	19	-	123,080
Total Non-Current Liabilities		**-**	**123,080**
Total Liabilities		**492,047**	**9,879,143**
Net Assets		**1,101,050**	**6,531,898**
Equity			
Issued capital	22	23,013,054	21,016,427
Reserves	23	1,472,790	1,068,405
Accumulated losses	24	(23,563,007)	(16,161,326)
Non-controlling interest	25	178,213	608,392
Total Equity		**1,101,050**	**6,531,898**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of cash flows

For the year ended 31 December 2023

	Note	12 months to 31 December, 2023	12 months to 31 December, 2022
Cash flows from operating activities		**$**	**$**
Receipts from customers (inclusive of GST)		-	289,018
Receipts from associated company		520,210	-
Grant income received		-	794,673
Payments to suppliers and employees (inclusive of GST)		(1,757,735)	(9,924,744)
Interest received		9	48,343
Interest and other finance costs paid		(20,877)	(211,039)
Net cash used in operating activities		**(1,258,393)**	**(9,003,749)**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(350,916)
Payments for Intangibles assets		-	(15,365)
Payments for Exploration and evaluation assets		(227,518)	(194,849)
Net cash used in investing activities		**(227,518)**	**(561,130)**
Cash flows from financing activities			
Proceeds from issue of shares		1,496,627	5,762,349
Proceeds from borrowings		-	2,738,850
Net cash from financing activities		**1,496,627**	**8,501,199**
Net increase/(decrease) in cash and cash equivalents		10,716	(1,063,680)
Cash and cash equivalents at the beginning of the financial year		276,761	1,292,839
Loss of control - ACG cash		(198,040)	-
Effects of exchange rate changes on cash and cash equivalents		-	47,602
Cash and cash equivalents at the end of the financial year	9	**89,437**	**276,761**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Consolidated Statement of changes in equity

For the year ended 31 December 2023

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Non Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 January 2022	**15,094,276**	**(11,067,600)**	**358,645**	103,623	**2,687,718**	**7,176,662**
(Loss) for the year	-	(5,093,726)	-	-	(2,099,249)	(7,192,975)
Other comprehensive income for the year	-	-	-	29,887	19,923	49,810
Total comprehensive income for the year	**-**	**(5,093,726)**	**-**	**29,887**	**(2,079,326)**	**(7,143,165)**
Transaction with owners, directly in equity						
Shares issued during the year (net of costs)	5,922,151	-	-	-	-	5,922,151
Share-based payments	-	-	576,250		-	576,250
Balance at 31 December 2022	**21,016,427**	**(16,161,326)**	**934,895**	**133,510**	**608,392**	**6,531,898**
(Loss) for the year	-	(7,401,681)	-	-	178,209	(7,223,472)
Other comprehensive income for the year	-	-	-	24,924	-	24,924
Total comprehensive income for the year	**-**	**(7,401,681)**	**-**	**24,924**	**178,209**	**(7,198,548)**
Transaction with owners, directly in equity						
Shares issued during the year (net of costs)	1,871,627	-	-	-	-	1,871,627
Loss of control (Note 13)	-	-	-	379,461	(608,388)	(228,927)
Performance shares vesting net of buy-back	125,000	-	-	-	-	125,000
Balance at 31 December 2023	**23,013,054**	**(23,563,007)**	**934,895**	**537,895**	**178,213**	**1,101,050**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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Notes to consolidated financial statements
For the period ended 31 December 2023

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Note 1. Significant Changes in the Current Reporting Year

The financial position and performance of the Group was particularly affected by the following events and transactions during the year ended to 31 December 2023:

- As part of the restructuring, Gulf and Vivent received an independent fair market value estimation report on the HPA operation in Canada from MNP[1] which indicated a fair market value of C$91,350,000 net of related parties debt. Based on this valuation, the group carried out a series of restructuring steps during the first quarter of 2023:
    - Incorporation of Advanced Energy Minerals Inc. (AEM Inc.) and transfer of 100% of the ownership of ACG and AET from AEMIG to AEM Inc.
    - All intercompany liabilities between AEMIG, ACG, AET, Gulf and ViVent were fully settled in February 2023 by conversion to into 9,868,490 newly issued AEM Inc. common shares for Gulf and 6,578,993 newly issued AEM Inc. common shares for ViVent, taking the total AEM Inc. common share ownership of Gulf and ViVent to 66,082,550 (60%) and 44,055,033 (40%) respectively. This process resulted in the issue of 110,137,533 shares in AEM Inc at C$1 and the removal of all secured shareholder loans.
    - Execution of a new shareholders' agreement with AEM Inc. in April 2023 to replace the AEMIG shareholders agreement that was temporarily adopted during the corporate re-organization. The new agreement does not contain any of the previous restrictions which may be appropriate in a joint venture style agreement and empowers the board to run the company according to normal governance practices. The agreement maintains reasonable shareholder protections such as pre-emptive rights, and decisions by the board relating to issuance of equity of more than 15% of the issued capital in one year, issuing of security over company assets, and matters relating to a strategic investor investment require a super majority.
    - Under the restructured shareholder's agreement, Gulf and ViVent have the right to appoint two Directors each out of a total of eight (i.e. up to four independent Directors). As such Gulf does not have the power to control AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and non-controlling interests of AEM Inc.
    - The restructured shareholder's agreement also provided that the Shareholders will not be obliged to advance any funds to or on behalf of the Corporation, to enter into any guarantee of the indebtedness of the Corporation or to pledge their respective credit on behalf of the Corporation, other than as contemplated by the terms of any agreement in writing between a particular Shareholder and the Corporation.
    - Accordingly, the Company determined there had been a loss of control and AEM Inc. is equity accounted for the year ended 31 December 2023.

- The non-interest bearing loan of USD270,000 borrowed from Cleveland Investment Global Limited ("CIG") to AUK under the Loan Agreement dated 23 July 2021 (2022:US$270,000) was fully settled by conversion to ordinary shares of Gulf at $0.20 on 28 March 2023.

- In January 2023, the Chairperson, via his related entity (Richard Seville & Associates PL ATF The Seville Super fund), extended an unsecured bridge loan of $0.75 million to the Company to fund the Company's activities while the receipt of $0.75 million subscription funds was pending. The loan was fully repaid on 14 July 2023 and the associated interest expense was $20,148.

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Note 2. Corporate Information and Significant Accounting Policies

Corporate information

Gulf Mineral Limited. (the "Company", "Gulf", the "Group") is an un-listed public company incorporated in 2000 in New South Wales, Australia with its Principal Place of Business & Registered office at 3 Amy Close, Wyong NSW 2259, Australia. The Company name was changed from Advanced Energy Minerals limited to Gulf Minerals Limited on 17 August 2023.

Basis of preparation

These are the consolidated financial statements and notes of the Company and controlled entities (collectively the Group). Gulf Minerals Ltd is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue on 22 April 2024 by the Directors of the Company.

The nature of the operations and principal activities of the Group are described in the Director's Report.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Statement of compliance

These financial statements are simplified disclosures financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and other authoritative pronouncements of the Corporations Act 2001. The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

Going concern

For the year ended 31 December 2023, the Group had incurred a net loss after tax of $7,223,472 (2022: $7,192,975), a net cash inflow of $10,716 (2022: $1,063,680 outflow), was in a net asset position of $1,101,050 (2022: $6,531,898) and a cash and cash equivalents position of $89,437 (2022: $276,761) as at 31 December 2023.

The financial statements have been prepared on a going concern basis, meaning on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing for its working capital. As an exploration and development company, the company does not generate positive cashflow from operating businesses and is dependent on equity issues, debt and government grants to fund its activities. This will continue until operations under development produce operating cashflow.

- The continued viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent on the Group continuing to be successful in raising equity, debt or grants from shareholders, third parties or government entities. The company notes that it has been successful in doing so for many years and has recently been able to raise approximately C$20million for group company, AEM Inc. in 2023and that has there are 16,475,045 options on issue which have an exercise price less than the see through 2022 fair market value and, which on exercise, would provide funding of $3,778,761.

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The Directors are satisfied that at the date of signing of the financial report and based on the Company's ability to raise funding in the past, the Directors are of the opinion that the Company can continue operations for the foreseeable future and that it will be able to realise its debts and discharge its liabilities in the normal course of business.

Should on-going funding not be realised this would result in a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, in which case it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The Company has no other committed sources of future financing as of the date of these financial statements other than the one mentioned above.

If the going concern assumption were not appropriate for these financial statements, adjustments to the carrying value of assets and liabilities, reported expenses and statement of financial position classifications would be necessary.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Significant accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Exploration and evaluation expenditure

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likely hood of commercially viable reserves.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes model taking into account the terms and conditions upon which the instruments were granted.

Note 3. Principles of consolidation

Subsidiaries

The Group financial statements consolidate those of the Company and all its subsidiaries. The Company controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the activities of the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the

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financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Advance Energy Minerals Ltd is Australian dollars.

The financial report is presented in Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Group companies and foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recorded in a reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable.

Note 4. New accounting standards

New and revised accounting standards affecting amounts reported and/or disclosures in the financial statements

The Group has consistently applied the accounting policies to all periods presented in the financial statements.

The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2023 but determined that their application to the financial statements is either not relevant or not material.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. The Group's assessment of the impact of these new standards and interpretations is that they would not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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Note 5. Revenue

	Consolidated	
	12 months to 31-Dec 2023	12 months to 31-Dec 2022
Revenue	**$**	**$**
Revenue	-	59,392
	-	**59,392**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Note 6. Other income

	Consolidated	
	12 months to 31-Dec 2023	12 months to 31-Dec 2022
Other income	**$**	**$**
Interest income	9	320
Other income (Grant income)	-	794,673
Other income (Gain on Zero-coupon notes)	-	4,083,837
Other income (Other)	65	48,023
Brokerage fee income from related entity	510,057	-
Reimbursement income from related entity	10,153	-
	520,284	**4,926,853**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Note 7. Other Expenses & Finance cost

		Consolidated	
		12 months to 31-Dec 2023	12 months to 31-Dec 2022
		$	**$**
Production expenses	a	**-**	**3,085,940**
Research and development expenses	b	**-**	**1,900,388**
Finance costs	c	**20,877**	**211,039**
Other expenses			
Professional fees		149,107	282,840
Consultancy		383,942	516,629
Audit fees		44,486	46,397
Other		77,376	339,738
Total other expenses		**654,911**	**1,185,604**

a) Production expenses include cost not directly attributable to the acquisition of new fixed assets or the development of new technologies. The production expenses include repair and maintenance of the HPA production plant, employees related cost of Plant management and inefficiency due to the low production volume during 2022.
b) Research and development expenses include cost to run the laboratories including employees related cost and third parties' expenses incurred to obtain new knowledge, search, and evaluate new materials, new processes and the testing of prototypes.
c) Finance costs include bank fees and financing transaction cost.

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Note 8. Income tax

	Consolidated	
	12 months to 31-Dec 2023	12 months to 31-Dec 2022
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	(7,223,472)	(7,192,975)
Tax at the statutory tax rate of 30%	2,167,042	2,157,893
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	(1,562,093)	(298,853)
Deferred tax asset not brought to account	(175,456)	(1,859,040)
	-	-
Adjustment recognised for prior periods	-	-
Income tax expense	-	-

RECOGNITION & MEASUREMENT

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on a basis of the tax laws enacted or substantively enacted at the end of the year in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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JUDGEMENTS AND ESTIMATES

Judgement is required in determining whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future years allowing to utilise the recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future years.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

NOTE 9. Cash & cash equivalents

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Cash at bank and in hand	89,437	276,761
	89,437	**276,761**

RECOGNITION & MEASUREMENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions with an original maturity not exceeding three months, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. If greater than three months, principal amounts can be redeemed in full, with interest payable at the same cash rate from inception as per the agreement with each bank.

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NOTE 10. Trade & other receivables

	Consolidated	
	31 December, 2023	31 December, 2022
Current	**$**	**$**
Trade Debtors	2,408	218,354
Tax Receivable	16,827	26,577
	19,235	**244,931**

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

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the year-end which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

NOTE 11. Inventories

	Consolidated	
	31 December, 2023	31 December, 2022
	$	**$**
Finished products	-	77,552
Intermediate product	-	411,393
Raw materials	-	142,998
	-	**631,943**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

RECOGNITION & MEASUREMENT

Consumable supplies are physically measured or estimated and stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the year in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product. Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost.

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NOTE 12. Current assets – other

	Consolidated	
	31 December, 2023	31 December, 2022
Current	**$**	**$**
Prepaid Expenses	94,948	154,745
	94,948	**154,745**

Other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less expected credit losses. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

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

Note 13. Interest in associates

	Consolidated	
	31 December, 2023	31 December, 2022
Current	**$**	**$**
Investment in AEM Inc.	-	-
	-	-

The group received an independent fair market value estimation report on the HPA operation in Canada from MNP which indicated a fair market value of C$91,350,000. Based on this valuation, the group carried out a series of restructuring steps during the first quarter of 2023:

- Incorporation of Advanced Energy Minerals Inc. (AEM Inc.)
- Transferred 100% of the ownership of ACG and AET from AEMIG to AEM Inc.
- The total loans advanced to the HPA business by Gulf and ViVent at 31 January 2023 of US$7,403,206 and US$5,782,472 respectively were substantially converted in February 2023 into 9,868,490 newly issued AEM Inc. common shares for Gulf and 6,578,993 newly issued AEM Inc. common shares for ViVent, taking the total AEM Inc. common share ownership of Gulf and ViVent to 66,082,550 (60%) and 44,055,033 (40%) respectively. On completion of these transactions, Gulf and ViVent were left with loans outstanding to AEM Inc. of US$254,800 and US$745,200 respectively. AEM inc. subsequently repaid these loans in April 2023. As the last stage of the restructure, Gulf and ViVent executed a new shareholders' agreement with AEMI in April 2023 to replace the AEMIG shareholders agreement that was temporarily adopted during the corporate re-organization. The new agreement does not contain any of the previous restrictions which may be appropriate in a joint venture style agreement and empowers the board to run the company according to normal governance practices. The agreement maintains reasonable shareholder protections such as pre-emptive rights, and decisions by the board relating to issuance of

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equity of more than 15% of the issued capital in one year, issuing of security over company assets, and matters relating to a strategic investor investment require a super majority.

- Under the restructured shareholder's agreement, Gulf has no power to govern the financial and operating policies of AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company determined there had been loss on control and derecognized related assets, liabilities and noncontrolling interests of AEM Inc.
- The restructured shareholder's agreement also provided that the Shareholders will not be obliged to provided funding to AEM Inc..
- The post-restructuring value of investment in AEM Inc. was based on the cost of investments i.e. the amount of loans to ACG and AET converted to AEM Inc. shares. No gains were recognised from the fair market valuation described above.

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below (dollar amounts in CAD):

	Principal place of business /Country of incorporation	Ownership interest	
		2023	2022
Name		**%**	**%**
AEM Canada Group Inc.(ACG)	Canada	60	60
AEM Technologies Inc. (AET)	Canada	60	60

	ACG & AET	
	2023	2022
	$	**$**
Summarised statement of financial position		
Current assets - ACG	3,854,863	1,905,044
Current assets - AET	185,082	84,427
Non-current assets - ACG	10,696,713	7,478,784
Non-current assets - AET	(451,496)	1,037,334
Total assets	**14,285,162**	**10,505,589**
Current liabilities - ACG	864,946	18,147,905
Current liabilities - AET	49,761	2,562,224
Non-current liabilities - ACG	32,308,687	116,899
Non-current liabilities - AET	1,454,860	-
Total liabilities	**34,678,254**	**20,827,028**
Net assets	**(20,393,092)**	**(10,321,439)**

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Summarised statement of profit or loss and other comprehensive income		
Revenue - ACG	82,987	118086
Revenue - AET	-	172050
Expenses - ACG	(8,562,448)	(3,766,806)
Expenses - AET	(1,593,155)	(1,434,732)
Profit before income tax	**(10,072,616)**	**(4,911,402)**
Income tax expense	-	-
Profit after income tax	**(10,072,616)**	**(4,911,402)**
Other comprehensive income	-	-
Total comprehensive income	**(10,072,616)**	**(4,911,402)**

Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	1,205,926	-
Share of current year losses in associates after income tax	(1,205,926)	-
Closing carrying amount	**-**	**-**

The associates made a loss for the year ended 31 December 2023 and therefore the carrying value had been written down to nil. In the prior period, the associate was a consolidated entity and therefore the previous losses of the associates were recognised in the Company's accumulated losses.

Contingent liabilities

	Consolidated	
	2023	**2022**
	$	**$**
Share of bank guarantees	-	-

Commitments

	Consolidated	
	2023	**2022**
	$	**$**
Committed at the reporting date but not recognised as liabilities, payable:		
Share of capital commitments	-	-

Significant restrictions

There are no significant restrictions [2022: none].

RECOGNITION & MEASUREMENT

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

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RECOGNITION & MEASUREMENT

Associates (continued)

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Judgements

Despite the Group controlling 60% of the share capital of the associates, it has been determined that due to a shareholders agreement in place control does not exist as the Group does not have the ability to affect returns through its power over the investees.

Note 14. Property, Plant and Equipment

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Land and buildings	-	402,205
Less: accumulated depreciation	-	(53,587)
	-	348,619
Leasehold improvements, at cost	-	17,712
Less: accumulated depreciation	-	(14,351)
	-	3,361
Assets under construction, at cost	-	172
Furnitures and IT – at cost	18,112	62,859
Less: accumulated depreciation	(16,674)	(33,096)
	1,438	29,763
Plant and equipment – at cost	-	9,034,093
Less: accumulated depreciation	-	(1,408,042)
	-	7,626,051
Vehicles – at cost	-	139,267
Less: accumulated depreciation	-	(6,948)
	-	132,319
	1,438	**8,140,285**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of

Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Reconciliations of the carrying amount at the beginning and end of the current financial year are set out below:

2023

Reconciliation of plant and equipment	Land and buildings	Leasehold improvements	Plant and equipment	Furnitures and IT equipment	Assets under construction	Vehicles	Total
Carrying amount at the beginning of the period	348,619	3,361	7,626,051	29,763	172	132,319	8,140,285
Additions	-	-	-	-	-	-	-
Amortization	-	-	-	(16,674)	-	-	(16,674)
Disposals	-	-	-	-	-	-	-
Deconsolidation of HPA operations	(348,619)	(3,361)	(7,626,051)	(11,651)	(172)	(132,319)	(8,122,173)
Foreign currency translation movement	-	-	-	-	-	-	-
Carrying amount at the end of the year	**-**	**-**	**-**	**1,438**	**-**	**-**	**1,438**

2022

Reconciliation of plant and equipment	Land and buildings	Leasehold improvements	Plant and equipment	Furnitures and IT equipment	Assets under construction	Vehicles	Total
Carrying amount at the beginning of the period	375,576	3,358	7,918,292	44,872	202,833	-	8,544,931
Additions	-	-	407,871	-	(202,833)	139,267	344,305
Amortization	(27,253)	-	(706,228)	(15,134)	-	(6,954)	(755,569)
Disposals	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Foreign currency translation movement	296	3	6,116	25	172	6	6,618
Carrying amount at the end of the year	**348,619**	**3,361**	**7,626,051**	**29,763**	**172**	**132,319**	**8,140,285**

RECOGNITION & MEASUREMENT

Property, plant, and equipment

Buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. Property, plant and equipment directly engaged in mining operations are depreciated over the shorter of expected economic life or over the remaining life of the mine on a units-of-production basis. Assets which are depreciated on a basis other than units-of-production method are typically depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	25 years
Computer equipment	3 years
Leasehold improvements	over the term of the leases
Machinery and equipment including vehicles	5 to 25 years
Furniture and fixtures	5 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized in the statement of comprehensive income.

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Impairment and derecognition
Tangibles assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.
Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount the cash generating unit can be sold to a knowledgeable and willing market participant in an arm's length transaction, less the disposal costs. In estimating fair value less costs of disposal, discounted cash flow methodology is utilised, and a post-tax discount rate is used.

For the purposes of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generated units).

Note 15. Asset held-for-sale

	Consolidated	
	31 December, 2023	31 December, 2022
Asset held-for-sale	**$**	**$**
MDL 469 EEA acquired from Kendall Resources	416,000	-
MDL 469 EEA expenditures excluding HPA and ML100200 related costs	104,000	-
	520,000	**-**

As part of the restructuring plan approved post 31 December 2023 (please refer to Note 34 Events after the reporting period, Gulf Management performed a detailed analysis on the $6,077,622 book value of MDL Exploration and Evaluation Assets with the aim to isolate all the expenditures within the $6,077,622 that were associated HPA activities and contributed to securing the ML100200 mining license.

It was identified that $1,696,862 were associated HPA activities and contributed to securing the ML100200 mining license (this amount excludes the HPA/ML100200 related costs that were already transferred to AEM HPA (Australia) Pty Ltd (AHA) in March 2020 prior to the joint ownership of AHA with A.E.M.I. Group Ltd).

The Gulf also resolved to allocate the $1,000,000 original purchase consideration to the costs associated with attaining ML100200 at 58.4%. This allocation ratio is referenced from the ratio applied Murray Brooker in his Independent Valuation Report dated 5 March 2024 when the aggregate value of kaolin assets was divided into Gulf MDL and AHA ML components in the proportion of MDL $520,000: ML $730,000.

The remaining evaluation expenditures incurred by Gulf are therefore assessed to be solely related to the acquisition and development of MDL469 was $3,796,760. Comparing this amount with the Independent Valuation assessment at $520,000 (i.e. the proposed sale price of MDL to CYK Newco – refer to Note 34 Events after the reporting period), there is an impairment of $3,276,760. This amount was written off as expenses and the $520,000 book value was reclassified as held-for-sale asset.

RECOGNITION & MEASUREMENT

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

JUDGEMEMTS AND ESTIMATES

Assets held for sale have been recorded at fair value as this was lower than the carrying value at the date it was classified as held for sale. The fair value was determined with regards to a valuation that was performed to assess the fair value.

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Note 16. Exploration and evaluation expenditure

		Consolidated	
		31 December, 2023	31 December, 2022
Exploration and evaluation expenditure (EEA) at cost:		**$**	**$**
Gulf Minerals MDL 469 EEA	a	5,077,622	4,851,907
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		(1,696,862)	-
Write off of MDL469 EEA	15	(3,276,760)	-
Gulf Minerals MDL 469 EEA reclassified as held for sale	15	(104,000)	-
Carrying amount of MDL469 EEA at the end of the year		-	4,851,907
MDL 469 EEA acquired from Kendall Resources	b	1,000,000	1,000,000
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		(584,000)	-
Gulf Minerals MDL 469 EEA acquired from Kendall reclassified as held for sale	15	(416,000)	-
Carrying amount of MDL469 acquired from Kendall at the end of the year		-	1,000,000
MLA100200 and HPA application related EEA	c	605,010	603,207
Gulf Minerals MDL 469 EEA reclassified as ML100200 EEA		1,696,862	-
Write off ML100200	d	(2,155,872)	-
MDL 469 acquired from Kendall reclassified as ML100200 EEA		584,000	-
Carrying amount of and HPA application related EEA at the end of the year		730,000	603,207
		730,000	**6,455,114**

(a) Actual accumulated expenditures by the Company on MDL469 exploration and evaluation from the date of acquisition.
(b) Exploration and evaluation assets acquired from Kendall Resources in 2008 at $1,000,000 (4,000,000 ordinary shares at $0.25 per share).
(c) Actual accumulated expenditures by the Group on exploration and evaluation in relation to application of kaolin on HPA production.
(d) ML100200 value written down to the Independent Valuation Report value of $730,000 (Note 15) and expenditures during the year.

Reconciliation of exploration and evaluation expenditure			
Carrying amount at beginning of the year		6,455,114	6,260,265
Exploration expenditure during the year		227,518	194,849
Gulf Minerals MDL 469 EEA reclassified as held for sale		(520,000)	-
Write off of MDL469 EEA	15	(3,276,760)	-
Write off ML100200	d	(2,155,872)	-
Carrying amount at the end of the year		**730,000**	**6,455,114**

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RECOGNITION & MEASUREMENT

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

JUDGEMENTS AND ESTIMATES

Management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

MDL469 was acquired from Kendall Resources Limited in 2008. Under the principles of AASB 2, the acquisition price was determined to be $1,000,000 based on the issue of 4,000,000 AEM shares at $0.25. Prior to acquisition, it was noted that Kendall Resources Limited had spent approximately $5,060,176 in developing the project.

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. There is no information up to the date of this report which would result in an impairment trigger due to potential loss of tenements.

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Note 17. Intangibles

	Consolidated	
	31 December, 2023	31 December, 2022
Intangibles assets	**$**	**$**
Trade Name & Domain Name	-	36,200
Patents, at cost	-	374,740
Less: accumulated amortisation	-	(41,717)
	-	**369,223**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Note 18. Trade and other payables

	Consolidated	
	31 December, 2023	31 December, 2022
Current	**$**	**$**
Trade Payables and accruals	263,985	1,734,867
	263,985	**1,734,867**

RECOGNITION & MEASUREMENT
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are outstanding. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Note 19. Other liabilities

		Consolidated	
		31 December, 2023	31 December, 2022
Current		**$**	**$**
AEMIG shareholder loan	a	-	7,439,114
Cleveland Investment Global Limited loan	b	-	396,662
Associates loan	c	28,000	-
Associate payables	d	109,757	-
		137,757	**7,835,776**
Non-Current			
Shareholder convertible loan	e	-	123,080
		-	**123,080**

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(a) AEMIG shareholder loan: The loans owned to Gulf and Vivent were by the AEMIG Group companies were fully converted in February 2023 into 9,868,490 newly issued AEM Inc. common shares for Gulf and 6,578,993 newly issued AEM Inc. common shares for ViVent, taking the total AEM Inc. common share ownership of Gulf and ViVent to 66,082,550 (60%) and 44,055,033 (40%) respectively.

(b) Cleveland Investment Global Limited loan: The non-interest bearing loan of USD270,000 borrowed from Cleveland Investment Global Limited ("CIG") to AUK under the Loan Agreement dated 23 July 2021 (2022:US$270,000) was fully settled by conversion to ordinary shares of Gulf at $0.20 on 28 March 2023. CIG is a related party to John Fletcher.

(c) Associates loan: During the year ended 31 December 2023, Gulf and Vivent entered into a loan agreement to fund the AEM HPA (Australia) in 60%40% proportion. The loan is non-interest -bearing and repayable by 31 May 2025. As of 31 December 2023, $28,000 had been advanced by Vivent.

(d) Associates payables As of 31 December 2023, ACG had made payments on behalf of AUK.

(e) Shareholder convertible loan: In June 2021, the Company entered into Shareholder Loan Agreement with major shareholders, Begrand Resources Limited (related party to John Fletcher, Simon Fletcher and Timothy Fletcher) and Aktiengesellschaft Stoketen (related party to Hans Bohi). Key terms are as follows:

- 4.5% interest, 10% on default
- Conversion at 15 cents per share plus exercise price of 25c per share for period of 2 years.
- The loans are secured on fixed and floating charge over the assets of AEM.

On 30 November 2023, Aktiengesellschaft Stoketen converted the shareholders loan balance of $126,349 ($113,242 principal and $13,107 interest) by receiving 833,587 shares net of withholding tax (at $0.15 agreed conversion price), 833,587 options (exercisable within 2 years, at $0.25 exercise price), and a net cash repayment of $2,528 for interest component.

The loan from Begrand Resources Limited had been fully converted to Gulf ordinary shares in the year ended 31 December 2022.

RECOGNITION & MEASUREMENT

Employee benefits

(a) Short-term obligations

Liabilities for employee benefits that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(b) Other long-term employee benefit obligations

The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Expected future benefit payments are discounted using market yields at the end of the year on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

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RECOGNITION & MEASUREMENT (continued)

(c) Retirement benefit obligations
Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(d) Termination benefits
When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the year. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

Note 20. Current liabilities - employee benefits

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Employee Entitlements	80,955	177,387
Superannuation Payable	9,350	8,033
	90,305	**185,420**

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Note 21. Deferred tax

	Consolidated	
	31 December, 2023	31 December, 2022
Deferred tax asset comprises temporary differences attributable to:	**$**	**$**
Unused tax losses for which no deferred tax asset has been recognized	-	23,428,198
Unused tax credits for which no deferred tax asset has been recognized	-	1,390,233
	-	24,818,431
Potential tax benefit at 30% (2020: 30%)	-	7,445,529

The benefit of theses tax losses will only be realised if the Group derives further assessable income of a nature an amount sufficient to enable the benefit from deductions to be realised; the Group continues to comply with the conditions for deductibility imposed by the law; and no changes in tax legislation adversely affects the Group's ability in realising the benefit from the deductions.

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

	Consolidated	
	31 December, 2023	31 December, 2022
Deferred tax liabilities comprises temporary differences attributable to:	**$**	**$**
Exploration and evaluation assets	-	5,455,114
Mining lease	138,038	138,038
Property tax & Equipment	-	4,306,342
	138,038	9,899,494
Potential deferred tax liabilities at 30% (2022: 30%)	41,411	2,969,848

Deferred tax liabilities have not been recognised in respect of these items. The Group has sufficient carry forward losses to be able to offset any deferred tax liabilities arising.

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Note 22. Issued Capital

Issued and paid-up share capital

		Consolidated			
		2023	2022	2023	2022
		Shares	Shares	$	$
Ordinary shares - fully paid		163,927,232	158,010,699	23,013,054	21,016,427

Movement in ordinary shares

Details	Note	Date	Shares	Issue price $	$
Balance		**1/01/2022**	**158,010,699**		**21,016,427**
Issue of shares at $0.15			833,587	0.15	125,038
Issue of shares at $0.18			1,000,000	0.18	180,000
Issue of shares at $0.20			7,832,946	0.20	1,566,589
Vesting of 10 million performance shares to Julian Ford at $0.05			-	-	500,000
Share buyback at $0.10			(3,750,000)	0.10	(375,000)
Balance		**31/12/2022**	**163,927,232**		**23,013,054**

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. 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.

RECOGNITION & MEASUREMENT
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.

Note 23. Reserves

	Consolidated	
	31 December, 2023	31 December, 2022
Reserves	$	$
Foreign currency translation reserve	537,895	133,510
Share based payment reserve	934,895	934,895
	1,472,790	**1,068,405**

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

	Share Based Payment Reserve	Forign Exchange Translation Reserve	Total
	$	$	$
Balance at 1 January 2022	**358,645**	**103,623**	**462,268**
Share based payment	576,250	-	**576,250**
Foreign currency translation	-	29,887	29,887
Balance at 31 Dec 2022	**934,895**	**133,510**	**1,068,405**
Share based payment	-	-	-
Foreign currency translation	-	404,385	404,385
Balance at 31 Dec 2023	**934,895**	**537,895**	**1,472,790**

RECOGNITION & MEASUREMENT

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity along with the Company's movement in its associate's foreign currency translation reserve.

Share based payment reserve

The Share based payment reserve records items recognized as expenses on valuation of share-based payments.

Note 24. Accumulated losses

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Accumulated losses at the beginning of the period	(16,161,326)	(11,067,600)
Losses for the period	(7,401,681)	(5,093,726)
Accumulated losses at the end of the period	**(23,563,007)**	**(16,161,326)**

Starting 1 January 2023, the Company has no power to govern the financial and operating policies of the HPA business operations owned 60% via AEM Inc. due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of the HPA business operations.

Note 25. Non-controlling interest

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Issued Capital	1,304	1,304
Reserves	-	7,879,134
Retained earnings / (accumulated losses)	176,905	(7,272,047)
Non-controlling interests at the end of the financial year	**178,213**	**608,392**

The non-controlling interest has a 40% (2022: 40%) equity holding in A.E.M.I. Group Limited. Starting 1 January 2023, A.E.M.I. Group Limited ceased to hold ACG and AET (instead ACG and AET had been 100% held by AEM Inc. after the group restructure, and equity accounted for year ended 31 December 2023).

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Note 26. Subsidiaries

Name of subsidiary	Note	Country of incorporation Residence	Date of incorporation	Proportion of ownership interest	
				31/12/2023	31/12/2022
AEM HPA (Malaysia) Sdn Bhd		Malaysia	16/10/2018	100%	100%
AEM HPA (Australia) Pty Ltd		Australia	21/08/2018	60%	60%
A.E.M.I. Group Limited		Cyprus	20/05/2020	60%	60%
Advance Energy Minerals (UK) Limited		UK	26/07/2020	60%	60%
Equity accounted entities from 1 January 2023:					
AEM Canada Group Inc.	a	Quebec, Canada	2/03/2020	60%	60%
AEM Technologies Inc.	a	Quebec, Canada	19/10/2020	60%	60%
Advanced Eneregy Minerals Inc.	a	Quebec, Canada	22/12/2022	60%	N/A

a. From 1 January 2023, AEM Canada Group Inc. and AET Technologies Inc. became 100% subsidiaries of AEM Inc. Under the restructured shareholder's agreement, Gulf has no power to govern the financial and operating policies of AEM Inc. (nor its subsidiaries) due to the loss of power to cast the majority of votes at meetings of the Board of Directors. Accordingly, the Company determined there had been loss on control and AEM Inc. is equity accounted for the year ended 31 December 2023, with AEM Inc. related assets, liabilities and non-controlling interests derecognized.

Note 27. Parent entity information

	Note	2023 $	2022 $
Assets			
Current assets		615,765	132,111
Non-current assets		3,352,094	16,795,315
Total assets		**3,967,859**	**16,927,426**
Liabilities			
Current liabilities		119,660	294,681
Non-current liabilities		57,837	123,080
Total liabilities		**177,497**	**417,761**
Equity			
Issued capital		23,013,054	21,016,427
Reserve		934,895	934,895
Accumulated losses		(20,333,026)	(15,419,424)
Total equity		**3,614,923**	**6,531,898**
Loss for the year		(14,891,374)	(12,142,836)
Other comprehensive income		-	-
Total comprehensive (loss) / income		**(14,891,374)**	**(12,142,836)**

Contingent liabilities
The outcome of the Julian Ford litigation is no longer a contingent liability. Refer to Note 29 for information on full settlement during the year ended 31 December 2023.

Other than the above, the parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

No dividends were received from subsidiaries in 2023 (2022: nil).

RECOGNITION & MEASUREMENT
The financial information for the parent entity, Gulf Minerals Limited has been prepared on the same basis as the consolidated financial statements.

Note 28. Key management personnel disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	12 months 31 December, 2023	12 months 31 December, 2022
	$	$
Aggregate compensation	1,007,055	2,763,775
	1,007,055	**2,763,775**

Please refer to Key Management Personnel (KMP) Remuneration section on page 12.

Note 29. Related Party disclosures

Parent entity - Gulf Minerals Limited is the parent entity.

Subsidiaries - Interests in subsidiaries are set out in note 26.

Key management personnel - Disclosures relating to key management personnel are set out in note 28.

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Transactions with related parties - The following transactions occurred with related parties:

		12 months 31 December, 2023	12 months 31 December, 2022
Payment for goods and services:		**$**	**$**
Payment for services from FF Financial Services Ltd	a	-	7,815
Payment for expenses paid by Begrand Resources Ltd	b	-	791
Payment for services from Ockleston Nominees Pty Ltd ATF The Seville Trust	c	-	11,000
Payment for services from Tewa Pty Ltd	d	103,511	69,951
Total		**103,511**	**89,557**

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a) FF Financial Services Ltd is a related party to Timothy Fletcher.
b) Begrand Resources Limited is a related party to John Fletcher, Timothy Fletcher and Simon Fletcher.
c) Ockleston Nominees Pty Ltd ATF The Seville Trust is a related party to Richard Seville.
d) Tewa Pty Ltd is a replated party to Peter Thomson.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

		Consolidated	
		31 December, 2023	31 December, 2022
Current payables		**$**	**$**
Trade payables to directors related entities		-	-
Loans to/from related parties			
Loan from Vivent Initiatives Limited	a	28,000	7,439,114
Loan from Cleveland Investment Global Limited	b	-	398,524
Loan from Aktiengesellschaft Stoketen	c	-	123,080
Total		**28,000**	**7,960,718**

(a) Loan from ViVent Initiative Limited to AEM HPA (Australia) Pty Ltd – please refer to note 19 for details.
(b) Cleveland Investment Global Limited loan – please refer to note 19 for details and conversion during the year.
(c) Shareholder convertible loan - Aktiengesellschaft Stoketen – please refer to note 19 for details and conversion during the year.

Non-recourse loan to former CEO and executive director, Mr Julian Ford

Under a Loan Agreement dated 7 July 2017, in or about July 2017 10,000,000 ordinary shares in the Company were issued to the Company's then-CEO and executive director, Mr Julian Ford, and paid for using $500,000 borrowed by Mr Ford from the Company. The loan and Loan Agreement are no longer on foot, having now been terminated by the parties (as to which, see Significant Change in State of Affairs – Julian Ford Litigation, above).

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Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the company, its network firms and unrelated firms.

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Audit services - HLB Mann Judd		
Audit or review of the financial statements	31,000	45,358
Total	**31,000**	**45,358**

Note 31. Contingent liabilities

The outcome of the Julian Ford litigation is no longer a contingent liability. Refer to Note 29 for information on full settlement during the year ended 31 December 2023.

Other than the above, the parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Note 32. Commitments

(a) Operating lease commitments

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Within one year	-	220,260
After one year but no more than five years	-	-
Total minimun lease payments	**-**	**220,260**

(b) Exploration commitments

	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Within one year	472,214	-
After one year but no more than five years	2,912,231	643,445
	3,384,445	**643,445**

With respect to the Group's exploration tenements in Cape York, the Group submits budgeted exploration expenditure as part of the licence application and renewal requirements. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. These amounts do not become legal obligations of the Group and actual expenditure does vary depending on the outcome of the actual activities.

Exploration Permit Mineral leases (EPM's), Mining Development Leases (MDL's) and Mining Leases (ML's) are granted on conditions of the responsible company meeting certain expenditure and performance conditions. The period of renewal for MDL469 is until 30 November 2026.

Other than described above, the Company does not have any contingent liabilities as at the reporting date.

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Note 33. Share-based payments

Set out below are summaries of options granted:

2023							
Grant date	Expiry date	Exercise Price $	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
20-Feb-21	20-Feb-23	**0.15**	4,500,000	-	-	(4,500,000)	-
14-Jan-22	13-Jan-25	**0.18**	5,000,000	-	(1,000,000)	-	4,000,000
			9,500,000	-	(1,000,000)	(4,500,000)	4,000,000
Weighted average exercise price $			**0.17**	**-**	**-**	**0.05**	**0.18**

2022							
Grant date	Expiry date	Exercise Price $	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
07-Jul-17	31-Dec-22	**0.05**	4,000,000	-	-	(4,000,000)	-
20-Feb-21	20-Feb-23	**0.15**	4,500,000	-	-	-	4,500,000
14-Jan-22	13-Jan-25	**0.18**	-	5,000,000		-	5,000,000
			8,500,000	5,000,000	-	(4,000,000)	9,500,000
Weighted average exercise price $			**0.10**	**0.18**	**-**	**0.05**	**0.17**

Set out below are the options balance at the end of the financial year:

Grant date	Expiry date	2023 number	2022 number
20-Feb-21	20-Feb-23	-	4,500,000
14-Jan-22	13-Jan-25	4,000,000	5,000,000
14-Jul-22	13-Jul-24	11,641,458	11,641,458
01-Dec-23	30-Nov-25	883,587	-

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 value at grant date
14-Jan-22	13-Jan-25	**0.18**	**0.18**	**101.99%**		**2.28%**	**$**	**0.101**
14-Jul-22	13-Jul-24	**0.18**	**0.25***	**88.63%**		**4.02%**	**$**	**0.061**
01-Dec-23	30-Nov-25	**0.2**	**0.25***	**3.68%**		**6.67%**	**$**	**0.0780**

Movements of share-based payment reserve during the current financial year are set out below:

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	Consolidated	
	31 December, 2023	31 December, 2022
	$	$
Opening balance	934,895	358,645
Issue of 4.5 million $0.15 options to MGW Adams Ltd	-	-
Vesting of 1.5 million $0.15 options to MGW Adams Ltd	-	73,383
Issue of 5 million $0.18 options to Ockleston NomineesPty Ltd ATF The Seville Trust	-	502,867
Balance at 31 December	**934,895**	**934,895**

Note 34. Events after the reporting period

Purchase of ViVent Initiatives interests of 40% of AEMIG and AEM Inc:

The company is close to finalising the agreement with ViVent Initiatives to purchase the 40% interests in AEM Inc and AEMIG with the consideration being in the form of Gulf shares calculated on the relative enterprise values of the two companies post spin-out of MDL469 and the EPA(A)'s as described below. The ViVent will be distributing shares to its minority shareholders. Gulf will then become the HPA company which will progress to undertaking an Initial Public Offering or other listing process towards the end of 2024.

Separation of HPA and Kaolin Businesses:

The company is in the process of separating its HPA and Kaolin businesses into separate corporate entities. This will involve spinning out the kaolin assets into a new company, Cape York Kaolin Ltd, while Gulf will retain the HPA business. The separation aims to maximize shareholder value and facilitate future listings for each business.

In March 2024, the Company incorporated Cape York Kaolin Limited (CYK, 100% subsidiary) and Kendall River Kaolin Pty Ltd (KRK,100% subsidiary of CYK). Shareholders will receive shares in Cape York Kaolin through an in specie unfranked dividend, with details to be provided later.

AEM Inc / HPA operation developments:

Approval of Loans: AEM Inc. secured approval for loans totalling CAD 9 million from Investment Quebec and Economic Development Canada. These loans will provide low-cost capital to finance the expansion projects. Investment Quebec (IQ) approved a CAD 7 million loan, while Economic Development Canada (DEC) approved an additional CAD 2 million loan. These loans are secured against AEM Inc.'s assets and offer attractive terms, including long tenors (10 and 9 years respectively) and initial repayment holidays.

Cap Chat Expansion: The expansion project at the Cap-Chat plant is progressing well. A two-year Stage 1 capital works program commenced in May 2023 to expand production capacity to 9 tpd of High Purity Alumina (HPA). Key updates include the order and upcoming delivery of a c. US$3.5 million tunnel kiln, commissioning of a new building for the kiln, and plans for saggar handling robots. The kiln is expected to provide an additional 6 tpd of calcination capacity and is scheduled for commissioning in September 2024.

Sustainability Initiatives: Significant progress has been made in sustainability efforts. AEM Inc.'s plant is now 100% electric, powered by renewable energy sources, resulting in a reduction of carbon emissions to 0.7 tonnes CO2 per tonne of HPA. This achievement positions AEM Inc. as a leading green manufacturer compared to industry peers.

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Sales and Marketing: AEM Inc.'s HPA has been qualified by ten blue-chip customers, with ongoing efforts to qualify more. Despite a strong pipeline of potential customers, the conversion of prospects into sales orders has been slower than expected due to soft market conditions in certain regions, particularly Europe. To address this, AEM Inc. is reducing its reliance on distributors and has recruited business development managers for the US and Asian markets.

Financing Details: In addition to the approved loans, AEM Inc. plans to apply for a capital expenditure rebate under Quebec's 3CI program. This rebate is expected to provide approximately CAD$1.3 million for equipment purchased in 2023.

Research & Development: AEM Inc. continues to invest heavily in research and development to expand its product range for HPA. A Montreal laboratory has been relocated to a new site with improved facilities, serving as AEM Inc.'s head office and technical development center. The R&D team is working on several new products expected to be introduced to the market in 2024.
As a necessary step in the aforementioned planned purchase by the Company of ViVent Initiatives interest in AEMIG which owns indirectly ML100200, and the spin-out of MDL469 and EPM(A)'s by Gulf to Cape York Kaolin, the Company obtained an independent valuation of the fair market value of these assets. The MDL 469 and the EPM(A)s were valued at $520,000 and ML100200 at $730,000. Consequently, (1) the MDL469 value was written down to $520,000 and reclassified as held for sale asset based on the plan to transfer the MDL469 assets to the newly incorporated subsidiary to be distributed to shareholders and (2) ML100200 was written down to $730,000 before the current year expenditures. The total amount of exploration and evaluation asset written off as a result of this event after balance date was $5,432,633.

Two new senior executives have been appointed: Alexis Clark as CFO and Stéphane Blanchette as Chief Human Resources Officer. Following the resignation of the COO, the Canadian management structure has been restructured to a flatter, more agile model, with two existing employees promoted to the senior leadership team.

Human resources updates:

Rachel Wong tendered her 6-month resignation notice for her Company Secretary position on 29 February 2024. The Company is seeking suitable replacement as of the date of this report.

Other than the above, there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

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Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are or may become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board of Directors



Richard Seville
Chairperson

22 April 2024

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Gulf Minerals Limited (formerly Advanced Energy Minerals Limited) for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
22 April 2024

N G Neill
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

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Independent Auditor's Report to the Members of Gulf Minerals Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Gulf Minerals Limited (formerly Advanced Energy Minerals Limited) ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive loss, 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 material accounting policy information, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Simplified Disclosures 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 – Simplified Disclosures 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 have 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
22 April 2024

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Additional Information

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Computershare

GULF MINERALS LIMITED — **ORDINARY FULLY PAID SHARES (Total)**

Top Holders (Grouped) As Of 4/8/2024 — **Composition : ORD**

Rank	Name	Units	% Units
1	BEGRAND RESOURCES LTD	47,906,482	29.10
2	RICHARD SEVILLE AND ASSOCIATES PTY LTD <THE SEVILLE SUPER FUND A/C>	17,115,000	10.40
3	PREMIER WATERPROOFING PTY LTD	14,266,771	8.67
4	AKTIENGESELLSCHAFT STOKETEN (HB)\C	9,242,250	5.61
5	KENDALL RIVER STATION PTY LTD	7,400,000	4.49
6	JULIAN FORD	6,550,000	3.98
7	STEVEN PETERSOHN	6,171,064	3.75
8	CLEVELAND INVESTMENT GLOBAL LIMITED	4,058,676	2.47
9	KENDALL RESOURCES LTD	4,000,000	2.43
10	TIMOTHY FLETCHER	3,500,000	2.13
11	MFJ HOLDINGS LTD	3,099,204	1.88
12	RENU BHATIA	3,000,001	1.82
13	MR JOSEPH THOMAS SIMONE	2,651,381	1.61
14	CHINA AUTOMOTIVE HOLDINGS LIMITED	2,611,112	1.59
15	MR MICHAEL JOHN WILSON	2,611,111	1.59
16	SIMON JOHN RUCKERT + CLARE PIK YIU CHAN	2,500,000	1.52
17	WATERFORD ATLANTIC PTY LTD <JAMES MCKAY A/C>	2,217,629	1.35
18	OCKLESTON NOMINEES PTY LTD <THE SEVILLE A/C>	2,022,223	1.23
19	DANIEL PLANE	1,947,222	1.18
20	YVON CHOI	1,855,556	1.13
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**144,725,682**	**87.91**
Total Remaining Holders Balance		**19,907,544**	**12.09**

The following relevant interests in shares and performance rights of the Company were held directly and beneficially by the directors as at the date of this report:

	Note	Fully paid ordinary shares	Options	Performance rights - vested	Performance rights - unvested
Non-Executive Directors					
Gregory Baker	a	1,500,000	-	-	-
Hans Bohi	b	16,642,250	833,587	-	-
John Fletcher	c	51,965,158	11,401,458	-	-
Executive Directors					
Richard Seville	d	19,137,223	-	4,000,000	-
Michael Adams	e	954,556	-	-	-
Tim Fletcher	c	3,500,000	-	-	-
Steven Petersohn	f	9,171,065	-	-	-
Peter Thomson	g	846,571	-	-	-

(a) Gregory Baker is a shareholder of Omicron Holdings Pty Ltd.
(b) Hans Bohi a shareholder of Kendall River Station Pty Ltd and Aktiengesellschaft Stoketen.
(c) John Fletcher, Tim Fletcher, Simon Fletcher, Begrand Resourced Limited and Cleveland Investment Global Limited.
(d) Richard Seville was appointed is a shareholder of Richard Seville and Associates Pty Ltd and Ockleston Nominees Pty Ltd.
(e) Michael Adams is associated with MGW Adams Limited.
(f) Steven Petersohn and his spouse.
(g) Peter Thomson is s shareholder of Tewa Pty Ltd and Calming Covers Pty Ltd.

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