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new energy

Macallum New Energy Ltd

ABN 20 628 953 122

Reissued financial report for the year ended 30 June 2024

Macallum New Energy Limited – Reissued Financial Report
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30 June 2024

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Macallum New Energy Limited – Reissued Financial Report
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Macallum New Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of Macallum New Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Rance Dorrington
- Peter Nofal (Resigned – 7 August 2023)
- Trinity Nofal
- Phil Thick (Appointed – 7 August 2024)

Review of Operations

The loss of the consolidated entity for the financial year after providing for income tax amounted to \$1,664,861 compared to 2023 \$944,121.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the Company during the financial year were the exploration of 100% held tenements and related activities.

Other than as stated above, no significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

In August 2024, the consolidated entity converted the \$220,000 loan payable to ordinary share capital.

In October 2024 the company conducted a rights issue to existing shareholders which raised an additional \$800,877 through the issue of 3,203,507 shares at a price of \$0.25. An additional rights issue of convertible notes was commenced in late June 2025 which had received \$30,000 before the end of the 2025 financial year.

In April 2025, 1,750,000 ESOP options exercisable at \$0.30 were issued to non-executive directors in April 2025 as recognition that no other remuneration was being paid or is payable to non-executive directors at yet.

In April 2025 the Company issued 1:4 bonus shares and 1:4 bonus options to the existing ordinary shareholders and as a consequence of this existing ESOP options quantities or exercise prices were adjusted in proportion to adjust these for the issue of the bonus shares.

In May-November 2025 the company raised \$195,000 through exercise of employee share options. 2,400,000 shares at \$0.075 per share raising \$180,000 and 100,000 shares were issued at \$0.150 per share raising \$15,00.

The number and criteria for the Performance Rights were amended on 22 May 2025. The number of rights was reduced from 30,000,000 to 18,900,000 with criteria set out below:

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Class	Performance Criteria	Expiry Date	Number of Performance Rights
A	The Company: a) announcing a P50 Prospective Unrisked Resource exceeding 50 BCF within all or any Jurassic targets in either EP494, EP511 or a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000
B	The Company: a) announcing the completion of at least one well drilled to a completed and tested stage that confirms the existence of potentially commercially recoverable hydrocarbons in either EP494, EP511 or a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000
C	The Company: a) announcing exploration and development well results of 2P reserves exceeding 100 BCF in either of EP494, EP511 or from a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000

Material costs have been incurred since 30 June 2024 to assist the company to meet the requirements for listing the company on the ASX. These have included costs for independent experts reports, legal fees and other related costs. The consolidated entity has issued short term convertible notes to fund on-going operations and pre-IPO costs related to the proposed ASX listing planned to occur in late 2025 / early 2026. The condition for the conversion of these notes and these will now be converted to ordinary shares prior to any listing.

The Company has continued to incur exploration costs on both its granted exploration permits in order to meet the requirements stipulated under the conditions of grant. In addition to the existing permits the Consolidated Group has applied for an additional 2 special prospecting authorities with acreage options in Western Australia, which when & if granted and accepted may lead to an increase in exploration activities and cost associated with this.

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory other than exploration activities which are regulated by DMIRS in relation to WA petroleum exploration permits. The Company expects to comply with all permit requirements and regulations and is not aware of any activities that do not comply with any such regulations.

Dividends

There were no dividends paid or declared since the start of the financial year.

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Directors' report
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Options

On 22 June 2022, 4,000,000 options to acquire ordinary shares were issued to Directors under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.075 each (originally A\$0.10 each prior to capital reconstruction).

On 14 October 2022, 3,062,500 options (originally 2,450,000 prior to capital reconstruction) to acquire ordinary shares were issued to Directors, Employees & Consultants under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.20 each.

On 14 October 2022, 100,000 options to acquire ordinary shares were issued to Directors, Employees & Consultants under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.15 each (originally A\$0.20 each prior to capital reconstruction).

On 3 October 2023, 3,212,000 options (originally 3,050,000 prior to capital reconstruction) to acquire ordinary shares were issued to Directors, Employees & Consultants under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.30 each.

On 15 April 2025, 875,000 options (originally 700,000 prior to capital reconstruction) to acquire ordinary shares were issued to Directors, Employees & Consultants under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.30 each.

On 15 April 2025, 1,050,000 options to acquire ordinary shares were issued to Directors, Employees & Consultants under an Employee Share Option Plan (ESOP). These options vest over a period of three years in accordance with the rules of the ESOP and are all exercisable at A\$0.225 each (originally A\$0.30 each prior to capital reconstruction).

On 25 April 2025, 30,156,132 bonus options were issued to ordinary shareholders for nil consideration. These options expire on 31 October 2029 and are all exercisable at A\$0.30 each.

No other options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no other options outstanding at the date of this report.

Since the end of the year and until the date of this report, 2,500,000 shares have been issued as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

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

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

Proceedings on Behalf of the Company

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 7.

Macallum New Energy Limited
Directors' report
30 June 2024

Amendments to Previously Lodged Financial Statements

Amendment and Restatement of Financial Statements

This financial report replaces the original financial report for the year ended 30 June 2024, which was approved by the Board on 24 April 2025 and re-lodged on 14 November 2025.

The current financial report includes the following amendments:

- Recognition of share-based payment expense under the Employee Share Option Plan (ESOP) relating to options granted to directors and employees in prior and current periods, consistent with AASB 2 Share-based Payment;
- Additional disclosures in the notes to the financial statements in respect of Performance Rights issued as part-consideration for the acquisition of the petroleum exploration asset, providing detail of their fair value, vesting conditions and accounting treatment; and
- Restated comparative information for the year ended 30 June 2023 to correct prior-period classification and disclosure inconsistencies and to align with the revised accounting assessments.

These amendments have no impact on the Group's previously reported net assets, cash flows or going-concern position but improve transparency and compliance with applicable Australian Accounting Standards.

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

On behalf of the directors



Rance Dorrington

Director

Dated this 14 November 2025

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
MACALLUM NEW ENERGY LTD**

As auditor for the audit of Macallum New Energy Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

AMW Audit

AMW AUDIT
Chartered Accountants

Billy-Joe Thomas

BILLY-JOE THOMAS
Director

Dated 14th day of November 2025
PERTH WA

Macallum New Energy Limited – Reissued Financial Report
General Information
30 June 2024

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

Macallum New Energy Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office

11 Moreau Mews
Applecross
Perth
WA, 6154

Principal place of business

11 Moreau Mews
Applecross
Perth
WA, 6154

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

The financial statements were authorised for re-issue, in accordance with a resolution of directors, on 14 November 2025. The directors have the power to amend and reissue the financial statements.

**Macallum New Energy Limited – Reissued Financial Report
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024**

		Consolidated Group	
		RESTATED⁽¹⁾	
	Note	2024	2023
		\$	\$
Other income	3	191,624	114,536
Exploration expenses	4	(942,966)	(710,248)
Employee expenses	4	(499,671)	(154,010)
Administration expenses		(100,250)	(34,319)
Share based payments expense	4	(308,195)	(157,466)
Other expenses		(5,403)	(2,613)
Profit (loss) before income tax		<u>(1,664,861)</u>	<u>(944,121)</u>
Tax expense	5	-	-
Profit (loss) for the year		<u>(1,664,861)</u>	<u>(944,121)</u>
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(1,664,861)</u>	<u>(944,121)</u>
Profit (loss) attributable to owners of the Company		<u>(1,664,861)</u>	<u>(944,121)</u>
Total comprehensive income attributable to owners of the Company		<u>(1,664,861)</u>	<u>(944,121)</u>

⁽¹⁾ The comparative information has been restated as a result of prior period adjustments discussed in Note 1.

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

Macallum New Energy Limited – Reissued Financial Report
Statement of financial position
As at 30 June 2024

		Consolidated Group	
		RESTATED⁽¹⁾	
Note	2024	2023	
	\$	\$	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	121,250	946,588
Trade and other receivables	9	204,130	121,894
TOTAL CURRENT ASSETS		<u>325,380</u>	<u>1,068,481</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	62,948	12,778
Exploration and evaluation assets	11	7,500,000	7,500,000
TOTAL NON-CURRENT ASSETS		<u>7,562,948</u>	<u>7,512,778</u>
TOTAL ASSETS		<u>7,888,327</u>	<u>8,581,259</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	209,238	106,586
Employee Benefits		5,473	10,079
Borrowings		220,000	-
TOTAL CURRENT LIABILITIES		<u>434,710</u>	<u>116,666</u>
Employee Benefits		1,390	-
TOTAL NON-CURRENT LIABILITIES		<u>1,390</u>	<u>-</u>
TOTAL LIABILITIES		<u>436,100</u>	<u>116,666</u>
NET ASSETS		<u>7,452,227</u>	<u>8,464,593</u>
EQUITY			
Issued capital	13	10,506,794	10,162,494
Options reserve		468,026	159,831
Retained earnings		(3,522,593)	(1,857,732)
TOTAL EQUITY		<u>7,452,227</u>	<u>8,464,593</u>

⁽¹⁾ The comparative information has been restated as a result of prior period adjustments discussed in Note 1.

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

Macallum New Energy Limited – Reissued Financial Report
Statement of changes in equity
For the year ended 30 June 2024

Consolidated Group	Note	Issued	Options	Retained Earnings	RESTATED ⁽¹⁾
		Capital	reserve		Total
		Ordinary			
		\$	\$	\$	\$
Balance at 1 July 2022		1,239,000	2,365	(913,611)	327,754
Comprehensive income					
Profit (loss) for the year		-	-	(944,121)	(944,121)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year attributable to owners of the Company		-	-	-	-
Share issued	13	8,923,494	-	-	8,923,494
Fair value of Options granted		-	157,466	-	157,466
Total transactions with owners, and other transfers		8,923,494	157,466	-	9,080,960
Balance at 30 June 2023		10,162,494	159,831	(1,857,732)	8,464,593
Comprehensive income					
Profit (loss) for the year		-	-	(1,664,861)	(1,664,861)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year attributable to owners of the Company		-	-	-	-
Shares issued	13	344,300		-	344,300
Fair value of Options granted		-	308,195	-	308,195
Total transactions with owners and other transfers		344,300	308,195	-	652,495
Balance at 30 June 2024		10,506,794	468,026	(3,522,593)	7,452,227

⁽¹⁾ The comparative information has been restated as a result of prior period adjustments discussed in Note 1.

Macallum New Energy Limited – Reissued Financial Report
Statement of cash flows
30 June 2024

		Consolidated Group	
	Note	2024	2023
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		109,388	43,836
Payments to suppliers and employees		(1,436,612)	(751,831)
Dividends received		-	-
Interest received		-	101
Net cash provided/(used) by operating activities	15a	<u>(1,327,224)</u>	<u>(707,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(62,414)	(7,559)
Net cash used in investing activities		<u>(62,414)</u>	<u>(7,559)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		344,300	1,423,494
Loans acquired		220,000	-
Net cash used in financing activities		<u>564,300</u>	<u>1,423,494</u>
Net increase in cash held		(825,338)	708,041
Cash and cash equivalents at beginning of financial year		946,588	238,547
Cash and cash equivalents at end of financial year	8	<u><u>121,250</u></u>	<u><u>946,588</u></u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macallum New Energy Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Macallum New Energy Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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Notes to the financial statements
For the year ended 30 June 2024

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Macallum New Energy Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

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

Other revenue

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

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

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

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

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

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

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

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.

Macallum New Energy Limited – Reissued Financial Report
Notes to the financial statements
For the year ended 30 June 2024

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

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

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

Macallum New Energy Limited – Reissued Financial Report
Notes to the financial statements
For the year ended 30 June 2024

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

Property, plant and equipment

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

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

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets

Costs associated with acquiring mining leases, including costs of associated options, are capitalised and reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount.

Other exploration and evaluation costs are generally expensed to profit or loss in the period they are incurred.

Capitalised exploration and evaluation expenditure is carried forward where the right to explore an area of interest is current and they are either expected to be recouped through the sale or successful development of an area of interest or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, the sale of an area of interest.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

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

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

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

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and other payables

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

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Borrowings

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

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

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

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

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

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

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

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

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

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

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

Fair value measurement

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

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

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

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

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

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

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

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

Restatement of accounts

During the years ended 30 June 2022 and 30 June 2023, the Company issued options to Directors and Employees under an Employee Share Option Plan. The cost of these options were not recognised in the financial report.

The misstatement resulted in understatement of both share based payments expense and the option reserve.

Extracts (being only those line items affected) are disclosed below.

Consolidated Statement of profit or loss and other comprehensive income

	2023		2023
	As reported	Adjustments	Restated
	\$	\$	\$
Share based payments expense	-	(157,466)	(157,466)
Profit (loss) for the year	(786,655)	(157,466)	(944,121)

Consolidated statement of financial position at the end of the comparative period

	2023		2023
	As reported	Adjustments	Restated
	\$	\$	\$
Options Reserve	2,365	157,466	159,831
Retained Earnings	(1,700,266)	(157,466)	(1,857,732)

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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Note 2. Critical accounting judgements, estimates and assumptions

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

Exploration and evaluation costs

Exploration and evaluation costs, to the extent they have been capitalised, are assessed on the basis that either exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or alternatively the Company has assessed that it will be able to commence commercial production in the future, from which it will be able to recoup those costs. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Further details of capitalised exploration and evaluation costs are set out in Note 11.

Share-based payments

The grant date fair value of share-based payment is recognised as an expense with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that, the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date.

The Company follows the guidelines of AASB 2 'Share-based payments' and takes into account all performance conditions and estimates the probability and expected timing of achieving these performance conditions. Accordingly, the expense recognised over the vesting period may vary based upon information available and estimates made at each reporting period, until the expiry of the vesting period.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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

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

Income tax

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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Note 3: Revenue and other income

	Consolidated Group	
	2024	2023
	\$	\$
Continued operations		
R&D refundable offset		
Year ended June 2023	-	111,394
Year ended June 2024	191,624	-
Other Income	-	3,142
	191,624	114,536

Note 4: Profit for the year

	Consolidated Group	
	RESTATED	
	2024	2023
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
a. Expenses		
Exploration expenses		
- Consultancy fees	204,074	173,415
- Exploration costs	668,554	486,543
- Travel costs	19,767	10,797
- Tenement lease costs	50,570	39,494
	942,966	710,248
Depreciation expense	12,244	2,216
Employee benefits expense:		
- Salaries and superannuation	501,782	135,417
- Annual leave accrual	(4,606)	10,079
- Long service leave accrual	1,390	-
- Staff recruitment	-	6,772
- Staff amenities	213	228
- Workers compensation insurance	892	1,513
	499,671	154,010
Share based payments expense		
- Option expense	308,195	157,466

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Note 5: Income tax expense

	Consolidated Group	
	RESTATED	
	2024	2023
	\$	\$
a. The components of tax (expense) income comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
b. The prima facie tax on profit / (loss) before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit / (loss) before income tax at 25%	(416,215)	(236,030)
Add:		
Tax effect of:		
– Expenses subject to R&D tax incentive	118,530	63,928
Less:		
Tax effect of:		
– R&D Offset	(57,487)	(27,848)
– tax losses not recognised	355,172	199,950
Income tax attributable to entity	<u>-</u>	<u>-</u>
c. Deferred tax is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is not recognised because the Directors do not believe that the tax losses are recoverable in future periods at this stage.		

Note 6: Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	Consolidated Group	
	RESTATED	
	2024	2023
	\$	\$
Short-term employee benefits	146,667	58,848
Post-employment benefits	16,133	13,004
Long term incentives	94,172	85,442
	<u>256,972</u>	<u>157,294</u>

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Note 7: Auditor’s remuneration

	Consolidated Group	
	2024	2023
	\$	\$
Remuneration of the auditor:		
– auditing or reviewing the financial statements	7,200	5,000
– taxation services	-	-
	<u>7,200</u>	<u>5,000</u>

The auditor of Macallum New Energy Ltd for 2024 is AMW Audit Group.

Note 8: Cash and cash equivalents

	Consolidated Group	
	2024	2023
	\$	\$
Cash at bank and on hand	121,250	946,588
	<u>121,250</u>	<u>946,588</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank and on hand	121,250	946,588
	<u>121,250</u>	<u>946,588</u>

Note 9: Trade and other receivables

	Consolidated Group	
	2024	2023
	\$	\$
CURRENT		
ATO (R&D refundable offset)	191,624	111,394
Prepayments	10,500	10,500
Trade debtors	2,006	-
	<u>204,130</u>	<u>121,894</u>

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Note 10: Property, plant and equipment

	Consolidated Group	
	2024	2023
	\$	\$
Plant and equipment		
Plant and equipment:		
At cost	77,664	15,250
Accumulated depreciation	(14,716)	(2,472)
	62,948	12,778
	62,948	12,778

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment
	\$
Plant and Equipment	
Balance at 1 July 2023	12,778
Additions	62,414
Disposals – written-down value	-
Depreciation expense	(12,244)
Carrying amount at 30 June 2024	62,948

Note 11: Exploration and evaluation assets

	Consolidated Group	
	RESTATED	
	2024	2023
	\$	\$
Exploration and evaluation assets	7,500,000	7,500,000
	7,500,000	7,500,000

		Exploration and evaluation
		\$
Reconciliations of the written down values are set out below:		
Balance at 1 July 2022		-
Additions	(a)	7,500,000
Impairment		-
Balance at 30 June 2023		7,500,000
Additions		-
Impairment		-
Balance at 30 June 2024		7,500,000

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- (a) In the 2023 financial year Macallum New Energy Limited agreed to acquire the petroleum exploration permits from Macallum Group Limited under a related party transaction which represented a restructuring of the asset holdings of the Ultimate Holding Entity and was unanimously agreed to by both Company's boards of directors as being in the best interest of respective shareholders. No independent valuation was undertaken for this purpose as the Directors considered the purchase and sale was transacted at a reasonable value at the time having considered the costs incurred to date on the permits, the early stage nature of the projects and the historical value of peers at similar stages of exploration. The purchase of the permits was paid for by the issue of 75,000,000 ordinary shares and by the issue of future performance rights which together were determined to be a total value of A\$7.5M. Under the policy of capitalising the acquisition cost of permits this amount was recorded as an exploration asset.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuation of the Company's rights to tenure of the interests, results of future exploration and successful development or alternatively, sale of the respective areas of interest.

In the 2024 year, the Directors reviewed of the capitalised exploration and evaluation assets and determined that, there were no indications of impairment relevant to the carrying value of the exploration asset.

Note 12: Trade and other payables

	Consolidated Group	
	2024	2023
	\$	\$
CURRENT		
Unsecured liabilities:		
Trade payables	111,739	61,999
Sundry payables and accrued expenses	97,499	44,587
	209,238	106,586

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Note 13: Issued capital

	Consolidated Group	
	2024	2023
	\$	\$
93,296,086 (2023: 92,148,412) fully paid ordinary shares	10,506,794	10,162,494
	No.	No.
a. Ordinary Shares		
At the beginning of the reporting period	92,148,412	12,390,000
Shares issued during the year	1,147,674	79,758,412
At the end of the reporting period	93,296,086	92,148,412

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

b. Shares under option

Movement in options during the period was as follows:

	Number
Balance at 1 July 2022	4,000,000
ESOP Issue (\$0.200 exercise price, no expiry)	2,550,000
Balance at 30 June 2023	6,550,000
ESOP Issue (\$0.300 exercise price, no expiry)	3,050,000
Balance at 30 June 2024	9,600,000

Unissued ordinary shares of Macallum New Energy Limited under option at the date of this report are as follows:

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Grant date	Expiry date	Exercise price	Number under option
14/10/2022	n/a	\$0.200	3,062,500 ⁽¹⁾
03/10/2023	n/a	\$0.300	812,500 ⁽¹⁾
03/10/2023	n/a	\$0.225	2,400,000 ⁽¹⁾
15/04/2025	n/a	\$0.300	875,000 ⁽¹⁾
15/04/2025	n/a	\$0.225	1,050,000 ⁽¹⁾
25/04/2025	31/10/2029	\$0.300	30,156,132 ⁽²⁾
			38,356,132

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

⁽¹⁾ ESOP options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date.

⁽²⁾ Bonus options issued to all shareholders on a pro-rata basis for nil consideration.

Shares issued on the exercise of options

No options were exercised during the financial year 30 June 2024.

c. Performance Rights

During the year ended 30 June 2023, Macallum New Energy Limited issued 30,000,000 Performance Rights as part consideration for petroleum exploration permits. The terms of the Performance Rights are set out below:

Performance Criteria	Expiry Date	Number of Performance Rights
Upon the Company undertaking drilling within the Exploration Permit Area which results in the discovery of hydrocarbons	6 years from the date of issue	30,000,000

Movement in performance rights during the period was as follows:

	Number
Balance at 1 July 2022	-
Balance at 30 June 2023	-
Issue or performance rights	30,000,000
Balance at 30 June 2024	30,000,000

Note 14: Events after the reporting period

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In August 2024, the consolidated entity converted the \$220,000 loan payable to ordinary share capital.

In October 2024 the company conducted a rights issue to existing shareholders which raised an additional \$800,877 through the issue of 3,203,507 shares at a price of \$0.25. An additional rights issue of convertible notes was commenced in late June 2025 which had received \$30,000 before the end of the 2025 financial year.

In April 2025, 1,750,000 ESOP options exercisable at \$0.30 were issued to non-executive directors in April 2025 as recognition that no other remuneration was being paid or is payable to non-executive directors at yet.

In April 2025 the Company issued 1:4 bonus shares and 1:4 bonus options to the existing ordinary shareholders and as a consequence of this existing ESOP options quantities or exercise prices were adjusted in proportion to adjust these for the issue of the bonus shares.

In May-November 2025 the company raised \$195,000 through exercise of employee share options. 2,400,000 shares at \$0.075 per share raising \$180,000 and 100,000 shares were issued at \$0.150 per share raising \$15,00.

The number and criteria for the Performance Rights were amended on 22 May 2025. The number of rights was reduced from 30,000,000 to 18,900,000 with criteria set out below:

Class	Performance Criteria	Expiry Date	Number of Performance Rights
A	The Company: a) announcing a P50 Prospective Unrisked Resource exceeding 50 BCF within all or any Jurassic targets in either EP494, EP511 or a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000
B	The Company: a) announcing the completion of at least one well drilled to a completed and tested stage that confirms the existence of potentially commercially recoverable hydrocarbons in either EP494, EP511 or a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000
C	The Company: a) announcing exploration and development well results of 2P reserves exceeding 100 BCF in either of EP494, EP511 or from a combination of both; and b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20.	5 years from the date of issue	6,300,000

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Material costs have been incurred since 30 June 2024 to assist the company to meet the requirements for listing the company on the ASX. These have included costs for independent experts reports, legal fees and other related costs. The consolidated entity has issued short term convertible notes to fund on-going operations and pre-IPO costs related to the proposed ASX listing planned to occur in late 2025 / early 2026. The condition for the conversion of these notes and these will now be converted to ordinary shares prior to any listing.

The Company has continued to incur exploration costs on both its granted exploration permits in order to meet the requirements stipulated under the conditions of grant. In addition to the existing permits the Consolidated Group has applied for an additional 2 special prospecting authorities with acreage options in Western Australia, which when & if granted and accepted may lead to an increase in exploration activities and cost associated with this.

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

Note 15: Cash flow information

	Consolidated Group	
	RESTATED	
	2024	2023
	\$	\$
a. Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit (Loss) after income tax	(1,664,861)	(944,121)
Non-cash flows in profit:		
– depreciation and amortisation	12,244	2,216
– share based payments	308,195	157,466
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
– (increase)/decrease in trade and other receivables	(82,236)	(81,099)
– (increase)/decrease in GST receivables	(689)	89,590
– increase/(decrease) in trade and other payables	103,340	38,076
– increase/(decrease) in accrued expenses	-	17,925
– (decrease)/increase in employee payables	(3,216)	12,053
Net cash provided/(used) by operating activities	<u>(1,327,224)</u>	<u>(707,894)</u>

Note 16: Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2024	2023
		\$	\$
Financial assets			
Financial assets at amortised cost:			
– cash and cash equivalents	8	121,250	946,588

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Notes to the financial statements
For the year ended 30 June 2024

	Note	Consolidated Group	
		2024	2023
		\$	\$
– Trade, other receivables & other assets	9	204,130	121,894
		<u>325,380</u>	<u>1,068,481</u>
Total financial assets		<u>325,380</u>	<u>1,068,481</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	12	209,238	106,586
Total financial liabilities		<u>209,238</u>	<u>106,586</u>

	Note	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Financial assets at amortised cost:					
– cash and cash equivalents ⁽ⁱ⁾	8	121,250	121,250	946,588	946,588
– trade and other receivables ⁽ⁱ⁾	9	204,130	204,130	121,894	121,894
Total financial assets at amortised cost		<u>325,380</u>	<u>325,380</u>	<u>368,932</u>	<u>1,068,481</u>
Total financial assets		<u>325,380</u>	<u>325,380</u>	<u>368,932</u>	<u>1,068,481</u>
Financial liabilities at amortised cost					
Trade and other payables ⁽ⁱ⁾	12	209,238	209,238	106,586	106,586
Total financial liabilities		<u>209,238</u>	<u>209,238</u>	<u>106,586</u>	<u>106,586</u>

(i) Fair Values

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement, or disclosure purposes. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

Cash and cash equivalents, trade and other receivables, and trade and other payables are all short-term instruments in nature whose carrying amount is equivalent to fair value. The fair values of receivables and payables are determined on the basis of no discounting.

Note 17: Contingent Liabilities

As at 30 June 2024 Macallum New Energy Limited had 30,000,000 Performance Rights on issue as part consideration for petroleum exploration permits. Refer to Note 13(c) for further details of the performance related milestone. Should the performance milestone be met before the expiry date, Macallum New Energy Limited will be required to issue one fully paid share in Macallum New Energy Limited for every Performance Right issued.

Note 18: Commitments

Macallum New Energy Limited – Reissued Financial Report
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Future exploration costs

With each petroleum permit issued the consolidated entity is required to incur expenditures on future exploration work programmes in order to keep the permits in good standing. Should these programmes not be met then application can be made to suspend and / or extend the timeframes or to vary the work programmes and otherwise there is a risk of forfeiture or discontinuance of the rights granted under the permits. Whilst there is no absolute obligation to incur the expenditure going forward, it is the intent of the consolidated entity to at least spend the minimum expenditure amounts to keep all permits in good standing. The total amount currently included with the conditions of permits that is indicated as minimum required to be spent within the next two permit years that has not, as at the end of the financial year, been spent is \$4.5M (2023 - \$4.75M).

There were no other commitments at 30 June 2024.

Note 19: Related party transactions

Parent entity

Macallum New Energy Limited is the parent entity.

Ultimate Holding entity

Macallum Group Limited is the ultimate holding entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 6.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2024	2023
	\$	\$
Reimbursement of costs related to the Company	286,224	223,783

Trade receivable from and payable to related parties

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

	Consolidated	
	2024	2023
	\$	\$
Trade Payable to ultimate holding entity	53,320	31,942

Loans to related parties:

The following loans are outstanding at reporting date

	Consolidated	
	2024	2023
	\$	\$
Loan to subsidiary	48,970	-

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Notes to the financial statements
For the year ended 30 June 2024

Note 20: Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	RESTATED	
	2024	2023
	\$	\$
Profit/(loss) after income tax	(1,608,935)	(944,121)
Total comprehensive income	<u>(1,608,935)</u>	<u>(944,121)</u>

Statement of financial position

Total current assets	373,097	1,068,481
Total assets	<u>7,936,045</u>	<u>8,581,259</u>
Total liabilities	<u>427,892</u>	<u>116,666</u>
Equity		
Issued capital	10,506,797	10,162,494
Options reserve	468,026	159,831
Retained profits	<u>(3,466,667)</u>	<u>(1,857,732)</u>
Total equity	<u>7,508,153</u>	<u>8,464,593</u>

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

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

Refer to Note 17: Contingent Liabilities.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

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

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

Macallum New Energy Limited – Reissued Financial Report
Notes to the financial statements
For the year ended 30 June 2024

Note 21: Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel and contractors of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/06/22	n/a	\$0.100	4,000,000	-	-	-	4,000,000
14/10/22	n/a	\$0.200	-	2,550,000	-	-	2,550,000
			<u>4,000,000</u>	<u>2,550,000</u>	<u>-</u>	<u>-</u>	<u>6,550,000</u>
Weighted average exercise price			\$0.100	\$0.200	-	-	\$0.139

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/06/22	n/a	\$0.100	4,000,000	-	-	-	4,000,000
14/10/22	n/a	\$0.200	2,550,000	-	-	-	2,550,000
03/10/23	n/a	\$0.300	-	3,050,000	-	-	3,050,000
			<u>6,550,000</u>	<u>3,050,000</u>	<u>-</u>	<u>-</u>	<u>9,600,000</u>
Weighted average exercise price			\$0.139	\$0.300	-	-	\$0.190

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
03/10/23	31/10/28	\$0.250	\$0.300	100%	Nil	4.09%	\$0.186

Note 22: Controlled entities

As at 30 June 2024, the Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of incorporation	Percentage interest	
		2024	2023
Macallum New Energy Limited (Parent entity)	Australia	100%	100%
Edge Natural Energy Pty Ltd	Australia	100%	100%

Macallum New Energy Limited – Reissued Financial Report
Directors' declaration
30 June 2024

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 consolidated entity's financial position as at 30 June 2024 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;
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

On behalf of the directors



Rance Dorrington
Director

Dated this 14 November 2025

**INDEPENDENT AUDIT OPINION TO THE MEMBERS OF
MACALLUM NEW ENERGY LTD
ABN 20 628 953 122**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Macallum New Energy Ltd, which comprises the consolidated statement of financial position as at 30 June 2024, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Macallum New Energy Ltd and Controlled Entity is in accordance with the Corporations Act 2001, including

- i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- a) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 company 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.

Emphasis of Matter - Withdrawal of Previously Issued 2024 Financial Report

We draw attention to Note 1 of the financial report which indicates that the previously issued financial report for the year ended 30 June 2024, on which we issued an Independent Auditor's Report dated 24 April 2025, have been revised and reissued.

As explained in Note 1 this is to reflect the effects of the information which became available subsequent to the issue of the Independent Auditor's Report dated 24 April 2025, and therefore not previously incorporated. Our opinion is not modified in respect of this matter.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Group, 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.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

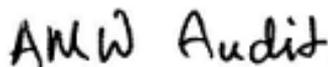
Auditor's Responsibilities for the Audit of the Financial Report

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 company'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 company'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 company 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.



AMW AUDIT
Chartered Accountants



BILLY-JOE THOMAS
Director

Dated 14th day of November 2025
PERTH WA