

GRANDBRIDGE LIMITED
ABN 64 089 311 026

Annual Financial Report 2024

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Grandbridge Limited and its controlled entities

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Company Information

Directors

David Breeze – Executive Chairman
Charles Maling – Non-Executive Director
Maureen Peterson – Non-Executive Director

Registered Office

Unit 12, Level 1
114 Cedric Street
STIRLING WA 6021

Principal Business Address

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114 Cedric Street
STIRLING WA 6021
Telephone: (08) 9328 8400
Facsimile: (08) 9328 8733
Website: www.grandbridge.com.au
E-mail: admin@grandbridge.com.au

Auditor

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
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Australian Business Number

64 089 311 026

Review of Operations

Grandbridge Limited and its controlled entities

Grandbridge Limited (“GBA” or “Company”) makes direct investments in a number of direct investees, associates, and related companies including Advent Energy Limited, Cortical Dynamics Limited, MEC Resources Limited, and BPH Energy Limited.

The activities of GBA’s main investees and associate companies during the period are set out below:

Advent Energy Ltd (“Advent”), GBA 8.8%

Advent is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia and overseas.

PEP-11 Oil and Gas Permit Offshore Sydney Basin (85%)

Advent, through wholly owned subsidiary Asset Energy Pty Ltd (“Asset”), holds 85% of Petroleum Exploration Permit PEP-11, an exploration permit prospective for natural gas located in the Offshore Sydney Basin, the other 15% being held by ASX listed Bounty Oil and Gas (ASX:BUY).

PEP-11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market. The total P50 Prospective Resource calculated for the PEP-11 prospect inventory is 5.7 Tcf with a net 4.9 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP-11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (“HRDZ”), Amplitude Versus Offset (“AVO”) anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP-11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP-11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples. The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP-11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia’s biggest domestic energy market, gas which can be used to provide reliable back-up for increased uptake of renewable energy in New South Wales (“NSW”). Second, through its plans to explore for opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO2 emissions), a key clean energy technology.

Advent now has two continuing applications with NOPTA for suspension and extension of the PEP-11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of a NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019.

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On 9 October 2023 NOPTA updated their website whereby the NEATS Public Portal Application Tracking has been updated to show Asset's applications' status is now 'Under Assessment'. The Company understands that the next step in the application process is for the Commonwealth-NSW Joint Authority ("Joint Authority") to make its decision on Asset's applications.

On 18 September 2024 the Company announced for the PEP11 Joint Venture that the Hon Ed Husic MP, Minister for Industry and Science ("Minister"), has advised that he has carefully considered the PEP-11 Exploration Permit applications by investee Advent under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, and formed a preliminary view that the applications should be refused. Advent had the right to address the Minister's concerns before a final decision is made, and provided appropriate responses to the Minister by 15 November 2024.

On 14 July 2023 the Hon Chris Bowen, Minister for Climate Change and Energy, gazetted/designated an area of the Pacific Ocean area off the Hunter Region of NSW as suitable for offshore wind energy development and that it would be open for industry to develop wind farms (Declared Wind Area). It will become Australia's second official offshore wind energy zone. Having reviewed the PEP-11 seismic data and the drill data from the Seaclem 1 well the Declared Wind Area does not materially impact the PEP -11 Title or the main PEP-11 target areas.

The Company welcomes this declaration/gazettal as it reinforces Advent's belief that decarbonising the global energy system will require the use of a mixture of technologies encompassing renewable energy resources, carbon sequestration and natural gas. There are and will be offshore areas where wind, gas and carbon sequestration activities will overlap and it is the Company's belief that a holistic approach should and will be taken to ensure that clean energy is produced in a reliable and cost effective manner. Asset's parent company Advent made a submission to the consultation website of the Department of Climate Change, Energy, the Environment and Water on the proposed Hunter offshore wind development area. Advent has had preliminary discussions to explore synergies with one of the wind technology companies who are planning to tender for and develop part of the Declared Wind Area and has scheduled further consultation.

On 22 November 2023, the NSW Legislative Committee on Environment and Planning tabled its report into the Minerals Legislation Amendment (Offshore Drilling and Associated Infrastructure Prohibition) Bill 2023, which was referred to the Committee on 29 June 2023. The Bill sought to amend three Acts to prohibit offshore activities in NSW including drilling for petroleum. The inquiry investigated a range of issues, particularly whether the Bill raises any potential constitutional issues and unintended consequences, and its report sets out its findings and proposed recommendations. The relevant link is set out below:

<https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2977#tab-reportsandgovernmentresponses>

The Committee heard from legal experts and has found that aspects of the proposed legislation may be constitutionally invalid and have unintended consequences. The report made 10 findings and 2 recommendations. The Committee has accordingly recommended that the Bill not pass.

While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered by NOPTA, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in 2024.

On 6 February 2024 the NSW government issued a media release saying they had given notice to "introduce legislation that will prohibit sea bed petroleum and mineral exploration and recovery in NSW coastal waters. The Bill will legislatively implement the Offshore Exploration and Mining Policy that was published in February 2022. The legislation aims to give our communities certainty and reaffirms the NSW Government's long held position of not supporting offshore mineral, coal or petroleum exploration or mining for commercial purposes in or adjacent to NSW coastal waters".

On 18 March 2024 BPH Energy Limited ("BPH") advised ASX that:

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- 1) The State of NSW and the NSW Government only have jurisdiction and the power to control exploration and extraction in coastal waters up to 3 nautical miles (4.83 km) offshore from the NSW coast. PEP-11 is beyond that 3 nautical mile limit and all such matters touching PEP-11 are under the jurisdiction of the Commonwealth of Australia (ie. the Australian Government). Gas exploration operations including safety and environment are controlled by NOPSEMA, a Commonwealth of Australia authority.
- 2) The registered holders of PEP-11, including Bounty Oil & Gas NL (ASX:BUY), and the operator, Advent (through Asset) are aware of the legislation and should it be enacted the titleholders will consider, if necessary, challenging the validity of the Bill under Sec 109 of the Commonwealth Constitution which provides: "When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid".
- 3) The holders of PEP-11 intend to pursue gas exploration by drilling around 26 km offshore, well beyond the limit of NSW coastal waters. No "mining" or pipeline construction is proposed.
- 4) Bounty and BPH fully support protecting the coastal and offshore marine environment and note that in respect of PEP-11 any activity undertaken in the permit area would require specific approval of the independent regulator NOPSEMA.

The media release set out below was made by the Resources Minister, the Honourable Madeline King dated 23 April 2024:

"The Albanese Government is one that respects proper process. We make decisions in a way that is orderly and appropriate."

The Minister for Resources and Minister for Northern Australia, the Hon Madeleine King MP, has recused herself from future decisions on Petroleum Exploration Permit 11 (PEP-11).

The Minister for Industry and Science, the Honourable Ed Husic MP, will take future decisions relating to PEP-11.

Minister Husic was appointed to administer the Department of Industry, Science and Resources upon being sworn-in as a Minister on 1 June 2022 and has the legal authority to take future decisions on PEP-11.

The Australian Government has been consistent in its position that it will not provide a running commentary on PEP-11 and this remains the case."

Minister King's decision to recuse herself as the decision maker with respect to the PEP-11 permit under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) is noted, and the Honourable Minister Husic as the Minister for Industry and Science will be making any future decision on modification and related extension of the PEP-11 permit.

The Joint Authority decision is a routine administrative decision. Any future authorisation related to drilling will require environmental approvals. Any issues around community or environmental impacts should be transparently managed by the designated independent expert regulator.

Asset continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. This application follows from the fact that in February 2023 a decision by the previous Joint Authority to refuse the application was quashed by the Federal Court of Australia. Asset has provided additional updated information to the Commonwealth-NSW Joint Authority and the National Offshore Petroleum Titles Administrator ("NOPTA") in relation to its applications.

The Joint Authority decision is a routine administrative decision. Any future authorisation related to drilling will require environmental approvals. Any issues around community or environmental impacts should be transparently managed by the designated independent expert regulator.

Asset have engaged Klarite Pty Ltd (Klarite) to initiate environmental management of the Seablue-1 exploration well, due to be drilled in PEP-11, pending the current application for licence variation, suspension and extension (Application), regulatory approvals and rig availability. Klarite are a Perth based turnkey environmental consultancy specialising in offshore development in Australia, who recently prepared a detailed

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Environmental Approvals Strategy for the Seablue-1 exploration drilling activity for Asset. Due to the critical need for new domestic supplies of gas as stated in the Federal Government's Future Gas Strategy (see below), Asset have decided to commence work necessary for environmental approvals in advance of the PEP-11 licence Application approval, in order to be prepared to drill the Seablue-1 well as soon as possible thereafter. Klarite will develop an Environmental Management process which will define Asset's consultation and negotiation basis with relevant persons and assess environmental impacts.

The Federal Government Future Gas Strategy ("FGS") and supporting documents were released by Minister for Resources Madeleine King on 9 May 2024. The FGS confirms that that gas will have a role to play in the transition to net zero by 2050 and beyond. The FGS states that exploration and development should focus on optimising discoveries and infrastructure in producing basins where gas will be proximal to where it is needed and will be lower cost than relying on LNG imports.

PEP-11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP-11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth).

Onshore Bonaparte Basin RL 1

Advent, through wholly owned subsidiary Onshore Energy Pty Ltd ("Onshore"), holds 100% of RL1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore. RL1 (166 square kilometres in area) covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

On 3 May 2024 BPH announced that Advent has been offered a renewal of Retention Licence 1 (RL1) by the Northern Territory Government for a five-year term which it has accepted.

The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy's conventional gas project RL1. The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

Advent has been evaluating the commercialization of RL1 and intends to convert the Retention Licence into a Production Licence. Onshore has commenced the regulatory processes to enable a re-entry to the Weaber-4 well and has prepared and submitted a Well Operations Management Plan (WOMP) and an Environmental Management Plan for the re-entry to Weaber-4.

Clean Hydrogen and Onshore have entered into a hydrocarbon process agreement ("Process Agreement"). Clean Hydrogen has capabilities at processing hydrocarbons from natural gas and producing two products, hydrogen (sometimes referred to as turquoise hydrogen) and carbon black and carbon nanotube products where such products are produced with no CO₂ emissions in the core process. Carbon black is composed of fine particles of carbon produced by pyrolysis of natural gas at high temperatures which in pure form is a fine black powder. It is widely used in various applications for tyres, black colouring pigment of newspaper inks, resin colouring, paints, and toners, antistatic films, fibres, and floppy disks and as an electric conductive agent of high-technology materials.

By the Process Agreement, Onshore and Clean Hydrogen propose to develop plans whereby Clean Hydrogen processes the hydrocarbons from Onshore's Rights and produces hydrogen and carbon black products ("Clean Hydrogen Products").

Clean Hydrogen is developing its "Commercial System" where it will satisfy scale and commercial objectives resulting in the development of income from sale of Clean Hydrogen Products. Clean Hydrogen's Commercial System means an end-to-end system which consumes and processes hydrocarbons, using Clean Hydrogen's

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own thermocatalytic reactor process and Clean Hydrogen's catalysts to produce hydrogen at commercial scale, enabling the sale of the Clean Hydrogen Products.

Under the material terms of the Process Agreement, Onshore will review the Commercial System once ready, conditional on the following.

- i. Clean Hydrogen will keep Onshore informed of progress and timing for completion of the Commercial System.
- ii. Clean Hydrogen will share details on design and capabilities to assist Onshore in understanding how its systems will integrate with Onshore's supply of hydrocarbons.
- iii. The parties will work together to develop a plan to include timelines and needs for production of Clean Hydrogen Products from Onshore's hydrocarbons.
- iv. Once Onshore has a clear date for hydrocarbon production, both parties will endeavour to finalise the planning to produce Clean Hydrogen Products.
- v. When Clean Hydrogen and Onshore have agreed to a time for the production of Clean Hydrogen Products, Clean Hydrogen will be responsible for due diligence relating to the compliance with the local regulatory requirements for the operation of the systems to produce the Clean Hydrogen Products.

The Process Agreement is non-binding and binding material contractual terms have yet to be agreed.

Clean Hydrogen will make itself available to answer all technical and business model queries as required and provide a dedicated point of contact to manage all Onshore's queries. Onshore will use best endeavours to develop the plan with Clean Hydrogen. Onshore will provide Clean Hydrogen with detail on its Rights and the timing to assist with planning. As part of the plan Onshore and Clean Hydrogen shall define and agree on the markets for the sale of the Clean Hydrogen Products.

Onshore accepts no liability for the design and operation of the systems to produce the Clean Hydrogen Products. The Process Agreement does not preclude Onshore's right to look at other plans for use of hydrocarbons associated with its Rights.

EP 386

Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore followed. Onshore lodged an appeal against this decision with the State Administrative Tribunal (SAT). The SAT determined that it did not have the coverage to hear the appeal and the decision allowed for the matter to be determined through a Supreme Court of WA action.

Cortical Dynamics Ltd ("Cortical"), GBA 5.1%

Investee Cortical Dynamics Limited is an Australian based medical device neurotechnology company that is developing BARM™, an industry leading EEG (electrical activity) brain function monitor. BARM™ is being developed to better detect the effect of anaesthetic agents on brain activity under a general operation, aiding anaesthetists in keeping patients optimally anaesthetised, and complemented by CORDYAN™ (Cortical Dynamics Analytics), a proprietary deep learning system/App focusing on anaesthesiology.

The Australian manufactured and designed, electroencephalographically based (EEG-based), BARM™ system is configured to efficiently image and display complex information related to the clinically relevant state of the brain. When commercialized the BARM™ system will be offered on a stand-alone basis or integrated into leading brand operating room monitors as "plug and play" option.

In September 2023 Cortical secured FDA 510(k) clearance in the USA for its flagship technology, the Brain Anaesthesia Response Monitor or BARM™ system version 1. The Food and Drug Administration ("FDA") is the federal agency of the United States Department of Health and Human Services which regulates the sale

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of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM™ to commence in the USA.

The clearance is a result of two years' work post submission with the US Food and Drug Administration (FDA) in 2021, Cortical being ably assisted by MCRA, a leading Washington based medical global full-service medical device, diagnostics, and biologics CRO and consulting advisory firm. The 510(k) clearance for BARM™ version 1 in the USA is complemented by existing regulatory approvals in Australia (TGA), Europe (CE) and South Korea (KMFDS).

The BARM™ Pec "plug and play" version 1 was approved compatible by Philips with its IntelliView operating room monitors earlier this year. Cortical is working on an enhanced version of BARM™ with its partner AIT (the Austrian Institute of Technology) based in Vienna which will include upgrades to the software, hardware and firmware.

GBA and Cortical Director, Mr David Breeze stated that "the 510 (k) clearance by the FDA is a major milestone in the development of the Company which lays the foundation for the commercialisation of the BARM™ system in the USA".

Additionally, building on the technical and regulatory developments in the Company, Cortical has appointed Dr Sunil Nagaraj PhD as its new Chief Scientist. Dr. Sunil Belur Nagaraj obtained his Master's Degree from the University of Victoria in Canada in 2010 and Doctoral Degree from University College Cork, Ireland in 2015. His doctoral research centered around the development of AI-based real-time brain monitoring, utilising EEG recordings to monitor brain activity.

After a role as a postdoctoral fellow at the Harvard Medical School/Massachusetts General Hospital in the USA. Dr Nagaraj assumed the position of an Assistant Professor of medicine at the University Medical Centre Groningen in The Netherlands for two years. Concurrently, he dedicated three years to working as a scientist at Royal Philips, where he specialised in sleep disorders at the Innovation Forum, highlighting its potential to provide future insights into heart-brain connectivity. Throughout his career, Dr. Nagaraj has demonstrated exceptional research acumen, with a patent and 21 high-impact journal articles to his name, amassing over 650 pioneering research papers and has been recognised through several national and international grants, enabling him to conduct cutting-edge studies that contribute significantly to the advancement of medical technology.

Cautionary Statement

Prospective Resources are the term given to the estimated hydrocarbon volumes (petroleum) that may potentially be produced in the event that they are discovered by the drilling of an exploration well. Prospective Resources may potentially be recovered by the application of a future development project and may relate to undiscovered resource accumulations. These estimates have both an associated risk of discovery and an inherent risk of development. Further exploration and appraisal drilling will be required to determine the existence of a commercially recoverable quantity of petroleum (oil and/or gas).

There are numerous uncertainties inherent in estimating reserves and resources, as well as in projecting future development capital expenditure, production costs and cash flows. Geoscientific resource assessment must be recognised as a subjective process of estimating subsurface accumulations that cannot be measured exactly.

Grandbridge is an investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent Grandbridge's investees' equity share unless stated. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed.

Directors' Report

Grandbridge Limited and its controlled entities

The directors of Grandbridge Limited ("Grandbridge" or "the Company") present their report on the company and its controlled entities ("consolidated entity") for the financial year ended 30 June 2024.

Directors

The names of directors in office at any time during or since the end of the year are:

D L Breeze
C Maling
M Peterson

Company Secretary

Mr David Breeze was appointed Company Secretary on 23 November 2016. He has over twenty years' experience in the management of listed entities.

Principal Activities

The principal activity of the consolidated entity during the financial year was the development of the company's investments in investees Advent Energy Ltd ("Advent"), Cortical Dynamics Limited ("Cortical"), and BPH Energy Limited ("BPH").

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

Operating Results

The consolidated entity has reported a net loss after tax for the year ended 30 June 2024 of \$58,852 (2023: profit of \$592,573), which is stated after (i) a fair value loss of \$21,094 (2023: gain of \$795,394) on investments; (ii) administration expenses of \$230,665 (2023: \$227,053) (iii) derecognition of liabilities of \$204,414 (2023: \$Nil).

The consolidated entity has a working capital deficit of \$1,200,795 at 30 June 2024 (2023: deficit of \$1,177,040).

Dividends

The directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period (2023: \$Nil).

Review of Operations

A Review of operations is set out on pages 1 to 6 and forms part of this Directors' Report.

Financial Position

The net assets of the consolidated entity have decreased by \$58,852 to \$1,507,780 at 30 June 2024 as explained in the "Operating Results" section above.

Non-audit Services

No fees for non-audit services were paid or payable to the external auditors during the year ended 30 June 2024 (2023: \$Nil).

Future Developments

The consolidated entity will continue to develop and expand the business of investing in private enterprises and listed equity markets. The Company proposes to seek a listing on the NSX (National Stock Exchange).

Directors' Report

Grandbridge Limited and its controlled entities

Information on Directors

D L Breeze (appointed 24 December 1999)

Managing Director, Executive Chairman and Company Secretary – Age 71

Shares held – 10,023,502

Options held – Nil

David Breeze is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry. David has a Bachelor of Economics and a Masters of Business Administration, and is a Fellow of the Financial Services Institute of Australasia, and a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act. He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of \$250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

In the past three years David has also held the following listed company directorships:

BPH Energy Limited (from February 2001 to present)

MEC Resources Limited (from April 2005 to present)

David is also a director of unlisted Cortical Dynamics Limited, Molecular Discovery Systems Limited, Diagnostic Array Systems Limited, and Advent Energy Limited and its subsidiaries.

C Maling (appointed 26 November 2016)

Non-Executive Director – Age 70

Shares held – 12,250

Options held – Nil

Charles Maling was formerly the Communications Officer for the Office of the Western Australian State Government Environmental Protection Authority with a responsibility for advising the Chairman of the EPA on media issues. He has a Bachelor of Sociology and Anthropology with a Media minor. Charles worked with the Western Australian State Government Department of the Environment for 14 years and further 8 years for the EPA. His administrative roles included environmental research (including a major study on Perth Metropolitan coastal waters and Western Australian estuaries) environmental regulation and enforcement and media management.

In the past three years Charles has held the following listed company directorships:

BPH Energy Limited (October 2017 to present)

Charles is also a director of unlisted Molecular Discovery Systems Limited.

M Peterson (appointed 26 November 2016)

Non-Executive Director – Age 68

Shares held – 3,000

Unlisted Options held – 500,000

Maureen Peterson is a finance manager. She worked with Westpac Bank for 14 years in administrative and supervisory roles in the computer centre. For the last 20 years she has worked in finance roles in credit management including with Sealanes, Volvo Australia, Activ Foundation, Royal Perth Hospital, Marketforce Advertising and Brownes Dairy.

In the past three years Maureen has not held any listed company directorships.

Meetings of Directors

There were no board meetings during the year. The board consults by phone on operational matters.

Directors' Report

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Indemnifying Officers or Auditors

During or since the end of the financial year the company has not given an indemnity or entered an agreement to indemnify, The Company has not indemnified the auditor of the company.

Subsequent Events

On 18 September 2024 the Company announced for the PEP11 Joint Venture that the Hon Ed Husic MP, Minister for Industry and Science ("Minister"), has advised that he has carefully considered the PEP-11 Exploration Permit applications by investee Advent under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, and formed a preliminary view that the applications should be refused. Advent had the right to address the Minister's concerns before a final decision is made, and provided appropriate responses to the Minister by 15 November 2024.

There are no other matters or circumstances that have arisen since the end of the financial year other than outlined elsewhere in this financial report 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.

Proceedings on Behalf of 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. The company was not a party to any such proceedings during the year.

Environmental Issues

The consolidated entity's operations are not subject to significant environmental regulation under Commonwealth and State law.

Significant Changes in State Of Affairs

There were no other significant changes in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Options

At the date of this report, the unissued ordinary shares of Grandbridge Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option	Fair Value at Grant Date	Vesting Date
30/11/2019	30/11/2024	\$0.04	500,000	\$0.001	30/11/2019

During the current and prior years no ordinary shares of the Company were issued on the exercise of options. No options or shares have been issued since year end. No amounts are unpaid on any of the ordinary shares. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 is set out on page 10.

This directors' report is signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.



David Breeze
Director, 27 November 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Grandbridge Limited for the year ended 30 June 2024, 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
27 November 2024

D B Healy
Partner

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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	2024	2023
		\$	\$
Revenue from ordinary activities	2	377,280	377,280
Interest income		750	50
Fair value (loss) / gain		(21,094)	795,394
Impairment reversal		3,441	-
Administration expenses		(230,665)	(227,053)
Consulting and legal expenses		(119,546)	(109,496)
Depreciation		(9,967)	-
Finance expense		(1,019)	(1,048)
Employee expenses	3	(181,036)	(171,297)
Derecognition of liability	3	204,414	-
Share of associates loss	11	(58,272)	(42,703)
Insurance expenses		(692)	(1,748)
Occupancy expenses		(22,446)	(18,453)
Other expenses from ordinary activities		-	(8,353)
(Loss) / profit before income tax		(58,852)	592,573
Income tax expense	4	-	-
(Loss) / profit from continuing operations		(58,852)	592,573
<i>Other comprehensive income</i>			
Other comprehensive income (net of tax)		-	-
Total comprehensive (loss) / profit attributable to members of the Company		(58,852)	592,573

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Financial Position

as at 30 June 2024

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	2024	2023
		\$	\$
Current Assets			
Cash and cash equivalents	7	1,002	22,080
Trade and other receivables	8	-	22,000
Financial assets	9	117,997	139,091
Total Current Assets		118,999	183,171
Non-Current Assets			
Financial assets	9	2,021,640	2,021,640
Right of use asset	10	53,460	-
Investments in associates	11	705,412	763,684
Property, plant and equipment	12	1,280	1,920
Total Non-Current Assets		2,781,792	2,787,244
Total Assets		2,900,791	2,970,415
Current Liabilities			
Trade and other payables	13	1,162,568	1,240,781
Lease liabilities	14	26,011	-
Borrowings	15	-	1,972
Provisions	16	131,175	117,458
Total Current Liabilities		1,319,754	1,360,211
Non-Current Liabilities			
Lease liabilities	14	27,897	-
Provisions	16	45,360	43,572
Total Non-Current Liabilities		73,257	43,572
Total Liabilities		1,393,011	1,403,783
Net Assets		1,507,780	1,566,632
Equity			
Issued capital	17	3,609,420	3,609,420
Reserves	18	326,300	326,300
Accumulated losses		(2,427,940)	(2,369,088)
Total Equity		1,507,780	1,566,632

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

	Issued Capital \$	Accumulated losses \$	Option Reserve \$	Total \$
Balance at 30 June 2022	3,609,420	(2,961,661)	326,300	974,059
Net profit for the year	-	592,573	-	592,573
Other comprehensive income net of income tax	-	-	-	-
Total comprehensive profit for the year	-	592,573	-	592,573
Balance at 30 June 2023	3,609,420	(2,369,088)	326,300	1,566,632
Net loss for the year	-	(58,852)	-	(58,852)
Other comprehensive income net of income tax	-	-	-	-
Total comprehensive loss for the year	-	(58,852)	-	(58,852)
Balance at 30 June 2024	3,609,420	(2,427,940)	326,300	1,507,780

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Cash Flows

for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	2024 \$	2023 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		437,008	393,008
Payments to suppliers and employees		(451,422)	(446,470)
Interest income		750	50
Interest paid		(2)	(1,048)
Net cash (used in) operating activities	20(a)	(13,666)	(54,460)
<i>Cash flows from financing activities</i>			
Payments for property, plant and equipment	12	-	(1,920)
Repayment of loans to related party	20(b)	(1,972)	
Repayment of loans by related party		3,439	16,551
Repayment of lease liabilities	20(b)	(8,879)	-
Net cash (used in) / from investing activities		(7,412)	14,631
Net (decrease) in cash and cash equivalents		(21,078)	(39,829)
Cash and cash equivalents at the beginning of the financial year		22,080	61,909
Cash and cash equivalents at the end of the financial year		1,002	22,080

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies

Corporate Information

The financial report includes the consolidated financial statements and the notes to the financial statements of Grandbridge Limited and its controlled entities ('consolidated entity' or 'group'), and the Consolidated Entity Disclosure Statement. Grandbridge Limited is a company incorporated and domiciled in Australia. The financial report was authorised for issue on 27 November 2024 by the board of directors.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, and the Corporations Act 2001. Grandbridge Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where stated below.

Compliance with IFRS

The consolidated financial statements of Grandbridge also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Financial Position and Going Concern

The consolidated entity has reported a net loss after tax for the year ended 30 June 2024 of \$58,852 (2023: profit of \$592,573), which is stated after (i) a fair value loss of \$21,094 (2023: gain of \$795,394) on investments; (ii) administration expenses of \$230,665 (2023: \$227,053) (iii) derecognition of liabilities of \$204,414 (2023: \$Nil).

The consolidated entity has a working capital deficit of \$1,200,795 at 30 June 2024 (2023: deficit of \$1,177,040).

Included in trade creditors and payables are balances totalling \$1,104,558 (2023: \$974,558) payable to current directors. The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors as a part of their cash monitoring, have voluntarily suspended cash payments for their directors' fees to conserve cash resources until such time that the consolidated entity has sufficient cash resources.

The consolidated entity has investments in listed entities totalling \$117,997 (2023: \$139,091) (Note 10(c)) which are classified as current assets in the statement of financial position. Over 64% of these assets are considered to be liquid and if required, can be sold to obtain cash reserves for the consolidated entity.

The directors have prepared cash flow forecasts that indicate that the consolidated entity will have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts, directors' voluntarily suspending cash payments for their fees and the value of the listed investments, the directors are satisfied that the going concern basis of preparation is appropriate. Related entity BPH Energy Limited has confirmed that it will, if required, provide short term funding of up to \$100,000 over the following 12 months.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

Financial Position and Going Concern (continued)

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the consolidated entity not be successful in raising additional funds through the issue of new equity, borrowings or sale of investments, should the need arise, there exists a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Accounting Policies

(a) Principles of Consolidation

(i) Subsidiaries

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

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The acquisition method of accounting is used to account for business combinations by the group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds from 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(a) Principles of Consolidation (continued)

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

(iv) Changes in ownership interests

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(b) Share based payments

Share based compensation benefits are provided to employees via the company's Employee Option plan. The fair value of options granted under the Company's Employee Option Plan is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit and loss except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly outside profit and loss.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Grandbridge Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Grandbridge Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group notified the Australian Taxation Office on 30 June 2006 that it had formed an income tax consolidated group to apply from 30 June 2006. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(e) 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 which are unpaid. The amounts are unsecured and are usually paid within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(f) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 profit and loss income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computers	33 %
Office Furniture	15 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to statement of financial position. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using the government bond rate.

Past service costs are recognised immediately in profit or loss.

(h) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(i) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

At 30 June 2024 the group's financial assets categories are either held at amortised cost or fair value through profit or loss (FVPL).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(i) Financial Instruments (continued)

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and trade receivables. The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(i) Financial Instruments (continued)

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(j) Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Revenue from the rendering of a service is recognised upon the delivery of the service to clients.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Leases

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.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(k) Leases (continued)

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.

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 group 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.

(l) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Investment in Advent

Advent has been treated as an associate from 6 August 2019 despite the Company having a shareholding of less than 20%, refer to Note 11.

Investment in Molecular Discovery Systems

The investment in Molecular Discovery Systems Limited is carried at fair value, refer to Note 9.

Investment in Cortical Dynamics Limited ("Cortical")

The investment in Cortical is carried at fair value, refer to Note 9.

Investment in MEC Resources Limited ("MEC")

The investment in MEC is carried at fair value, refer to Note 9.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

1. Statement of Material Accounting Policies (continued)

(m) Application of New and Revised Accounting Standards

Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2023. The changes that impact the Company are as follows:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates / AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-2 amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates.

In particular, it amends AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies and provides the following factors to assist an entity in determining if the accounting policy information is material:

- a) Changes in accounting policy
- b) Documentation of choice in the accounting standards
- c) An accounting policy developed in the absence of an explicit accounting standard requirement
- d) Significant judgement or estimation
- e) Complex transaction and accounting policy need to explain treatment.

AASB 2021-6 makes consequential amendments to a number of Australian-specific standards.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules / AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

Amendments have been made to AASB 112 *Income Taxes* by introducing a mandatory exception from accounting for deferred taxes arising from the OECD's Pillar Two Model Rules and adding new disclosure requirements for both full and simplified disclosure financial statements.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

2. Revenue and Other Income

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue</i>		
Management fees and administration recharges	377,280	377,280
	<u>377,280</u>	<u>377,280</u>

3. Expenses Included in the Profit for the Year

Employee expenses

Salary	152,100	152,100
Superannuation	13,431	12,821
Other payroll expenses	15,505	6,376
	<u>181,036</u>	<u>171,297</u>

Derecognition of liabilities

Ex-director fees written back	204,414	-
	<u>204,414</u>	<u>-</u>

The current period derecognition relates to accrued fees no longer payable

4. Income Tax Expense

- a) The prima facie tax on (loss) / profit from ordinary activities before income tax is reconciled to the income tax as follows:

Accounting (loss) / profit before tax	(58,852)	592,573
Prima facie tax (benefit) / expense on (loss) / profit from ordinary activities before income tax at 25% (2023: 25%)	(14,713)	148,143
Non-deductible expenses	14,568	10,676
Unrealised fair value loss / (gain)	5,273	(198,849)
Utilisation of tax losses	-	40,030
Unrecognised deferred tax asset	(5,128)	-
Income tax expense recognised	<u>-</u>	<u>-</u>

- c) Unused tax losses for which no deferred tax asset has been recognised
Potential tax benefit at 25% (2023: 25%)

1,995,463	2,014,785
<u>498,866</u>	<u>503,696</u>

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

5. Key Management Personnel Compensation

Names and positions held of consolidated and parent entity key management personnel are set out below. They were in office for the whole financial year unless stated otherwise.

D L Breeze -	Executive Chairman, Managing Director and Company Secretary
C Maling -	Non-Executive Director
M Peterson -	Non-Executive Director

	Consolidated	
	2024 (\$)	2023 (\$)
Short term employee benefits	252,100	252,100
Post-employment benefits	13,431	12,821
	<u>265,531</u>	<u>264,921</u>

Included in trade creditors and payables is director fee and salary accruals of \$1,104,558 (30 June 2023: \$1,178,972) all of which relate to current directors:

	Amount Owing 30 June 2024 (\$)
David Breeze	722,312
Charles Maling	191,123
Maureen Petersen	191,123
Balance owing at 30 June 2024	<u>1,105,558</u>

6. Auditor's Remuneration

	Consolidated	
	2024 \$	2023 \$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial reports		
Auditors: HLB Mann Judd	21,405	18,624
	<u>21,405</u>	<u>18,624</u>

There were no non-audit services provided by the auditors during the period under review.

7. Cash and Cash Equivalents

Cash at bank and in hand	1,002	22,080
	<u>1,002</u>	<u>22,080</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 and cash equivalents	<u>1,002</u>	<u>22,080</u>
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8. Trade and other receivables

Current

Trade receivables	-	22,000
	<u>-</u>	<u>22,000</u>

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

	Consolidated	
	2024 \$	2023 \$
9. Financial Assets		
<i>Current</i>		
Investments in listed entities (c)	117,997	139,091
	<u>117,997</u>	<u>139,091</u>
<i>Non-current</i>		
Security deposit (a)	20,000	20,000
Investments in unlisted entities (d)	2,001,640	2,001,640
	<u>2,021,640</u>	<u>2,021,640</u>
(a) The security deposit is for a performance bond provided by the Company's bank to the Australian Securities and Investments Commission.		
(b) Loans receivable -		
Unsecured loans	331,174	335,617
Provisions against loans	(331,174)	(335,617)
	<u>-</u>	<u>-</u>
(c) Financial assets carried at fair value through profit and loss (listed investments) -		
BPH Energy Limited (Level 1)	75,608	91,702
MEC Resources Limited (Level 3) (iii)	38,989	38,989
Strategic Elements Limited (Level 1)	3,400	8,400
Total	<u>117,997</u>	<u>139,091</u>
(d) Financial assets carried at fair value through profit and loss (unlisted investments)		
<i>Non-Current</i>		
Molecular Discovery Systems Limited (Level 3) (i)	-	-
Cortical Dynamics Limited (Level 2) (ii)	2,001,640	2,001,640
Total	<u>2,001,640</u>	<u>2,001,640</u>

- (i) The investment in MDS has been determined to have a fair value of \$Nil at 30 June 2024 and 30 June 2023.
- (ii) The investment in Cortical has been valued at the most recent share price issue at balance date of 20 cents per share.
- (iii) MEC Resources is currently suspended from ASX. The investment has been determined to have a fair value of \$0.004, its last trading price, supported by the carrying value of its investment in associate Advent Energy Limited. MEC announced to ASX on 11 July 2024 that it continues to liaise with ASX as it works towards the return of its shares to trading status. On 27 June 2024 MEC made a further formal submission to the ASX, following its previous submissions on 16 December 2020, 12 January 2022, and 13 September 2022. As part of the process of moving MEC toward being readmitted to trading status on the ASX, MEC advised it will shortly undertake a capital raising. Following completion of the capital raising MEC will have a minimum of \$2,000,000 in cash plus other assets to satisfy ASX Listing Rule 12.2 and 1.3.4. MEC confirms that it will also have a free float at the time of its reinstatement of not less than 20%. MEC is endeavouring the meet all ASX requirements for reinstatement by 31 October 2024. This will include finalisation and lodgement of a full form prospectus in relation to the capital raising.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

10. Right of Use Asset

	Consolidated	
	2024	2023
	\$	\$
Opening carrying amount	-	-
Additions	62,787	-
Depreciation expense	(9,327)	-
Closing carrying amount	53,460	-

11. Investments Accounted For Using Equity Method

	Consolidated	
	30 June 2024 (\$)	30 June 2023 (\$)
Advent Energy Limited (i)	705,412	763,684
	705,412	763,684

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Name of Entity	Country of Incorporation	Ownership Interest %	
		June 2024	June 2023
Advent Energy Limited (i)	Australia	8.8%	8.8%

	Advent Year Ended 30 June 2024 (\$)	Advent Year Ended 30 June 2023 (\$)
Revenue	15,046	15,919
(Loss) for the period	(661,213)	(480,442)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(661,213)	(480,442)

	Advent 30 June 2024 (\$)	Advent 30 June 2023 (\$)
Current assets	2,783,806	2,026,128
Non-current assets	17,809,506	16,822,221
Current liabilities	(3,205,543)	1,250,522
Non-current liabilities	(7,657,304)	7,206,039
Net assets	9,730,465	10,391,788

Share of the group's ownership interest in associate	705,412	763,684
Carrying value of the group's interest in associate	705,412	763,684

Opening balance	763,684	806,387
Share of associates loss net of impairment	(58,272)	(42,703)
Closing balance	705,412	763,684

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

11. Investments Accounted For Using Equity Method (continued)

The Company has a direct interest of 8.8% in Advent. Despite this shareholding being less than 20%, the existence of significant influence by the Company over Advent is evidenced by Mr David Breeze being the Managing Director of Grandbridge and Advent, the Company having access to Advent's operational and financial records, and a management services agreement between the companies. As a consequence Advent, despite Grandbridge owning less than 20% of Advent's ordinary shares, has been recognised as an associate of Grandbridge from 6 August 2019.

Director Mr David Breeze is also a director of BPH Energy Limited (ASX: BPH) and BPH's investee Advent Energy Limited (Advent). GBA has a direct interest of 0.3% in BPH and 8.8% in Advent.

In February 2023 the resolution of the Federal Court Proceedings (WAD106/2022) between Asset and the Respondents (being the Commonwealth Minister for Resources et al) was announced. The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority ("Joint Authority") to refuse Asset Energy's Application (as PEP-11 Joint Venture operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term. The presiding Judge Justice Jackson agreed with the consent position reached by the parties, quashed the decision and concluded that the decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably apprehended that the former Prime Minister of Australia, the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application. Advent has provided further information to the National Offshore Petroleum Titles Administrator (NOPTA) in response to requests for updated information subsequent to the decision in the Federal Court proceedings detailed above. Advent now has two continuing applications with NOPTA for suspension and extension of the PEP-11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of the NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019. On 17 October 2023, NOPTA made a recommendation to the Joint Authority with respect to both Applications. To date, neither the First Application nor Second Application have been determined by the Joint Authority according to law.

Asset Energy continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in 2024. Work continues progressing the permit commitment including well planning. A draft of the environmental plan has been received and is being reviewed.

On 18 September 2024 the Company announced for the PEP11 Joint Venture that the Hon Ed Husic MP, Minister for Industry and Science ("Minister"), has advised that he has carefully considered the PEP-11 Exploration Permit applications by investee Advent under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, and formed a preliminary view that the applications should be refused. Advent had the right to address the Minister's concerns before a final decision is made, and provided appropriate responses to the Minister by 15 November 2024.

The directors have confidence that a suitable outcome will be achieved however there is no certainty at this stage that the application will be successful and / or of further funding being made available. If Asset Energy loses its right of tenure in respect of PEP-11 then book value of capitalised exploration and evaluation expenditure of \$15.18 million will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income in Asset. In the meantime, PEP 11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP 11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivables and its investment in Advent in the ordinary course of business.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

	Consolidated	
	2024 \$	2023 \$
12. Property, Plant and Equipment		
At cost	6,654	6,654
Accumulated depreciation	(5,374)	(4,734)
Total property, plant and equipment	1,280	1,920
Cost at 1 July	6,654	4,734
Additions	-	1,920
Cost at 30 June	6,654	6,654
Accumulated depreciation at 1 July	4,734	4,734
Depreciation expense	640	-
Accumulated depreciation at 30 June	5,374	4,734

13. Trade and Other Payables		
Trade payables - unrelated	9,582	15,673
Trade payables - related	817	3,423
Sundry payables and accrued expenses	1,152,169	1,221,685
	1,162,568	1,240,781

Trade payables are non-interest bearing and usually paid within 30 days (2023: 30 days).

14. Lease liabilities

<i>Office Premises and Equipment</i>		
Current liabilities	26,011	-
	26,011	-
Non-current liabilities	27,897	-
	27,897	-
Opening balance	-	-
Additions	62,787	-
Principal repayments	(8,879)	-
Closing balance	53,908	-

The Company was not party to a rental lease agreement at 30 June 2023. A maturity analysis of future minimum lease payments is presented below:

2024	< 1 year (\$)	1-5 years (\$)	Total (\$)
Lease payments	27,973	28,648	56,621
Interest	(1,962)	(751)	(2,713)
Net present value	26,011	27,897	53,908

Total cash outflow relating to leases for the period ended 30 June 2024 was \$9,896 (2023: \$Nil) of which \$8,879 (2023: \$Nil) related to principal payments, and \$1,017 (2023: \$Nil) related to interest.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

		Consolidated	
		2024 (\$)	2023 (\$)
15.	Borrowings		
	<i>Current</i>		
	Related party borrowings	-	1,972
		-	1,972
16.	Provisions		
	Current	131,175	117,458
	Non-Current	45,360	43,572
		176,535	161,030
	<i>Employee entitlements:</i>		
	Balance at 1 July	161,030	154,655
	Increase in provisions	15,505	6,375
	Balance at 30 June	176,535	161,030
17.	Issued Capital		
	30,633,364 (2023: 30,633,364) fully paid ordinary shares	\$3,609,420	\$3,609,420
	The company does not have an authorized share capital and the shares issued have no par value.		
	<i>Ordinary Shares:</i>	2024	2023
		Number	Number
	At the beginning of reporting period	30,633,364	30,633,364
	At the end of reporting period	30,633,364	30,633,364

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

17. Issued Capital (continued)

a. Options

The following options were on issue at the end of the reporting period:

Total number	Exercise price	Expiry date
500,000	\$0.04	30 November 2024

The holders of options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

b. Capital risk management

The group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the group's capital risk management is:

- the current working capital position against the requirements of the group to meet corporate overheads;
- to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital positions at 30 June 2024 and 30 June 2023 are as follows:

	Consolidated	
	2024	2023
	\$	\$
Cash and cash equivalents	1,002	22,080
Trade and other receivables	-	22,000
Financial assets	117,997	139,091
Trade and other payables	(1,162,568)	(1,240,781)
Borrowings	-	(1,972)
Lease liabilities	(26,011)	-
Provisions	(131,175)	(117,458)
Working capital deficit	(1,200,755)	(1,177,040)

Please refer to Note 1 of the financial report for disclosure and details regarding the group's financial position.

18. Reserves

(a) Option Reserve

The option reserve records items recognized as expenses in respect of share options.

Opening balance	326,300	326,300
Closing balance	326,300	326,300

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

19. Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest %	
			2024	2023
Parent Entity				
Grandbridge Limited	Investment	Australia		
Subsidiaries of Grandbridge Limited				
Grandbridge Securities Pty Limited	Corporate Advisory	Australia	100	100
Grandbridge Equities Pty Limited	Dormant	Australia	100	100
E-Shares.com.au Pty Limited	Dormant	Australia	100	100

20. Cash Flow Reconciliation

	Consolidated	
	2024	2023
	\$	\$
(a) Reconciliation of cash flow from operations with (loss) / profit from ordinary activities after income tax:		
Operating (loss) / profit after income tax	(58,852)	592,573
<i>Non-cash items:</i>		
Depreciation	9,967	-
Fair value loss / (gain)	21,094	(795,394)
Derecognition of liability	(204,414)	-
Share of associates' loss	58,272	42,703
Impairment reversal	(3,441)	-
Debts written off	-	1,240
<i>Changes in net assets and liabilities:</i>		
Decrease / (increase) in trade and other receivables	22,000	(22,000)
Increase in provisions	15,505	6,376
Increase in trade payables and accruals	126,203	120,042
Net cash (used in) operating activities	(13,666)	(54,460)
(b) Changes in financial liabilities arising from financing activities:		
<i>Borrowings</i>		
Balance 1 July	1,972	-
Net cashflows from financing activities	(1,972)	-
Liability arising from share acquisition	-	1,972
Balance 30 June	-	1,972
<i>Lease liabilities</i>		
Balance 1 July	-	-
Recognition of liabilities on right of use assets	62,787	-
Net cashflows from financing activities	(8,879)	-
Balance 30 June	53,908	-

21. Financial Risk Management

a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, investments held for trading, accounts receivable and payable, and loans to and from related parties. The main purpose of non-derivative financial instruments is to raise finance for group operations policies.

i. Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk, equity price risk.

Interest rate risk

The group's financial assets that are affected by interest rate risk are the group's cash and cash equivalents and term deposits held. The group's financial liabilities are currently not exposed to interest rate risk as the group has no variable rate interest bearing financial liabilities.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Equity price risk

The group is exposed to equity price risks arising from equity investments. The performance of equity investments are reviewed biannually to market. The group holds diversified portfolio with investments in biotech and oil & gas exploration to manage this risk.

Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices for investments had been 5% higher / lower the net loss for the year ended 30 June 2024 would increase/decrease \$105,982 (2023: increase / decrease by \$107,037) as a result of the changes in fair value of financial assets at fair value through profit and loss.

The group's sensitivity to equity prices has not changed significantly from the prior year.

Foreign currency risk

The group is not exposed to any material risks in relation to fluctuations in foreign exchange rates.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

21. Financial Risk Management (continued)

b) Financial Instruments

i. Interest rate risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Average Interest Rate %	Fixed Interest Rate \$	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
2024					
Financial Assets					
Cash and cash equivalents	0.0%	-	1,002	-	1,002
Deposits	5.0%	20,000	-	-	20,000
Investments		-	-	2,119,637	2,119,637
Total Financial Assets		20,000	1,002	2,119,637	2,140,639
Financial Liabilities					
Trade and other payables		-	-	1,162,568	1,162,568
Lease liabilities	4.85%	53,908	-	-	53,908
Total financial liabilities		53,908	-	1,162,568	1,216,476
2023					
Financial Assets					
Cash and cash equivalents	0.0%	-	22,080	-	22,080
Trade and other receivables		-	-	22,000	22,000
Deposits	3.75%	20,000	-	-	20,000
Investments		-	-	2,140,731	2,140,731
Total Financial Assets		20,000	22,080	2,162,731	2,204,811
Financial Liabilities					
Trade and other payables		-	-	1,240,781	1,240,781
Borrowings		-	-	1,972	1,972
Total financial liabilities		-	-	1,242,753	1,242,753

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

21. Financial Risk Management (continued)

b) Financial Instruments (continued)

ii. Fair Values

The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market, the fair value has been based on valuation techniques incorporating non-market data.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2024		2023	
	Carrying Amount	Net fair value	Carrying Amount	Net fair value
Financial Assets				
Financial assets at fair value through profit or loss	2,119,637	2,119,637	2,140,731	2,140,731
Cash and cash equivalents	1,020	1,020	22,080	22,080
Trade and other receivables	-	-	22,000	22,000
Deposits	20,000	20,000	20,000	20,000
	<u>2,140,657</u>	<u>2,140,657</u>	<u>2,204,811</u>	<u>2,204,811</u>
Financial Liabilities				
Trade and other payables	1,162,568	1,162,568	1,240,781	1,240,781
Borrowings	-	-	1,972	1,972
Lease liabilities	53,908	53,908	-	-
	<u>1,216,476</u>	<u>1,216,476</u>	<u>1,242,753</u>	<u>1,242,753</u>

iii. Sensitivity Analysis

Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2024 and 30 June 2023, the effect on consolidated profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2024	2023
	\$	\$
Change in profit		
— Increase in interest rate by 1%	(329)	421
— Decrease in interest rate by 0.5%	170	(100)

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

21. Financial Risk Management (continued)

c) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- the fair value of the remaining financial instruments is determined with reference to similar instruments and valuation models using non-market inputs prepared by independent experts.

30 June 2024

	\$ Level 1	\$ Level 2	\$ Level 3	\$ Total
Financial assets at fair value through profit and loss				
- Investments in listed entities	79,008	-	38,989	117,997
Financial assets at fair value through profit and loss				
- Investments in unlisted entities	-	2,001,640	-	2,001,640
Total	79,008	2,001,640	38,989	2,119,637

30 June 2023

	\$ Level 1	\$ Level 2	\$ Level 3	\$ Total
Financial assets at fair value through profit and loss				
- Investments in listed entities	100,102	-	38,989	139,091
Financial assets at fair value through profit and loss				
- Investments in unlisted entities	-	2,001,640	-	2,001,640
Total	100,102	2,001,640	38,989	2,140,731

Reconciliation of fair value measurements of financial assets:

	2024			2023		
	Level 1 \$	Level 2 \$	Level 3 \$	Level 1 \$	Level 2 \$	Level 3 \$
Opening balance	100,102	2,001,640	38,989	53,350	1,251,025	38,989
Acquisitions	-	-	-	1,973	-	-
Total (loss) / gain through profit and loss	(21,094)	-	-	44,779	750,615	-
Closing balance	79,008	2,001,640	38,989	100,102	2,001,640	38,989

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

22. Operating Segments

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the managing director and his management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the industry in which the entity makes its investments or provides services. Discrete financial information about each of these operating segments is reported to the managing director and his management team on at least a monthly basis.

The group holds investments in two principal industries and these are biotechnology, and oil and gas exploration and development.

The group also provides consultancy and management services to a number of different entities and receives a monthly fee for these services.

Accounting policies and inter-segment transactions

The accounting policies used by the group in reporting segments are the same as those contained in Note 1 to the accounts and applied in the prior reporting period.

Segment Revenue and Results

The following is an analysis of the group's revenue and results from continuing operations by reportable segment:

	Segment Revenue		Segment Profit / Loss	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting Services	377,280	377,280	196,244	205,983
Investing	-	-	(79,366)	752,691
Unallocated	750	50	750	50
Total for continuing operations	<u>378,030</u>	<u>377,330</u>	<u>117,628</u>	<u>958,724</u>
Administration expenses			(230,665)	(227,053)
Depreciation and amortisation			(9,967)	-
Other			64,152	(139,098)
(Loss) / profit from continuing operations before tax			<u>(58,852)</u>	<u>592,573</u>

Revenue reported above represents revenue generated from external customers. There were no intersegment sales during the year (2023: \$Nil).

Segment Assets and Liabilities

	2024	2023
	\$	\$
Segment Assets		
Investing	2,845,049	2,924,415
Corporate	55,742	46,000
Total Assets	<u>2,900,791</u>	<u>2,970,415</u>
Segment Liabilities		
Corporate	1,393,011	1,403,783
Total Liabilities	<u>1,393,011</u>	<u>1,403,783</u>

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

23. Related Party Transactions

(a) Director related entities

- BPH and Advent have a common Managing Director, Mr David Breeze, and are related parties of the Company. During the period the Company charged BPH \$128,640 (2023: \$128,640) and Advent \$128,640 (2023: \$128,640) in administration, service and management fees.
- At balance date \$84,826 (2023: \$88,265) was receivable by Grandbridge from the BPH group, of which \$84,826 (2023: \$88,265) had been provided for. At balance date \$Nil (2023: \$5,395) was payable by Grandbridge to the BPH group.
- Cortical Dynamics Limited has a common Chairman, Mr David Breeze. During the period the Company charged Cortical \$120,000 (2023: \$120,000) in administration and service fees.
- Trandcorp has a related director, Mr David Breeze. The Company paid \$22,407 (2023: \$18,453) in office rent to Trandcorp during the reporting period. At balance date \$817 (2023: \$Nil) was payable by Grandbridge to Trandcorp.
- Molecular Discovery Systems Limited ("MDS") has a common director, Mr David Breeze, and is a related party of the Company. The Company had a receivable of \$247,350 from MEC at 30 June 2024 (2023: \$247,350) of which \$247,350 (2023: \$247,350) was provided for.

(b) Equity interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 19.

(c) Directors' remuneration

Details of directors' remuneration and retirement benefits are disclosed in the Directors' Report and Note 5.

(d) Controlling entity

The parent entity in the consolidated entity is Grandbridge Limited.

(e) Loans to and from subsidiaries

Loans from the parent entity to and from subsidiaries are non-interest bearing and repayable on demand. These loans are unsecured. As at reporting date, the net amount payable by the parent entity to its subsidiary, Grandbridge Securities Pty Ltd, was \$718,976 (2023: \$704,276).

24. Contingent Assets and Liabilities

The Company is not a party to any legal actions.

25. Commitments

There are no capital commitments in the consolidated entity at 30 June 2024 or 30 June 2023.

26. Subsequent Events

On 18 September 2024 the Company announced for the PEP11 Joint Venture that the Hon Ed Husic MP, Minister for Industry and Science ("Minister"), has advised that he has carefully considered the PEP-11 Exploration Permit applications by investee Advent under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, and formed a preliminary view that the applications should be refused. Advent had the right to address the Minister's concerns before a final decision is made, and provided appropriate responses to the Minister by 15 November 2024.

There are no other matters or circumstances that have arisen since the end of the financial year other than outlined elsewhere in this financial report 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.

Notes to the Financial Statements for the year ended 30 June 2024

Grandbridge Limited and its controlled entities

27. Share-Based Payments

The following share-based payment arrangements existed at 30 June 2024:

Number of shares Under Option	Grant Date	Date of Expiry	Exercise Price	Fair Value at Grant Date	Vesting Date
500,000	30/11/2019	30/11/2024	\$0.04	\$0.001	30/11/2019

All options granted to key management personnel are for ordinary shares in Grandbridge Limited, which confer a right of one ordinary share for every option held.

	2024		2023	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
1 July	500,000	\$0.04	1,000,000	\$0.045
Expired unexercised	-	-	(500,000)	(\$0.05)
Outstanding 30 June	500,000	\$0.04	500,000	\$0.04
Exercisable 30 June	500,000	\$0.04	500,000	\$0.04

No options were exercised during the current or prior periods. The fair value of equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted

28. Parent Entity Disclosures

Financial Position

	2024	2023
	\$	\$
Assets		
Current assets	118,763	161,472
Non-current assets	2,931,792	2,937,244
Total asset	3,050,555	3,098,716
Liabilities		
Current liabilities	1,316,907	1,357,211
Non-current liabilities	792,233	747,848
Total liabilities	2,109,140	2,105,059
Equity		
Issued capital	3,609,420	3,609,420
Accumulated losses	(2,994,305)	(2,942,063)
Option reserve	326,300	326,300
Total equity	941,415	993,657

Financial Performance

(Loss) / profit after income tax for the year	(52,242)	595,403
Movement in accumulated losses	(52,242)	595,403

Consolidated Entity Disclosure Statement as at 30 June 2024

Grandbridge Limited and its controlled entities

Name of Entity	Entity Type	Tax Residency	Country of Incorporation	Ownership Interest %
<i>Parent Entity</i>				
Grandbridge Limited	Body Corporate	Australia	Australia	-
<i>Subsidiaries of Grandbridge Limited</i>				
Grandbridge Securities Pty Limited	Body Corporate	Australia	Australia	100
Grandbridge Equities Pty Limited	Body Corporate	Australia	Australia	100
E-Shares.com.au Pty Limited	Body Corporate	Australia	Australia	100

Directors' Declaration

Grandbridge Limited and its controlled entities

The directors of the company declare that:

1. the financial statements, notes and disclosure statement as set out on pages 12 to 41, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001
 - (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated entity
 - (c) the Consolidated Entity Disclosure Statement is true and correct.
2. the Financial Statements and Notes comply with International Accounting Standards as disclosed in Note 1; and
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S295(5) of the Corporations Act 2001.



.....
David Breeze
Managing Director

Dated this 27 November 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Grandbridge Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT*Opinion*

We have audited the financial report of Grandbridge Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement 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 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 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.

Material uncertainty related to the carrying value of the investment in Advent Energy Limited

We draw attention to Note 11 in the financial report, which indicates that a material uncertainty exists in relation to the Group's ability to realise the carrying value of its investment in Advent Energy Limited and subsidiaries in the ordinary course of business. Our opinion is not modified in respect of this matter.

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Other Information

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 30 June 2024, 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:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 November 2024



D B Healy
Partner