1. Company details

Name of entity:	Environmental Clean Technologies Limited
ABN:	28 009 120 405
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

	2024 $	2023 $	Change $	Change %
Revenues from ordinary activities	19,621	36,610	(16,989)	(46%)
Loss from ordinary activities after tax attributable to the owners of Environmental Clean Technologies Limited	(3,714,043)	(4,416,859)	702,816	(16%)
Loss for the year attributable to the owners of Environmental Clean Technologies Limited	(3,714,043)	(4,416,859)	702,816	(16%)

	2024 Cents	2023 Cents
Basic loss per share	(0.185)	(0.277)
Diluted loss per share	(0.185)	(0.277)

Comments
The loss for the consolidated entity after providing for income tax amounted to $3,714,043 (30 June 2023: $4,416,859).

Refer to the 'Review of operations' within the directors' report for further commentary on the results.

3. Net tangible assets

	2024 Cents	2023 Cents
Net tangible assets per ordinary security	0.145	0.207

Net tangible assets excludes right-of-use lease assets and liabilities recognised pursuant to AASB 16 'Leases'.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited. The auditor's report contains an unqualified audit opinion with a paragraph addressing material uncertainty related to going concern.

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11. Attachments

Details of attachments (if any):

The Annual Report of Environmental Clean Technologies Limited for the year ended 30 June 2024 is attached.

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12. Signed

As authorised by the Board of Directors

Signed ___________________________ Date: 29 August 2024

Jason Marinko
Chairman
Perth

ANNUAL REPORT 2024

ACN 009 120 405 | ASX: ECT

Directors	Jason Marinko – Chairman, Non-Executive Director James Blackburn - Non-Executive Director Sam Rizzo – Executive Director
Company secretary	Kian Tan
Registered office	Suite 37, 209 Toorak Road South Yarra, VIC, 3141 Australia
Principal place of business	Suite 37, 209 Toorak Road South Yarra, VIC, 3141 Australia
Share register	Automic Registry Services Suite 5, Level 12, 530 Collins Street Melbourne VIC 3000 Phone 1300 288 664 (within Australia); +61 2 9698 5414 (outside Australia) www.automic.com.au
Auditor	William Buck Audit (Vic) Pty Ltd 20/181 William Street Melbourne, Victoria 3000
Bankers	National Australia Bank Limited 3/330 Collins Street Melbourne, VIC, 3000
Stock exchange listing	Environmental Clean Technologies Limited shares are listed on the Australian Securities Exchange (ASX code: ECT)
Website	www.ectltd.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Environmental Clean Technologies Limited in an ethical manner and in accordance with the highest standards of corporate governance. Environmental Clean Technologies Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Company's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, as well as the ASX Appendix 4G, are released to the ASX on the same date the Annual Report is released. The Corporate Governance Statement and Committee Charters can be found on the Company's website at http://www.ectltd.com.au/about-us/corporate-governance/

HIGHLIGHTS 2024

COLDry Commercialisation Project (Phase 1):

Drying System Development:

- Validated waste heat utilisation from the on-site data centre, confirming reliable low-temperature drying energy.
- Achieved efficiency gains in Conditioning System and Packed Bed Dryer testing, resulting in significant capital expenditure (CAPEX) and operating expenditure (OPEX) savings.

Techno-economic Analysis:

Completed techno-economic analysis, targeting 30,000 tpa of COLDry lignite-nitrogen fertiliser by Q4 CY2025.

Strategic Partnership:

Partnered with ESG Agriculture to develop and offtake COLDry lignite-nitrogen fertiliser, targeting initial production of 30,000 tpa, increasing to over 50,000 tpa.

EPA Approvals:

Application lodged for agricultural products (Phase 1), char, and syngas (Phase 2). Approval expected Q3 CY2024.

Planning Approvals:

Local Council Works Permit application submitted with approval expected Q3 CY2024.

Syngas Pilot Project (Phase 2):

Commenced planning for a biomass-blended lignite pyrolysis syngas pilot at Bacchus Marsh, focusing on net-zero and net-negative carbon products like methanol and hydrogen.

Organisational Restructure:

Conducted a comprehensive restructure, recruited high-calibre talent, and enhanced policies and processes.

Capital Management:

Raised $3.5 million through share placements, supported by existing and new investors.

Patent Portfolio Expansion:

Secured HydroMOR patents in Europe, Australia, Russia, and Canada, with additional patents pending, and developed a strategy for ongoing protection and new opportunities.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Financial Report of Environmental Clean Technologies Limited (ECT or the Company) for the year ended 30 June 2024.

This past year has been transformative for ECT, as we have made substantial progress in advancing our core COLDry technology towards commercialisation. We have also embraced a new strategic direction, targeting near-term revenue opportunities and value-added products that support the global energy transition and decarbonisation efforts across agriculture, industry and energy sectors.

Our flagship project, the COLDry Commercialisation Project at Bacchus Marsh, has achieved several key milestones. We successfully completed process trials and expanded the project scope to increase throughput capacity. As we move towards delivering our first commercial project, we are excited to produce our COLDry lignite-nitrogen fertiliser product in collaboration with ESG Agriculture.

Our vision is to become a leading producer and supplier of low-emission, net-zero and carbon-negative products for the agriculture, industry and energy sectors, leveraging our innovative and patented technologies. These technologies bridge the gap between today's use of low-grade and waste resources and tomorrow's zero-emissions future. They offer a unique value proposition for our customers and partners and significant environmental and social benefits for our communities.

To realise this vision, we have implemented a revised development strategy under our new Managing Director, Sam Rizzo, who joined us in August 2023. Sam brings a wealth of experience in delivering complex projects, renewable energy, and supporting infrastructure, as well as strong relationships with key stakeholders in the energy sector.

Our revised development strategy is based on four key pillars:

- **Race to revenue:** We have targeted revenue generation from the Bacchus Marsh Project by Q4 CY2025, by producing and selling COLDry lignite-nitrogen fertiliser. This will provide a stable income stream and demonstrate our technology's commercial viability and scalability.
- **Optimise capital efficiency:** We have optimised the design, cost, and performance of the COLDry Commercialisation Project by leveraging significant efficiency gains identified through our research and development activities, utilising waste heat sources, and forming strategic partnerships to reduce our capital and operating expenditures.
- **Maximise value creation:** We have expanded the scope and potential of the COLDry Commercialisation Project by increasing the throughput capacity, targeting a high-value agricultural product, and exploring new avenues for product development and market penetration.
- **Explore growth opportunities**: We have continued to explore and evaluate various domestic and international growth opportunities that align with our core competencies and strategic objectives. These include potential collaborations in the Latrobe Valley and other projects in the renewable energy, hydrogen, and iron and steel sectors.

To execute our development strategy, we have strengthened our organisational capabilities by conducting a comprehensive restructure, creating dedicated roles and responsibilities, and recruiting high-calibre talent to join our team.

Looking ahead, I am confident we have the right strategy, technology, team, and partners to deliver on our vision and create long-term value for our shareholders and stakeholders. We are excited about the prospects and opportunities as we continue to innovate and commercialise our technologies and contribute to the global energy transition and decarbonisation agenda.

I want to take this opportunity to thank our shareholders for their continued support and trust in our Company. I would also like to thank our Board, management, staff, and partners for their hard work and dedication to our Company. We are building a sustainable and profitable business that is well-positioned for future growth and success.

Yours sincerely,

Jason Marinko

Environmental Clean Technologies Limited
Managing Director's Letter
30 June 2024

Dear Fellow Shareholders,

I'm excited to share the progress we made in 2024 and our plans for the future.

Since stepping into the role last August, I've been impressed by ECT's potential in addressing the decarbonisation challenge. We've focused on developing low, net-zero, and negative-carbon products across the agriculture, industry, and energy sectors.

Our primary objective has been to commercialise the COLDry demonstration plant at Bacchus Marsh to generate revenue. Key strategies include:

- Maximising return on investment
- Negotiating supply and offtake agreements
- Building strategic partnerships
- Restructuring our organisation to support these initiatives

Although the COLDry demonstration plant was commissioned in December 2022, further work was needed to understand what was required to bring this facility to a commercial-ready state. We explored potential commercialisation paths, including:

1. Pyrolysis of a COLDry Lignite-Biomass blend to produce agricultural char, syngas, methanol, and hydrogen for the agriculture and energy markets
2. Production of a COLDry Lignite-Nitrogen fertiliser for the agriculture market

While we initially leaned toward pyrolysis, our discussions with ESG Agriculture highlighted a more immediate path with lower CAPEX requirements and greater short-term growth potential. As a result, we will upgrade the existing COLDry Demonstration Plant to deliver the project over the coming year.

Although proven, the lignite-nitrogen fertiliser concept has faced challenges due to the blending of divergent materials and the high costs and carbon emissions associated with conventional drying methods. The COLDry process overcomes these hurdles, offering a uniform mixture and addressing cost and carbon emission issues.

In April, we signed a memorandum of understanding with ESG Agriculture and launched a development and testing program, focusing on:

- Determining the optimal lignite-nitrogen product blend
- Assessing granulation process options to inform plant design
- Product analysis to confirm efficacy

We also advanced project planning, with EPA and local government permit applications submitted and approvals anticipated in Q3 CY25. Supply agreements are nearing completion, along with a new site lease agreement structured on a 10-year renewable term (10+10+10).

Our collaboration with ESG Agriculture led to a Heads of Agreement for a project to produce 30,000 tonnes of COLDry Lignite-nitrogen fertiliser annually. Construction of the plant is set to begin early next year, with initial sales targeted for Q4 CY2025. We aim to ramp up production to 50,000 tonnes annually while retaining R&D capabilities to develop further soil health products.

In the coming months, we plan to formalise our Joint Venture Agreement with ESG Agriculture, including financing plans. These will involve debt funding secured against existing assets, along with funding from ESG Agriculture and potential new investors.

While our primary focus remains on commercialising our COLDry technology, we are also exploring opportunities for our HydroMOR process. HydroMOR, our low-cost, low-emission iron-making process, integrates hydrogen production and offers a 35-65% lower CO2 profile than conventional methods. With the EU's Carbon Border Adjustment Mechanism (CBAM) set to tax steel imports with high emissions, HydroMOR is well-positioned to address these challenges.

Our techno-economic review of COLDry also confirmed the potential to produce hydrogen with negative carbon emissions at a fraction of the cost of green hydrogen, providing a viable alternative to expensive green hydrogen.

In summary, we are committed to commercialising our COLDry process through the joint venture with ESG Agriculture and advancing our technology suite across the agriculture, industry, and energy sectors.

Thank you for your continued support.

Sincerely,

Sam Rizzo
Managing Director

COLDry Commercialisation: Phase 1 Lignite-Nitrogen Fertiliser Project

Project Driver

The agricultural sector faces unprecedented challenges, contending with the rising costs of conventional fertilisers, declining sustainability, reduced soil carbon content, and the widespread effects of climate change, all in the context of a global population projected to increase by another 2 billion by 2050.

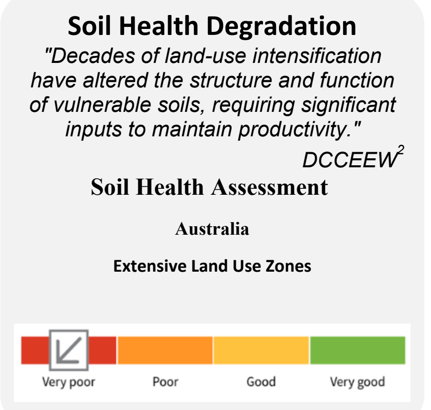
To address these issues, ECT has partnered with ESG Agriculture to provide alternative, cost-effective fertilisers that enrich soil and crops, reduce environmental impact, and restore soil carbon levels.

The Synthetic Fertiliser Challenge

Australia's nutrient-poor, heavily weathered soils face significant challenges due to over-reliance on fertilisers and extensive land clearing, leading to erosion, salinity, and acidity.

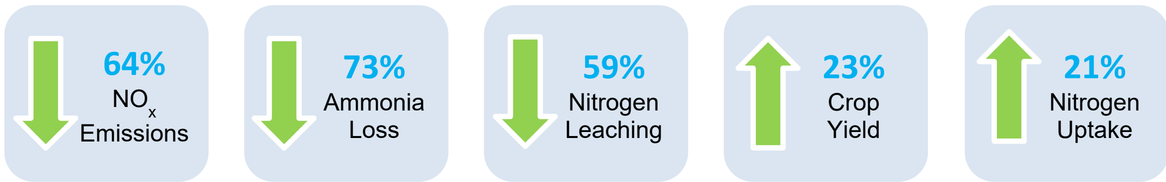
Conventional nitrogen fertiliser has several drawbacks:

- **Low nitrogen efficiency**: Only 30-50% of applied nitrogen is absorbed by plants; the rest is lost to the environment
- **Environmental Impact**:
  - Nitrogenous emissions have 300x the GHG potential of CO_2, contributing to climate change.
  - Fertiliser run-off causes algal blooms, depleting oxygen in water and harming aquatic life.
- **Economic Burden**:
  - Inefficient fertiliser use raises costs for farmers, requiring more fertiliser for desired yields.
  - Financial strain increases with fluctuating fertiliser prices.
- **Regulatory & Social Pressure:**
  - Stricter regulations to reduce environmental impact.
  - Growing consumer demand for sustainable farming practices.



Benefits of Lignite-Nitrogen Fertiliser

Blending nitrogen fertiliser with lignite is a proven concept with data confirming that combining lignite with nitrogen fertiliser delivers high efficacy, with additional benefits, including:



The Lignite-Nitrogen Fertiliser Manufacturing Challenge

To date, the commercial rollout of lignite-nitrogen fertiliser has faced two significant manufacturing challenges:

- **Blending** of materials with divergent properties—a challenge overcome by the COLDry process, which produces a uniform mixture.

- **Drying:** The high cost and carbon emissions associated with conventional high-temperature drying methods, which also reduce the effectiveness of nitrogen fertilisers and create hazardous by-products like biuret, which is toxic to plants.

The COLDry process addresses these blending, drying and cost challenges.

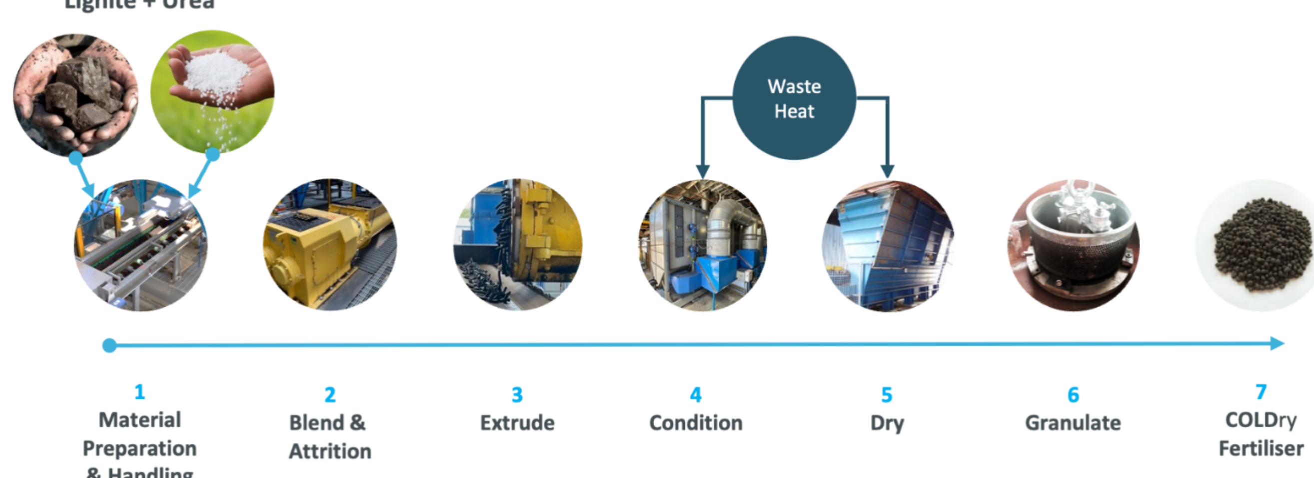
Product Analytical Results

ISO-accredited laboratory HRL Technology product analysis confirmed the successful blending of lignite and nitrogen with almost no nitrogen loss (<1%).

More Effective	Added Soil Carbon	Sulphur Bonus	Manufacturing Benefit
• 59% less N leaching • Slow release maximises Urea efficacy • Soil health improvements	• Enhanced water retention • Increased organic matter • Improves drought tolerance • Microbial activity enhancement	• Improved crop yield • Enhanced disease resistance • Improved nutrient use • Balances other nutrients	• Low temperature • Uniform blending • <1% loss of nitrogen during manufacturing

CHN, TOC	
Carbon, % (db)	43.0
Hydrogen, % (db)	3.8
Nitrogen, % (db)	23.9
Total Organic Carbon, % (db)	43.0
Forms of Sulphur	
Sulphate, mg/kg (db)	0.07
Pyritic Sulphur, mg/kg (db)	0.21
Organic Sulphur, mg/kg (db)	0.27
Inorganic Sulphur, mg/kg (db)	0.61

COLDry Lignite-Nitrogen Fertiliser Process



COLDry Commercialisation: Phase 2 – Biomass-Lignite Pyrolysis for Negative Emission Hydrogen Production

The Decarbonisation Challenge

The world is striving to decarbonise to mitigate the worst effects of climate change. Unfortunately, many sectors face significant challenges in reducing emissions due to technical limitations, high costs, and a lack of viable low-carbon alternatives.

- **Agriculture:** Emissions from agriculture, mainly methane and nitrous oxide, are hard to reduce due to the complexity of changing land use, livestock management, and the heavy reliance on synthetic fertiliser for crop production.
- **Steel Industry:** Steel production requires high temperatures and carbon-intensive processes, especially in coal-based blast furnaces. Alternatives are mostly limited to recycling.
- **Cement Industry:** The cement-making process emits substantial CO_2. Decarbonisation is difficult due to the need for high heat and the absence of scalable alternatives.
- **Chemical Industry:** Producing various chemical products is energy-intensive and emits significant CO_2. Scaling up electrification and carbon capture is still challenging.
- **Aviation:** Airplanes need energy-dense fuels, making the shift to lower-carbon options tough. Sustainable fuels and electric planes face technical and economic hurdles.
- **Shipping:** Long-distance shipping relies on high-energy fuels. Alternatives like LNG, hydrogen, and ammonia are in early development, with infrastructure still lacking.
- **Trucking and Heavy Transport:** Heavy-duty vehicles need high energy for long ranges, making electrification difficult due to current battery limits and charging infrastructure.
- **Construction:** This sector is energy-intensive and depends on carbon-heavy materials like steel and cement. Green building innovations are emerging but not yet widely adopted.
- **Energy:** Despite this being perceived as the easiest sector to decarbonise, fossil fuel consumption has increased 13% since 2010

Addressing emissions in these sectors requires technological innovation and significant economic, regulatory, and societal changes.

The Green Hydrogen Challenge – it's not a solution

The International Energy Agency (IEA) projects that low-emission hydrogen will replace the current ~90 million tonnes of fossil fuel-based hydrogen consumed annually and expand to nearly 400 million tonnes by 2050.

Green hydrogen, produced using renewable energy like wind and solar, is the preferred path for achieving this growth. It's a clean alternative to fossil fuels, emitting only water vapour when used, making it a potential solution for reducing emissions across industries. However, cost remains a significant challenge. According to the CSIRO's National Hydrogen Roadmap, green hydrogen cost $11 per kilogram in 2018. In contrast, though cheaper at $6.60 per kilogram, grid-based hydrogen still emits 34.3 kg of CO2 per kilogram of hydrogen due to the current energy mix.

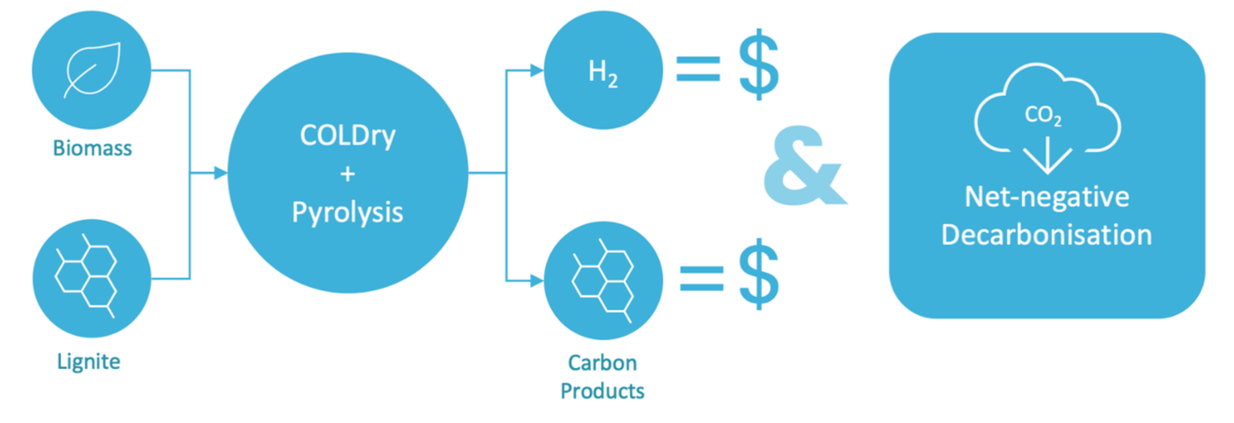
Despite its promise, green hydrogen isn't yet practical or affordable for widespread use, especially in hard-to-abate sectors like steelmaking, cement production, and heavy transport. Production requires vast amounts of renewable electricity, which isn't always available or cost-effective. Additionally, the infrastructure needed to store and transport hydrogen is complex and expensive, hindering large-scale adoption in the near term.

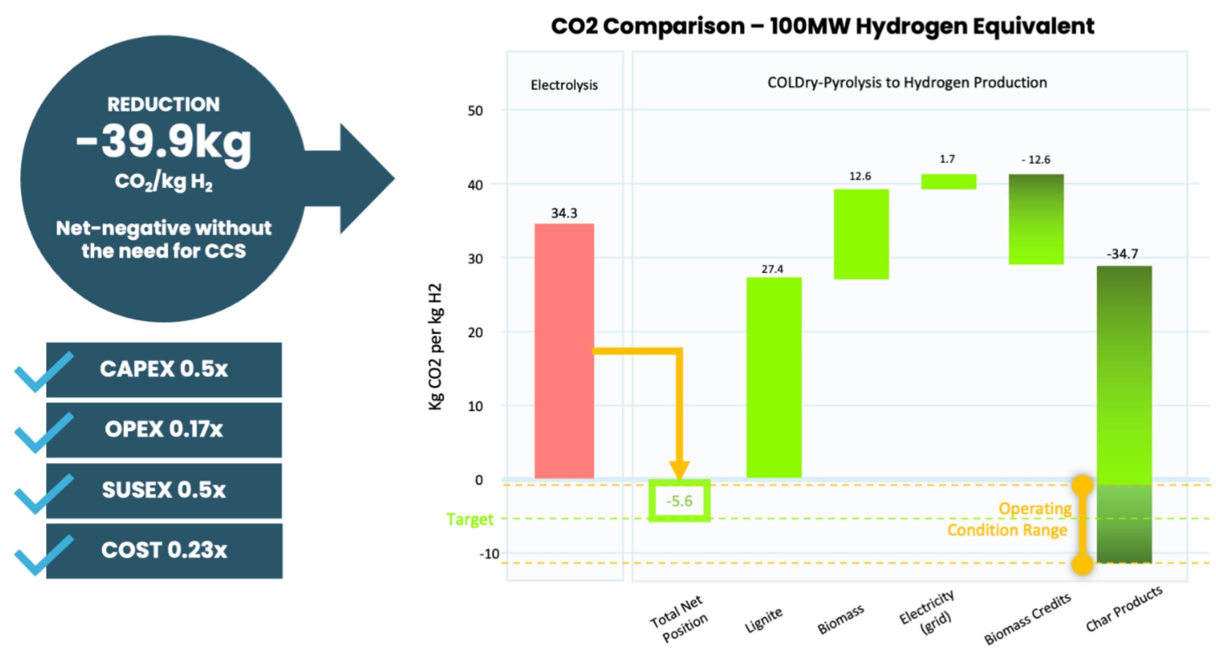
While green hydrogen holds great potential for the future, significant technological advancements and investments are needed before it becomes a practical, cost-effective solution for reducing emissions in the most challenging industries.

The COLDry-Pyrolysis Solution

We offer a low-cost hydrogen solution with negative CO2 emissions.

Phase 2 of the COLDry commercialisation project entails integration with a pyrolysis kiln and downstream separation of the resulting syngas to produce methanol, ammonia, DME or hydrogen.





HydroMOR: Delivering low-cost, low-emission iron and steel

The Iron & Steel Making Challenge

Decarbonising the iron and steel industry is a formidable challenge, given its reliance on high-temperature, carbon-intensive processes for both heat and chemistry.

Carbon Border Adjustment Mechanism (CBAM)

The European Union's Carbon Border Adjustment Mechanism (CBAM), to be introduced progressively from 2026, will tax steel imports with embedded emissions greater than 2 tonnes of CO2 per tonne of steel. This places countries like India at significant risk, as their steel production emits 2.6 tonnes of CO2 per tonne—12% higher than the global average and 25% higher than the average EU steel mill. HydroMOR positions us well to address these challenges.

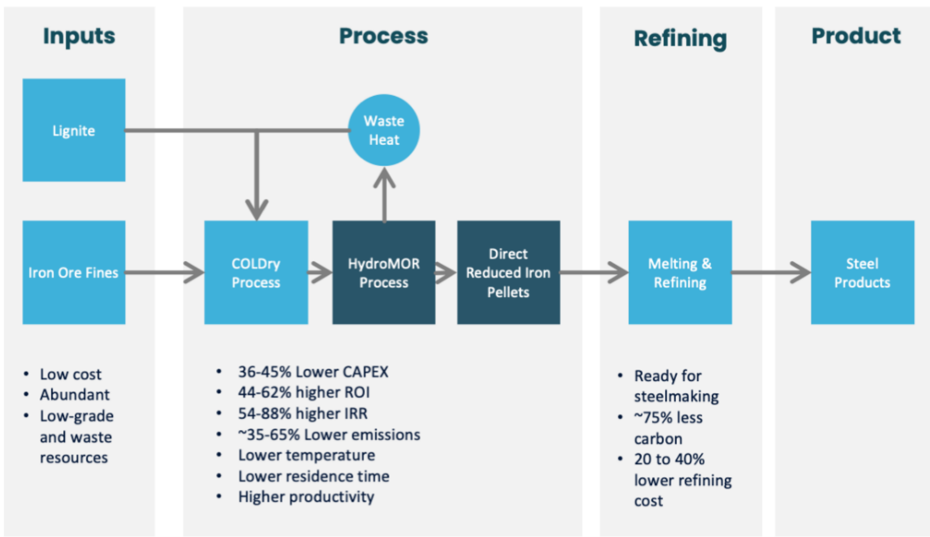
Is Green Steel a Viable Solution?

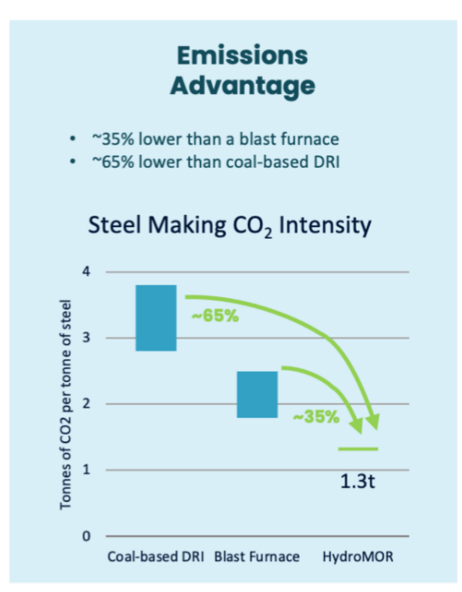
Green steel, which uses hydrogen instead of coal to make steel, is a zero-emission solution that could decarbonise steel-dependent industries. However, it is not yet viable or affordable, requiring expensive green hydrogen, adding a US$150t premium[1] to the steel cost.

The HydroMOR Solution

HydroMOR is a low-carbon alternative to conventional, CO2-intensive blast furnace steelmaking. It leverages cost-effective lignite instead of high-cost, high-emission coking coal. HydroMOR employs an innovative integrated hydrogen-based reduction pathway through a proprietary furnace design, which allows the use of low-grade and waste iron ore sources. This means it doesn't require externally produced hydrogen. Consequently, this results in a more cost-efficient production method and contributes to a production process with 35-65% lower emissions.

[1] Source: WoodMackenzie https://www.woodmac.com/news/opinion/green-steel-challenging-the-status-quo/


Inputs
Process
Refining
Product
Lignite
Waste Heat
Iron Ore Fines
COLDry Process
HydroMOR Process
Direct Reduced Iron Pellets
Melting & Refining
Steel Products
Low cost
Abundant
Low-grade and waste resources
36-45% Lower CAPEX
44-62% higher ROI
54-88% higher IRR
~35-65% Lower emissions
Lower temperature
Lower residence time
Higher productivity
Ready for steelmaking
~75% less carbon
20 to 40% lower refining cost


Emissions Advantage
~35% lower than a blast furnace
~65% lower than coal-based DRI
Steel Making CO_2 Intensity
Tonnes of CO2 per tonne of steel
4
3
2
1
0
~65%
~35%
1.3t
Coal-based DRI
Blast Furnace
HydroMOR

The directors present their report together with the financial statements of Environmental Clean Technologies Limited ('the Company' or 'parent entity') and its controlled entities (collectively 'the consolidated entity' or 'group') for the year ended 30 June 2024.

Directors

The following persons were members of the board of directors ('the Board') of Environmental Clean Technologies Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Jason Marinko – Chairman, Non-Executive Director
- James Blackburn - Non-Executive Director
- Sam Rizzo – Managing Director (appointed 15 August 2023)
- Tim Wise – Non-Executive Director (resigned 15 August 2023)
- Glenn Fozard – Chief Operating Officer (resigned as Managing Director and appointed Chief Operating Officer on 15 August 2023. Resigned as Chief Operating Officer giving 3 months' notice on 21 June 2024)

Principal activities

During the financial period, the principal continuing activities of the consolidated entity consisted of investment, research, development, and the commercialisation of technologies that bridge the gap between today's use of low-grade and waste resources and tomorrow's zero-emissions future with an emphasis on producing low-emission, net zero and carbon-negative products for the agriculture, industry and energy sectors. Such activities included:

- continuing to develop the COLDry Commercialisation Project at Bacchus Marsh (BM Project);
- developing commercial opportunities for the Company's commercial site at Yallourn; and
- managing the development of, and extracting value from, the consolidated entity's intellectual property.

COLDry Commercialisation Project (Bacchus Marsh)

The Project is divided into two Phases:

Phase 1: COLDry Commercial Demonstration

Stage 1: COLDry process demonstration
Stage 2: Commercial Application R&D Phase – COLDry Lignite-Nitrogen Fertiliser Product
Stage 3: Commercial Application Baseline – steady state production of up to 30,000 tonnes per annum
Stage 4: Commercial Application Optimisation & Expansion – refinement of capital and operational parameters and expansion up to 50,000 tonnes per annum

Stage 1: In December 2022, the team successfully completed the wet commissioning of the primary processing train and conducted end-user trials of the COLDry pellets produced.

Stage 2: During the reporting period, efforts concentrated on evaluating the upscaled COLDry plant, specifically targeting the effectiveness of the drying systems. Trials were conducted using a novel waste heat source derived from a data centre installed onsite by an external partner. These trials confirmed the suitability of this waste heat as a reliable low-temperature energy source for the COLDry process. Moving forward, construction and commissioning will continue in Stage 2, paving the way for Stage 3. By the start of Q4 CY2025, the goal is to reach a production rate of up to 30,000 tonnes per annum. Stage 4 will further increase this rate to 50,000 tonnes per annum.

Phase 2: COLDry Syngas Pilot Project

In this phase, the focus will be on assessing the quality, quantity, and consistency of syngas produced from the pyrolysis of biomass-blended lignite. The objective is to generate methanol, hydrogen, and other net-zero products that contribute to industry decarbonisation. Progression to Phase 2 is contingent upon the successful completion of Phase 1.

During the year the Company made the decision to write-off equipment that is no longer part of phase 1 or 2 above. The majority of the write-off related to a kiln that had no material recovery value.

Yallourn & Other Opportunities

Over the reporting period, ECT investigated opportunities for the Yallourn commercial site and other opportunities in the broader Latrobe Valley area.

COLDry Process

The COLDry process is a low-temperature, low-pressure, and, therefore, low-cost method of dewatering lignite to produce an upgraded product. The process has progressed from pilot-scale to demonstration-scale, allowing techno-economic validation ahead of the intended broader commercial roll-out.

The COLDry process produces stable, easily stored, and transportable pellets with equal or higher energy value than many black coals, and a chemical composition rich in hydrocarbons. When used in energy generation, COLDry pellets have a significantly lower CO_2 footprint when used in energy generation than the lignite from which they are made, providing a compelling emissions abatement solution.

The COLDry process also acts as a ‘gateway technology’, making it an ideal front-end feedstock that enables numerous higher-value upgrading applications such as coal to hydrogen, syngas, char, fertiliser, and iron production. When integrated with the HydroMOR process, the COLDry process provides an essential and cost-effective front-end drying and pelletising solution that enables the world's first and only lignite-based primary iron production method.

The COLDry process combines two mechanisms to achieve efficient, cost-effective de-watering: (i) lignite densification; and (ii) waste heat utilisation. Lignite densification is achieved through the destruction of the internal porous structures, mobilising the structurally trapped water within the lignite. Waste heat utilisation provides ‘free’ evaporative energy to remove the moisture, thereby minimising paid energy input, resulting in net energy uplift and net CO_2 reductions.

HydroMOR Process

HydroMOR is a cleaner, lower-emission, one-step process for producing high-grade primary iron. It uses low-cost lignite instead of expensive coking coal as used in the conventional blast furnace process.

HydroMOR derives further advantage from its unique raw material base, especially the hydrocarbon-rich lignite used as a reductant. The process derives its name from the use of hydrogen from the lignite to drive the reduction process used to produce metals from ore.

The HydroMOR process leverages a fundamentally different chemical pathway compared to the conventional blast furnace process, enabling the use of alternative raw materials and providing a lower-cost primary iron-making alternative.

HydroMOR creates a high-grade iron product from lignite and ferrous media such as iron ore, mill scale or other iron-bearing wastes or tailings. The process involves blending lignite with iron ore or other metal oxide-bearing media to form a paste that is dewatered using the COLDry process. The ‘composite’ pellets are then fed into the Company's simple low cost, low emission, patented retort (vertical shaft furnace) where the remaining moisture is removed, the lignite volatiles are harnessed, and the iron oxides are reduced to metal.

The HydroMOR process operates below 900 degrees Celsius, compared to a blast furnace at around 1500 degrees Celsius. Lower-temperature operation requires less energy input and results in less thermal stress on the plant, enabling lower-cost materials to be used in construction.

HydroMOR metal product is an ideal feedstock for producing specific grades and forms of iron and steel, via secondary processes such as electric arc, induction furnace or fully integrated steel making.

The benefits the Company sees in the application of the HydroMOR process include further reductions in capital cost due to its ability to achieve the required metal reduction at a lower temperature, operating savings in terms of raw material efficiency improvements, and decreased CO_2 intensity. With the capital cost savings being applied to carbon offsets, this brings closer the potential of carbon net-zero steel production.

The consolidated entity is currently devoting resources to identifying markets where the development of this technology is likely to have the greatest impact as soon as possible.

Intellectual property

The consolidated entity owns both the COLDry and HydroMOR intellectual property. Aspects of the COLDry process are covered by patents in markets with significant brown coal deposits.

In November 2017, the Company submitted a Patent Cooperation Treaty (PCT) application following an Australian provisional patent application in November 2016. This step advanced the intellectual property protection of the Company’s new HydroMOR technology platform. The PCT filing established a timeline for the subsequent national-level IP protection, allowing for individual patent submissions in targeted geographies.

Due to its intrinsic reliance on COLDry for feedstock preparation, HydroMOR benefits from additional protection under the existing COLDry patents. In markets where neither COLDry nor HydroMOR patents are established, the Company will implement alternative IP protection strategies.

During the reporting period, the Company secured patents for HydroMOR in Europe, Australia, and Russia, with patents pending in Poland, the USA, Canada, India, China, and Indonesia.

Equity Lending Facilities (ELF)

An ELF is an investment loan offered by ECT Finance Limited, a wholly-owned subsidiary of the Company, to approved holders of ECT's options to pay for the exercise of options. This loan allows these holders to convert their options into fully paid ordinary shares. ELFs can also be secured by the issue of new shares. Loans are for a term of 2-3 years and accrue interest. While the ELF borrower owns the shares and voting rights, they cannot trade the stock until the loan and interest are fully paid.

The borrower can repay the loan, in whole or in part, at any time during the term, without penalty. If the borrower does not pay the loan by the end of the term, the loan defaults. In such cases, ECT Finance Limited settles the loan by taking control of the shares used as security and returning them to ECTs balance sheet through a selective buyback or similar method. The loan is a limited recourse loan, meaning that the borrower's liability is limited to the security provided (ECT shares), and they are not responsible for any remaining unpaid loan amount at the end of the term.

During the year, ECTF continued to manage its portfolio of ELF loan receivables. Refer to 'Review of operations' (subparagraph (iv) below) for details of ELF movements.

Dividends

No dividends were paid, recommended or declared during the current or previous financial year.

Review of operations

The Company appointed Mr. Sam Rizzo as Managing Director and updated its development strategy to capitalise on near-term revenue opportunities while conducting feasibility studies on longer-term projects. The revised strategy for the COLDry Commercialisation Project comprises:

- Race to revenue target of Q4 CY2025;
- Phase 1: COLDry project scope expansion, targeting commercialisation of the COLDry demonstration plant, producing 30,000 to 50,000 tonnes of COLDry lignite-nitrogen fertiliser for sale;
    - Stage 1: COLDry process demonstration (completed December 2022)
    - Stage 2: Commercial Application R&D Phase - COLDry Lignite-Nitrogen Fertiliser Product (in progress)
    - Stage 3: Commercial Application Baseline - steady state production of up to 30,000 tonnes per annum (targeted for Q4 CY2025)
    - Stage 4: Commercial Application Optimisation & Expansion - refinement of capital and operational parameters and expansion up to 50,000 tonnes per annum
- Phase 2: Syngas Pilot Project scope development, to assess the quality, quantity and consistency of syngas derived from the pyrolysis of biomass-blended lignite to produce methanol, hydrogen, and other net-zero products, contributing to industry decarbonisation. Phase 2 advancement is subject to the successful completion of Phase 1.

The Company undertook an organisational restructure creating dedicated roles and responsibilities aligned with the revised development strategy based on achieving the most efficient path to project delivery and commercialisation.

The outcomes from this project will inform and drive the development of the Company’s large-scale project, which is proposed for deployment adjacent to the Yallourn lignite mine in Victoria’s Latrobe Valley on land owned by the Company.

The R&D objectives of the project include:

- The expansion of the current COLDry demonstration plant;
- Integration with waste energy application (e.g., the data centre) to provide drying energy for the COLDry process;
- Production of lignite-FOGO blends, to target specification;
- Production of solid fuel COLDry pellets, to target specification;
- Production of COLDry lignite-fertiliser blends, to target specification; and
- Production of char from solid fuel COLDry and COLDry-FOGO pellets, to target specification.

The loss for the consolidated entity after providing for income tax amounted to $3,714,043 (30 June 2023: $4,416,859).

Major Highlights:

Environmental Clean Technologies Limited

(i) Receipt of research and development tax incentive

In December 2023, the Company received the full amount of the research and development tax incentive receivable recognised in the financial statements at 30 June 2023.

(ii) COLDry Demonstration Project (Bacchus Marsh)

I. Building on R&D success:
Following the successful wet commissioning in December 2022, the Company embarked on process trials aimed at validating the performance envelope of the conditioning system and exploring an innovative waste heat source. These trials were essential to ensure the effectiveness and efficiency of the processes involved in the COLDry Commercialisation Project and to inform advancement to the next stage of development.

II. R&D Yields Advances in Efficiency Gains:
Through rigorous testing and analysis during the trials, the Company identified significant efficiency gains. These findings indicated the potential for substantial savings in both capital expenditure (CAPEX) and operational expenditure (OPEX) for the COLDry Commercialisation Project. Such gains are pivotal for maximising the project's profitability.

III. Strategic Review – Transitioning from R&D toward commercialisation:
Under the leadership of newly appointed Managing Director Sam Rizzo, a comprehensive strategic review was conducted in August 2023. This review aimed to reassess the Company's development strategy, placing a renewed emphasis on project delivery and commercialisation. Key outcomes included setting a "race to revenue" target and aligning the COLDry Commercialisation Project with the revised strategy in terms of scope, cost, and schedules.

IV. Project Scope Completion:
The completion of the project scope for COLDry marked a significant milestone. With a focus on increasing the throughput capacity, the project aims to produce an initial 30,000 tonnes per annum (with scope to expense to 50,000 tonnes per annum) of saleable COLDry lignite-nitrogen fertiliser (Phase 1) or further value-added products through pyrolysis (Phase 2). This scope reflects the Company's commitment to maximising the project's potential and delivering tangible results.

V. COLDry Commercialisation Project Development Progress (Phase 1):
Progress continues to be made in the development of the COLDry Commercialisation Project. Efforts were concentrated on refining the design, cost, and optimisation, with front-end engineering design (FEED) documentation targeted for completion in early Q3 CY2024. Additionally, defining the environmental approvals pathway and advancing agreements for supply and offtake are crucial steps in advancing the project towards commercialisation.

VI. Approvals Process (Phase 1):
Receiving approval from the Environmental Protection Agency (EPA) for the COLDry commercialisation project to proceed under the Pilot Pathway approvals process is a significant achievement. This streamlined regulatory approach ensures a more efficient process, reducing delays and facilitating timely progress towards project milestones. Approvals are expected in Q3 CY2024.

VII. Syngas Pilot Project (Phase 2):
Initiating planning for the syngas pilot project at Bacchus Marsh signifies the Company's commitment to exploring new avenues for revenue generation and technological innovation. This element of the project aims to leverage biomass-blended lignite pyrolysis to produce syngas, offering potential solutions to meet evolving market demands for decarbonised products and sustainability goals. This Phase is subject to review following the successful completion of Phase 1.

VIII. Partnerships and Commercial Opportunities:
Forming strategic partnerships and agreements with potential partners underscores the Company's proactive approach to leveraging synergies and exploring commercial opportunities. These collaborations aim to maximise the project's benefits, enhance offtake arrangements, and unlock additional value for stakeholders.

IX. Environmental Beneficiation Potential:
Phase 1 of the project is estimated to halve synthetic fertiliser use underscoring its environmental significance. Lignite-nitrogen fertiliser acts in a slow-release manner to ensure a consistent supply of nutrients over time, promoting steady plant growth. In doing so, nitrogenous emissions are significantly reduced, reducing greenhouse gas emissions and run off, mitigating environmental impact. The lignite fraction improves soil structure, creating long-term carbon stores, supporting soil health.

ECT Finance Limited

(iii) Equity Lending Facilities (ELF)

In 2020, ECT Finance Limited advanced an ELF loan to the value of $750,000 to Mr Iain McEwin which was initially secured by 750,000,000 ECT fully paid ordinary shares and 300,000,000 ECTOE options (being pre the July 2021 share consolidation). This loan enabled Mr McEwin to subscribe for the balance of the shortfall of shares and options in connection to the non-renounceable rights issue made by the Company during that year.

Since then, these shares and options have been mostly used for transfer to creditors in satisfaction of amounts payable and for transfer to vendors of the property at Yallourn which was purchased on 22 February 2022.

During the half year ended 31 December 2023 the last of these shares were used to pay creditors and directors' fees in lieu of cash (refer to note 26) and the ELF was closed.

At the end of the reporting period there was a total of 858,759,997 shares that are used as security for ELFs and are therefore escrowed (refer to note 11).

Financial results:

The reportable loss for the consolidated entity was more favourable at $3,714,043 compared to the prior year loss of $4,416,859.

	2024 $	2023 $	Change $	Change %
Other income (excluding interest)	1,439,079	838,218	600,861	72%
Change in inventories	-	(8,921)	8,921	(100%)
Impairment and write-offs	(633,082)	(280,435)	(352,647)	126%
Remeasurement of financial liabilities	1,070,015	62,690	1,007,325	1607%
Share-based payments expense	(212,620)	(845,164)	632,544	(75%)
Other operating costs (excluding net interest, depreciation and amortisation, share-based payments, impairment)	(4,177,075)	(3,067,129)	(1,109,946)	36%
Adjusted EBITDA	(2,513,683)	(3,300,741)	787,058	
Depreciation and amortisation	(1,136,147)	(1,056,496)	(79,651)	8%
Finance costs	(83,834)	(96,232)	12,398	(13%)
Interest revenue	19,621	36,610	(16,989)	(46%)
Net (loss) for year	(3,714,043)	(4,416,859)	702,816	

There were no sales of products from the consolidated entity's research and development activities during the year as a result of the ongoing construction of a new facility.

The 'Other Income' category of $1,439,079 (2023: $838,218) predominantly includes AusIndustry research and development tax incentive income of $1,410,260 (2023: $734,967).

The research and development tax incentive received and receivable on the purchase of qualifying capital items has been offset against asset carrying values and is therefore not recognised as income. The offset for the year was $8,351 (2023: $562,471). The total amount expected to be received from the research and development tax incentive is $1,473,170 at year end.

Total cash operating costs (excluding impairment and write-off expense, depreciation and amortisation, remeasurement of financial liabilities, share-based payments expense and finance costs) was $4,177,075 (2023: $3,067,129), an increase of $1,109,946, mainly due to increased costs associated with additional staff.

Depreciation and amortisation increased by $79,651 due to the impact of commissioning additional plant and equipment during the 2023 financial year at Bacchus Marsh. Depreciation and amortisation are non-cash expense items.

There was a reduction in share-based payments expense for the current period compared to the prior period of $632,544 due largely to the expensing of director incentive options issued in the first half of the 2023 financial year. Share-based payments expense for the period was $212,620.

The remeasurement of the financial liabilities amounting to $1,070,015 consists of an increase in the COLDry earn-out liability.

During the year the Company made the decision to write-off equipment to the value of $633,082 that is no longer part of phase 1 or 2 above. The majority of the write-off related to a kiln that had no material recovery value.

Business risks

Provided below are the principal risks and uncertainties associated with the consolidated entity that could adversely affect its financial performance and growth potential in future years. The Company maintains a risk matrix with each risk subject to regular review by the Audit and Risk Committee. All risks on the matrix are given a risk rating to assess their probability and impact. New risks are added to the matrix as they are identified.

Environmental risks

The Company's operations are subject to a number of broader environmental risks, including (i) climate change which includes changes in weather patterns, rising sea levels, and extreme weather events. These risks could have a significant impact on the Company's operations, supply chain, and financial performance; (ii) water scarcity which could lead to increased costs for water and disruptions to operations; and (iii) waste management whereby the Company's operations could generate a significant amount of waste which could lead to environmental damage, regulatory fines, and reputational risks. With respect to specific activities, the Company is not the subject of environmental regulations. However, as the Company considers commencement of operations through the COLDry plant, this status will change. Appropriate planning is in place to manage this transition.

Social risks

The Company's operations are subject to a number of social risks, including (i) labour relations, the insufficient management of which could lead to operational disruptions; (ii) human rights, whereby the related risks could expose the Company to human rights violations, lawsuits, regulatory fines, and damage to the Company's reputation; and (iii) product safety given that the Company's pilot technologies are still in development phases and the outputs contain various volatiles associated with varying degrees of handling risk. Such risks could lead to financial losses, damage to the Company's reputation, and lawsuits. The Company engages experts in employment law on any matter deemed to present a specific risk to the Company.

Governance risks

The Company's operations are subject to a number of governance risks, including (i) corruption - this could lead to financial losses, damage to the Company's reputation, and regulatory fines; (ii) board oversight - the Company's Board oversees the Company's management. However, there is a risk that the Board may not be effective in carrying out this responsibility. This could lead to financial losses, damage to the Company's reputation, and regulatory fines; (iii) shareholder activism - the Company is exposed to the risks of shareholder activism. This could lead to changes in the Company's strategy, management, or governance structure. The Company has a number of policies and procedures in place to mitigate these risks. The Company also monitors these risks on an ongoing basis.

Macroeconomic and funding risks

The business is subject to macroeconomic risks such as a slowdown in economic growth, inflation, and rising interest rates. These can impact the Company by increasing the prices of the supplies of plant and equipment, labour and other inputs used in the construction of the Company's plant and general operations of the Company. Debt funding to the Company becomes more expensive as interest rates rise which can place cash flow pressures on operations. The business mitigates funding risks by being significantly financed using R&D incentive rebates as well as using borrowings against such receivables at favourable interest rates. It maintains close relationships with equity brokers and shareholders who have to date shown confidence in the Company's objectives to allow for significant funding via share placements, and debt funding arrangements that contain features allowing for the conversion of such debt to equity in the Company thereby preserving cash balances. The Company expects to finalise offtake and supply agreements ahead of completing construction at Bacchus Marsh and these agreements are expected to form the basis of new debt funding arrangements. In addition, should the Company’s share price increase, the Company is expected to have access to funds from the repayment of ELFs.

Strategic risks

Strategic risk is the risk associated with the implementation of the consolidated entity’s strategic research and development programs including the risk associated with failing to execute its strategy effectively or in a timely manner. The consolidated entity invests resources in the execution of initiatives that are aligned with its strategy, including programs focused on delivering to-market carbon emission mitigating technologies. There is a risk that these programs may not realise some or all of their anticipated benefits. The consolidated entity’s response is to ensure appropriate project governance measures are in place for all major initiatives and to track associated benefits that are derived. All significant technologies are protected by copyright and patents globally. The Company updates its strategy to align future plans with available resources. This was done most recently following the recruitment of the Company’s new Managing Director.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. The consolidated entity takes a risk-based approach to the management of operational risk and obligations. This enables it to appropriately identify, assess, manage and escalate operational risk-related exposures.

Cyber risk, privacy and data breach

Safeguarding the confidentiality and protection of all data encompassing that of our partners, staff, and company, remains of paramount importance. There has been a persistent rise in cyber-attacks targeting both individuals and organisations. The character of these cyber-attacks is perpetually changing and may encompass sophisticated phishing schemes as well as attempts to penetrate essential infrastructure. Additionally, the privacy and security of our data could be compromised by violations of our information technology (IT) security, as well as unintentional or unauthorised data disclosures resulting from human error, malware, or espionage.

The consolidated entity handles personal and sensitive information through its technology systems and networks. The consolidated entity maintains continuous vigilance over cybersecurity threats and have engaged an external IT provider to implement robust security controls for our IT systems, infrastructure and data. These endeavours are based around industry best practices on how to mitigate cybersecurity risks. In addition, we also provide educational updates and training so that our people can recognise and properly respond to potential attacks.

Competitive market and changes to market trends
The consolidated entity operates in a competitive market with competition from other research and development entities around the world developing technologies that may achieve the same or better outcomes as those sought after by the consolidated entity. The consolidated entity's response is to continue to refine its developing technologies so that they achieve maximum design efficiencies and minimise capital construction outlays. The Company is in the process of completing construction of its Bacchus Marsh facility which will help mitigate the risk of a competitor commercialising a product that may be of greater appeal to our potential customers.

Workplace, health and safety ('WHS')
The consolidated entity has a zero-risk tolerance for serious safety incidents. During the financial year, the consolidated entity continued to improve its WHS practices by using the existing safety culture across the business to continue to develop and train its workforce on WHS matters. Staff responsible for WHS undertake specific training.

Reliance on key personnel
The consolidated entity engaged in activities during the financial year to develop the skills and experience of potential successors as part of its succession planning initiatives. The Company recently hired a new Managing Director but retained the services of the previous Managing Director. The Company also retained the services of our previous Chief Operating Officer who is now a non-executive director. These decisions were made to retain the considerable skills of these individuals within the Company.

Regulatory compliance
Represents the risk of failure to act in accordance with laws, regulations, industry standards and internal policies. The consolidated entity maintains sufficient internal controls to ensure continued compliance. From time to time, the Company is exposed to a regulatory compliance breach of which appropriate remedial steps are undertaken on a timely basis with employees and (if relevant) third parties. The Company regularly obtains external advice on any matter that presents specific risks to the entity on matters such as capital raising and employment law.

Significant changes in the state of affairs

Board restructure
On 15 August 2023, Glenn Fozard and Tim Wise resigned from the Board of the Company. Sam Rizzo was appointed on this date as Managing Director of the Company and Glenn Fozard was appointed as Chief Operating Officer.

Capital raising
On 17 August 2023, the Company announced that it had received firm commitments to raise $2.0 million through the issue of 363,636,363 fully paid ordinary shares at an issue price of $0.0055 per share (Placement). The Placement was offered to sophisticated and professional investors and was strongly supported by existing shareholders. Proceeds will support engineering works at the Company's Bacchus Marsh production facility under a revised strategy designed to capture near-term commercial opportunities.

The Placement has resulted in the issuing of 349,126,363 new shares with the settlement proceeds received. The new shares rank equally with existing shares on issue and are issued using the Company's existing capacities under ASX Listing Rules 7.1 and 7.1A, accordingly shareholder approval was not required. The remaining 14,510,000 shares to be issued are subject to shareholder approval at the Company's next AGM as the shares are intended to be issued to related parties.

Kaai Capital acted as Lead Manager to the Placement and was paid a fee of 6% of the amount raised which Kaai elected to receive in the form of 21,818,182 shares at the Placement price. Entities nominated by Kaai Capital were also issued a total of 50 million options, each with an exercise price of $0.011 expiring 3 years from issue. These securities were issued under the Company's ASX Listing Rule 7.1 capacity and accordingly shareholder approval was not required.

On 27 March 2024 the Company announced that it had received binding commitments for a $1.5 million capital raising through the issue of 300,000,000 fully paid ordinary shares at an issue price of $0.005 per share to strategic investors. The proceeds would support development works at Bacchus Marsh and facilitate the evaluation of several emerging commercialisation opportunities and for working capital.

A combined fee of 5% was agreed on 50% of the above placement, or $750,000 with the lead managers being Kaai Capital Pty Ltd and Tsunami Enterprises Pty Ltd which was paid in shares. This resulted in the issue of a further 7,500,000 fully paid ordinary shares at an issue price of $0.005 per share.

Issue of options
On 15 August 2023, the Company announced the appointment of Mr. Sam Rizzo as Managing Director and the issuing of 100,000,000 options to Mr. Rizzo on 15 August 2024, exercisable at $0.03, expiry after either 3 or 4 years from grant date, in the following tranches and with the following terms:

(i) 20,000,000 options which vest 12 months from date of grant;
(ii) 20,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.03 or higher at any time prior to expiry (3 years);
(iii) 20,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.05 or higher at any time prior to expiry (3 years); and
(iv) 20,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.07 or higher at any time prior to expiry (3 years); and
(v) 20,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.10 or higher at any time up to expiry (4 years).

On 22 January 2024, the Company announced the appointment of Mr. John Tranfield as Operations and Engineering Manager. The Company announced the issuing of 22,500,000 options to Mr. Tranfield on 31 January 2024, exercisable at $0.03, expiry after 3 years from grant date, in the following tranches and with the following terms:

(i) 7,500,000 options which vest 12 months from date of grant provided that, if Mr. Tranfield is terminated without cause within the first 12 months, this first tranche of options will vest immediately upon termination of employment;
(ii) 5,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.05 or higher at any time prior to expiry;
(iii) 5,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.07 or higher at any time prior to expiry; and
(iv) 5,000,000 options which vest no earlier than 12 months from date of grant and only if the 20-day VWAP is $0.10 or higher at any time up to expiry.

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

Matters subsequent to the end of the financial year

On 17 July 2024, Environmental Clean Technologies Limited announced the signing of a binding Heads of Agreement (HoA) with ESG Agriculture Pty Ltd ("ESG") for the development and offtake of soil health products. This HoA follows an existing Memorandum of Understanding (MoU) announced on 4 April 2024 and is a precursor to a detailed Joint Venture (JV) between ECT and ECG.

The MoU is now replaced by the HoA, and completed activities as outlined in the MoU validate the ECT and ESG processes, including COLDry, which serves as the front-end feedstock preparation process.

Initial results from batch tests conducted by an ISO-accredited laboratory, HRL Technology, indicate a successful blending of lignite and nitrogen ingredients with almost no loss (less than 1%) of nitrogen content over the process. Initial field trials will be conducted in the coming weeks. Subsequent large field trials will be undertaken over the next 3-6 months and will target large cropping farms in South Australia, Victoria, NSW and Queensland. Concurrently, techno-economic analysis conducted by the team, mapping capex, opex, and market pricing, indicates this is a commercial proposition to be executed across two distinct stages:

- **Stage 1 – Baseline demonstration**
  This stage is intended to focus on building the COLDry process connected in-line with granulation at scale. The intent is to sell a commercial quantity of fertiliser whilst field trials are converted into bankable off-take. This stage will not prioritise financial performance, with the emphasis placed on de-risking the engineering and bankability of the project.

- **Stage 2 – Optimisation**
  This stage, which will follow Stage 1, will aim to optimise key operational and process parameters to expand the earnings footprint in line with a de-risked baseline of operations and performance. Key areas of optimisation will include blending, zero-cost waste heat, net zero impact, 24/7 operations, and drying acceleration.

Stage 2 is expected to generate earnings.

These results give ECT and ESG confidence to advance to a collaborative, whole-of-value chain JV. The HoA establishes this commitment and outlines the JV's principles.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Other than developments described in this report, further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

With respect to current activities, the Company is not the subject of environmental regulations. However, as the Company considers commencement of operations through the COLDry plant, this status will change. Appropriate planning is in place to manage this transition.

Information on directors

Information on directors is reported as at the date of this directors' report.

Name:	Jason Marinko
Title:	Non-Executive Director
Qualifications:	BCom, FFin, GAICD, MBA
Experience and expertise:	Mr Marinko is an experienced public company CEO, director and chairman, with expertise in the technology and investment banking industries and a proven track record in leading technologies to commercialisation. Mr Marinko has extensive corporate finance and corporate strategy experience and holds an MBA from INSEAD Business School in France and is a graduate of the Australian Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Board
Interests in shares:	13,133,509 ordinary shares of which 5,000,000 are escrowed as security for an ELF
Interests in options:	40,000,000 director incentive options

Name:	James Blackburn
Title:	Non-Executive Director
Qualifications:	BAppSci, GradDip. (Governance)
Experience and expertise:	Mr Blackburn has a strong executive background as a corporate development practitioner with over 20 years' experience in governance, operational, and technical roles across research, investment and corporate services disciplines.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Audit and Risk Committee
Interests in shares:	8,280,907 ordinary shares
Interests in options:	40,000,000 director incentive options

Name:	Sam Rizzo
Title:	Managing Director (appointed 15 August 2023)
Qualifications:	BA (Urban and Regional). Grad Dip (Honours) in Urban and Regional Town Planning
Experience and expertise:	Mr Rizzo is a highly regarded project leader with more than 11 years' experience delivering complex projects, renewable energy and supporting infrastructure to deliver optimal value and return on investment. He was most recently Regional Program Leader Europe for global energy transition leader, Fortescue Future Industries. This role led strategic corporate agreements for complex multi-billion-dollar projects, which involved entering contractual arrangements with a national utility provider as well as active green renewable entities.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	9,070,000 ordinary shares
Interests in options:	100,000,000 director incentive options

Name:	Glenn Fozard (resigned 15 August 2023 as a director and resigned giving 3 months' notice as Chief Operating Officer on 21 June 2024)
Title:	Managing Director
Qualifications:	B.Bus (Int. Trade), BA (Psych)
Experience and expertise:	Glenn has a strong commercial background and extensive experience in finance and capital markets at both board and executive level. With a deep understanding of tailored financial solutions for SMEs in the Cleantech and Agricultural sectors, he supports the Company with valuable guidance in the technology development, risk management and capital raising areas. Glenn is the founding partner of Greenard Willing, a specialist financial advisory firm. Glenn held an advisory position with the Company prior to becoming a director in 2013.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	28,327,246 ordinary shares of which 6,122,668 are escrowed as security for an ELF
Interests in options:	None

Name:	Tim Wise (resigned 15 August 2023)
Title:	Non-Executive Director
Qualifications:	BSc.
Experience and expertise:	Mr Wise is an experienced entrepreneur and Company Director with particular expertise in the energy, industrial innovation and technology sectors and has more than 20 years' experience in public companies and capital markets. He was the founder and former CEO of Kalina Power Ltd (ASX: KPO) and The Tap Doctor, and is currently an Executive Director at Phos Energy Limited and a Non-Executive Director of Tamaska Oil and Gas Limited (ASX: TMK), Graft Polymer plc and Melchor Pty Ltd. He has a Bachelor of Science from the University of Western Australia.
Other current directorships:	Tamaska Oil and Gas Limited (ASX: TMK)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	2,500,000 ordinary shares which are escrowed as security for an ELF
Interests in options:	40,000,000 director incentive options

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

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

Company secretary

Kian Tan is Company Secretary of the Company. Mr Tan is a Chartered Accountant with over 10 years of financial reporting, accounting, advisory and auditing experience and has a Bachelor of Commerce from Curtin University. The Company previously had joint company secretaries with Arron Canicais resigning on 31 July 2023.

Meetings of directors

The number of meetings of the Company's Board and of the Audit and Risk Committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
Board member	Attended	Held	Attended	Held
Jason Marinko	11	11	-	-
James Blackburn	10	11	4	4
Sam Rizzo	10	10	4	4
Glenn Fozard	1	1	-	-
Tim Wise	1	1	-	-

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

Retirement, election and continuation in office of directors

In accordance with the Constitution of the Company, at each AGM, one-third (or a number nearest to one-third and rounded up) of the directors (excluding a director appointed to either fill a casual vacancy or as an addition to the existing directors) must retire by rotation as well as any other director who has held office for three years or more since last being elected and any other director appointed to fill a casual vacancy or as an addition to the existing directors. Such directors can offer themselves for re-election.

At the 2023 AGM of the Company (held on 27 November 2023), James Blackburn was re-elected as director.

Remuneration report (audited)

The remuneration report details the key management personnel (KMP) remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Board's remuneration policy is to ensure the remuneration package properly reflects the KMP's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. KMP remuneration is arrived at after consideration of the level of expertise each director and executive brings to the Company, the time and commitment required to efficiently and effectively perform the required tasks and after reference to payments made to KMPs in similar positions in other companies.

The non-executive directors are responsible for the executive reward framework and making recommendations on remuneration packages and policies applicable to the Board members and senior executives of the Company. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and is consistent with market best practice. It is the aim of the Board that the executive reward structure satisfies appropriate corporate governance guidelines such that it is competitive and reasonable, acceptable to shareholders, aligns remuneration with KMP performance indicators, and is transparent to all stakeholders.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure that non-executive directors' remuneration is appropriate and in line with the market.

The aggregate non-executive director remuneration is determined at a general meeting. The maximum cash fee payable to non-executive directors for discharging their duties as directors is capped at $250,000 per annum.

Non-executive directors receive $50,454 per annum in director fees. During the previous year, directors agreed to take a portion of their remuneration for the current and previous year in shares (approved and agreed by the shareholders at the last AGM).

The Company maintains the following Non-Executive Directors' and Executive Directors' Remuneration Policy with respect to the provision of extra services on behalf of the Company or its business.

- Any remuneration paid to a non-executive director must be reasonable given the circumstances of the Company and the responsibilities of the non-executive director;
- Wherever practicable, the Company will obtain an independent quotation or estimate from an appropriate independent party in respect of those additional services;
- If the non-executive director is an appropriate person to perform those additional services, the remuneration must be benchmarked against any such quotation or estimate obtained by the Company;
- The Managing Director (or if absent, their delegate) must report to the Board on the budgetary impact to the Company of the proposed engagement of the non-executive director. Any engagement of a non-executive director to provide those additional services must be unanimously approved by all directors (other than the non-executive director providing services);
- The non-executive director must report in writing to the Board at the completion of the additional services in such form as the Board may reasonably require;
- All amounts paid to non-executive directors in respect of providing those additional services will be disclosed in the annual financial statements of the Company; and
- The above policy also applies to entities associated with a director, where the additional services of the non-executive director are provided through that entity.

Executive remuneration

The Board is responsible for determining remuneration and nomination policies in respect of KMP. In establishing such policies, the Board is guided by external remuneration surveys and industry practices, commensurate with the scale and size of the Company's operations. The remuneration levels are reviewed regularly to ensure the Company remains competitive as an employer.

Executive remuneration and reward framework

The executive remuneration and reward framework has four components which may comprise an executive's total remuneration:

- base pay and non-monetary benefits;
- consulting fees;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration levels.

The short-term incentives ('STI') payments in the form of incentive options may be granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPIs include share price, leadership contribution and project management.

The long-term incentives ('LTI') may include long service leave and shares or options.

Consolidated entity performance and link to remuneration
Remuneration is not directly linked to the performance of the consolidated entity.

Use of remuneration consultants
A remuneration consultant was not used during the year ended 30 June 2024.

Voting and comments made at the Company's 2023 AGM
At the 2023 AGM, 99.3% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

The function of reviewing and approving director and executive remuneration is undertaken by the Board.

It is relevant to the discussion of remuneration that the consolidated entity is experiencing a substantial growth in the scope and complexity of its operations commensurate with implementation of its major strategic projects.

The Board reviews the Company's remuneration structures to ensure they remain appropriate in the context of both the Company's operations and the level of responsibility and accountability that resides within director and executive roles. This activity has included:
- The Company, under guidance of the Board, periodically reviews its current and future staffing structure and executive leadership which supports the Company's strategic plan.
- Any planned or additional executive recruitment programs will continue to be implemented in consultation with professional recruitment firms who, as part of this service, benchmark employee salaries to specific industries and broader market measures.

Throughout the financial year 2024, the Board has continued to assess its need for additional skilled resources and to measure this need against the additional costs of further appointments.

The Board will continue to review and assess its practices in this regard and ensure that it maintains the quality and depth of resources needed to execute its strategic plan.

The Board is confident that the Company's remuneration levels appropriately balance the need to pay competitive remuneration to attract quality personnel to a company of this nature, and retain them, against the Company's philosophy of "frugal innovation". This is a difficult balance to strike and the Board will continue to review it.

Details of remuneration
The KMP of the consolidated entity during the current financial year consisted of the following persons:
- James Blackburn – Non-Executive Director
- Jason Marinko – Chairman, Non-Executive Director
- Sam Rizzo – Managing Director (appointed 15 August 2023)
- Tim Wise – Non-Executive Director (resigned 15 August 2023)
- Glenn Fozard – Managing Director (resigned as Managing Director and appointed Chief Operating Officer on 15 August 2023. Resigned as Chief Operating Officer by giving 3 months' notice on 21 June 2024)
- John Tranfield - Operations and Engineer Manager (appointed 22 January 2024)
- Martin Hill – Chief Financial Officer
- Ashley Moore - Chief Engineer (ceased being a KMP on 9 January 2024)
- Adam Giles – Marketing and Communications Manager (ceased being a KMP on 9 January 2024)

Amounts of remuneration
Details of the remuneration of the KMP of the consolidated entity are set out in the following tables.

2024	Short-term benefits Cash salary and fees $	Short-term benefits Consulting fees $	Short-term benefits Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Leave Benefits $	Share-based payments Equity-settled Shares $	Share-based payments Equity-settled Options $	Total $
Non-Executive Directors:								
James Blackburn (i)	31,945	-	-	5,264	-	15,910	11,605	64,724
Jason Marinko (i)	29,545	-	-	5,000	-	15,910	-	50,455
Tim Wise (i)	1,201	-	-	625	-	4,481	-	6,307
Executive Directors:								
Sam Rizzo	265,000	-	18,567	29,150	5,923	-	99,928	418,568
Other KMP:								
Glen Fozard (ii)	227,084	94,280	6,308	24,292	4,935	15,000	-	371,899
John Tranfield	111,413	-	8,177	12,255	2,467	-	30,421	164,733
Martin Hill	134,456	73,863	9,479	14,790	3,109	-	-	235,697
Ashley Moore (iii)	-	130,627	-	-	-	-	-	130,627
Adam Giles(iii)	-	85,269	-	-	-	-	-	85,269
	800,644	384,039	42,531	91,376	16,434	51,301	141,954	1,528,279

(i) Non-executive directors' remuneration consists of a fixed fee. Each non-executive director has agreed to be paid $15,909 of their fixed fee in shares which was approved by the shareholders at the last AGM. The issue price of the shares was the VWAP of the Company's shares for each month shares were issued in lieu of cash. Such remuneration is disclosed as an equity-settled share-based payment.

(ii) Glenn Fozard's remuneration consisted of a fixed fee for being a director and consulting fees for the provision of executive services excluding GST. Mr. Fozard agreed to be paid $15,000 of his consulting fees in shares which was approved by the shareholders at the last AGM. The issue price of the shares was the VWAP of the Company's shares for July 2023. Such remuneration is disclosed as an equity-settled share-based payment. In August 2023, Mr. Fozard became an employee.

(iii) Tim Wise ceased being a KMP on 15 August 2023 and Ashley Moore and Adam Giles ceased being KMP's in January 2024. Amounts shown are up to these dates.

2023	Short-term benefits Cash salary and fees $	Short-term benefits Consulting fees $	Short-term benefits Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Leave Benefits $	Share-based payments Equity-settled Shares $	Share-based payments Equity-settled Options $	Total $
Non-Executive Directors:								
James Blackburn (i)	37,499	-	-	4,773	-	7,955	58,740	108,967
Jason Marinko (i)	37,499	-	-	4,773	-	7,955	306,049	356,276
Tim Wise (i)	37,499	-	-	4,773	-	7,955	306,049	356,276
Executive Directors:								
Glenn Fozard (ii)	50,000	225,340	-	-	-	65,000	-	340,340
Other KMP:								
Martin Hill	-	226,687	-	-	-	3,500	-	230,187
Ashley Moore	-	220,413	-	-	-	20,000	-	240,413
Adam Giles	-	133,846	-	-	-	14,725	-	148,571
	162,497	806,286	-	14,319	-	127,090	670,838	1,781,030

(i) Non-Executive directors' remuneration consists of a fixed fee. Each non-executive director agreed to be paid a portion of their fixed fees for the current and previous year in shares which was approved at the AGM held on 27 November 2023. The issue price of the shares is the VWAP of the Company's shares for the month in which they earned the remuneration. Such remuneration is disclosed as an equity-settled share-based payment.

(ii) Glenn Fozard's remuneration consisted of a fixed fee for being a director and consulting fees for the provision of executive services excluding GST. Mr. Fozard agreed to be paid $80,000 of his consulting fees in shares which was approved by the shareholders at the last AGM. The issue price of the shares is the VWAP of the Company's shares for each month (March to July 2023). Such remuneration is disclosed as an equity-settled share-based payment.

For the financial year, the proportions of fixed remuneration and remuneration that is linked to performance are as follows:

	Fixed remuneration %		Short term incentives %		Long term incentives %	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
James Blackburn	82%	46%	-	-	18%	54%
Jason Marinko	100%	14%	-	86%	-	-
Tim Wise	100%	14%	-	86%	-	-
Executive Directors:						
Sam Rizzo	75%	-	-	-	25%	-
Other KMP:						
Glenn Fozard	100%	100%	-	-	-	-
John Tranfield	80%	-	-	-	20%	-
Martin Hill	100%	100%	-	-	-	-
Ashley Moore	100%	100%	-	-	-	-
Adam Giles	100%	100%	-	-	-	-

Service agreements

The Company has service agreements with Sam Rizzo, Glenn Fozard, John Tranfield and Martin Hill. These agreements are capable of being terminated by giving three months' notice. KMP with services agreements are entitled to 20 days of annual leave for every year of service, accrue long service leave in accordance with relevant state laws and were paid superannuation at 11% during the financial year. KMP have no entitlement to termination payments in the event of removal for misconduct.

Mr Tranfield had the ability to earn a bonus of up to 40% of his salary however the conditions have not yet been met. The bonus relates to the following targets:

- the completion of a COLDry plant at Bacchus Marsh
  - at a cost no greater than the agreed budget by 31 December 2024 (27.5% of bonus)
  - with a throughput of 120,000 tonnes per annum, output of 57,000 tonnes by 31 January 2025 (27.5% of bonus),
- the completion of a hydrogen pilot plant being commissioned and operational by December 2024 (30% of bonus) and,
- zero lost time incidents between January 2024 and June 2025 (15% of bonus).

Share-based compensation

Issue of shares
During the year, the following shares were issued to KMP as part of their remuneration or in settlement of invoices:

Name	Grant date	Number issued	Issue price $	Value $
James Blackburn (i)	27 November 2023	3,060,906	0.008	23,865
Jason Marinko (i)	27 November 2023	3,060,906	0.008	23,865
Tim Wise (i)	27 November 2023	1,507,161	0.008	12,434
Glenn Fozard (i)	27 November 2023	9,339,828	0.009	80,000
Martin Hill (iii)	30 June 2023	437,500	0.008	3,500
Ashley Moore (iii)	30 June 2023	625,000	0.009	5,000
		18,031,301		148,664

Notes:
(i) During the current and previous year, non-executive directors agreed to take a portion of their remuneration in shares. Of the shares issued to Mr. Blackburn, Mr. Marinko and Mr. Wise, 867,907 related to services provided in the previous financial year.
(ii) During the current and previous year, Mr. Fozard agreed to take a portion of his remuneration in shares. Of the shares issued to Mr. Fozard, 7,196,971 related to services provided in the previous financial year.
(iii) Shares issued to Ms. Moore and Mr. Hill of 625,000 and 437,500 in the above table relate to services provided in the previous financial year.

Per the arrangement, the number of shares to be issued to settle the amounts payable is based on the actual volume-weighted average price (VWAP) for the month in which the services were provided. The average issue price overall represents the issue price displayed.

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

Name	Grant date	Option Type(i)	Number of options issued	Fair value per option $	Expiry Date	Exercise price $	Total FY24 remuneration $
James Blackburn (i)	24 Jun 2022	Tranche A	10,000,000	0.0064	27 Mar 2025	0.05	-
	24 Jun 2022	Tranche B	10,000,000	0.0019	27 Mar 2025	0.05	4,745
	24 Jun 2022	Tranche C	10,000,000	0.0016	27 Mar 2025	0.05	3,762
	24 Jun 2022	Tranche D	10,000,000	0.0014	27 Mar 2025	0.05	3,098
							11,605
Sam Rizzo (ii)	27 Nov 2023	Tranche A	20,000,000	0.0064	15 Aug 2026	0.03	78,934
	27 Nov 2023	Tranche B	20,000,000	0.0014	15 Aug 2026	0.03	7,222
	27 Nov 2023	Tranche C	20,000,000	0.0011	15 Aug 2026	0.03	5,588
	27 Nov 2023	Tranche D	20,000,000	0.0009	15 Aug 2026	0.03	4,666
	27 Nov 2023	Tranche E	20,000,000	0.0009	15 Aug 2026	0.03	3,517
							99,927
John Tranfield (iii)	31 Jan 2024	Tranche A	7,500,000	0.0045	19 Dec 2026	0.03	27,422
	31 Jan 2024	Tranche B	5,000,000	0.0012	19 Dec 2026	0.03	1,239
	31 Jan 2024	Tranche C	5,000,000	0.0010	19 Dec 2026	0.03	959
	31 Jan 2024	Tranche D	5,000,000	0.0008	19 Dec 2026	0.03	801
							30,421
							141,953

Notes
(i) Fair value was determined using an option pricing model at the grant date (being the AGM date of 24 June 2022) when the ECT share price was $0.016 per share. All options vest from 12 months after the agreement date which was 27 March 2022 and provided applicable 20-day VWAP targets are met at any time after the agreement date and prior to the expiry date as follows (percentages provided represent probabilities of vesting at grant date used in the valuation):

Tranche A VWAP - not applicable - all such options vested during the year ended 30 June 2023.
Tranche B VWAP - $0.06 (22%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche C VWAP - $0.08 (18%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche D VWAP - $0.10 (15%) - Vesting period is 3 years from grant date and subject to target VWAP being met.

VWAP targets had not been met at reporting date.
(ii) Fair value was determined using an option pricing model at the grant date (being the AGM date of 27 November 2023) when the ECT share price was $0.0065 per share. All options vest from 12 months after the agreement date which was 15 August 2023 and provided applicable 20-day VWAP targets are met at any time after the agreement date and prior to the expiry date as follows (percentages provided represent probabilities of vesting at grant date used in the valuation):

Tranche A VWAP - not applicable - all such options will vest 12 months from grant date.
Tranche B VWAP - $0.03 (27%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche C VWAP - $0.05 (21%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche D VWAP - $0.07 (18%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche E VWAP - $0.10 (18%) - Vesting period is 3 years from grant date and subject to target VWAP being met.

VWAP targets had not been met at reporting date.

(iii) Fair value was determined using an option pricing model at the grant date (being 31 January 2024) when the ECT share price was $0.006 per share. All options vest from 12 months after the agreement date which was 19 December 2023 and provided applicable 20-day VWAP targets are met at any time after the agreement date and prior to the expiry date as follows (percentages provided represent probabilities of vesting at grant date used in the valuation):

Tranche A VWAP - not applicable - all such options will vest 12 months from grant date, unless Mr. Tranfield is terminated without cause in the first 12 months of employment in which case the options will vest immediately.
Tranche B VWAP - $0.06 (22%) - Vesting period is 3 years from grant date and subject to target VWAP being met.
Tranche C VWAP - $0.08 (18%) - Vesting period is 3 years from grant date and subject to target VWAP being met
Tranche D VWAP - $0.10 (15%) - Vesting period is 3 years from grant date and subject to target VWAP being met.

VWAP targets had not been met at reporting date.

Performance rights
There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020 $
Income	1,458,700	874,828	934,853	1,302,940	3,057,154
EBITDA	(2,513,683)	(3,300,741)	(4,203,329)	1,450,516	(1,071,920)
EBIT	(3,733,664)	(4,453,469)	(4,879,075)	1,771,325	(1,458,528)
Loss after income tax	(3,714,043)	(4,416,859)	(5,178,833)	1,869,725	(2,067,973)

The factors that are considered to affect total shareholder's return ('TSR') are summarised below:

	2024	2023	2022	2021	2020*
Share price at financial year end ($)	-	0.007	0.014	0.002	0.001
Basic loss per share (cents per share) *	(0.185)	(0.277)	(0.418)	(0.226)	(0.047)

* Calculations prior to 2021 have not been restated for the effects of the share consolidation that occurred on 1 July 2021.

The Company's remuneration policy seeks to reward staff members for their contribution to achieving significant milestones but there is no direct link between remuneration paid and growth in the Company's share price or financial performance given that the Company is essentially still engaged in a research and development phase of operations.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below.

	Balance at the start of the year	Received as part of remuneration	Additions	Other	Balance at the end of the year
Ordinary shares					
James Blackburn (i)(ii)	3,367,098	2,193,809	2,720,000	-	8,280,907
Jason Marinko (i)	10,939,700	2,193,809	-	-	13,133,509
Sam Rizzo (ii)	-	-	9,070,000	-	9,070,000
Tim Wise (i),(ii)	5,903,398	-	2,720,000	(6,763,462)	1,859,936
Glenn Fozard (i)	26,184,388	2,142,857	-	-	28,327,245
Martin Hill	5,437,546	-	-	-	5,437,546
Ashley Moore	28,347,403	-	-	-	28,347,403
Adam Giles (iii)	6,763,515	-	1,343,645	-	8,107,160
	86,943,048	6,530,475	15,853,645	(6,763,462)	102,563,706

(i) Shares received as part of remuneration were as a result of settlement of consulting fee invoices from shares previously held in an ELF.
(ii) Additions were as a result of participation in a share placement in August 2023 on identical terms to other participants.
(iii) Additions were as a result of off-market purchases.
Certain KMP and directors agreed to receive part of their consulting and director fees as shares (which in the case of directors was approved at the last AGM). These have been recognised as share-based payments for the year. Shares were issued based on a VWAP of the share price for the month in which the services were provided.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of KMP of the consolidated entity, including their personally related parties, is set out below.

Options over ordinary shares	Balance at the start of the year	Issued as compensation	Exercised during year	Balance at the end of the year	Number held that have vested
James Blackburn	40,000,000	-	-	40,000,000	40,000,000
Jason Marinko	40,000,000	-	-	40,000,000	40,000,000
Tim Wise	40,000,000	-	-	40,000,000	10,000,000
Sam Rizzo	-	100,000,000	-	100,000,000	-
John Tranfield	-	22,500,000	-	22,500,000	-
	120,000,000	122,500,000	-	242,500,000	90,000,000

ELF loans granted to allow exercise of ECTOE options held by KMP (including interest accrued to 30 June 2024):-	$
Jason Marinko (i)	174,314
Tim Wise (ii)	89,157
Glenn Fozard (iii)	218,352
Martin Hill	49,011
Ashley Moore (iv)	198,285
Adam Giles (v)	32,446
	761,565

(i) Loan is in the name of Tessobel Pty Ltd
(ii) Loan is in the name of Finind Pty Ltd
(iii) Loans are in the name of Glenn Fozard or Anne Fozard
(iv) Loans are in the name of A & K Moore Nominees Pty Ltd and Perl M&C Pty Ltd
(v) Loan is in the name of Caracob Pty Ltd

Other transactions with key management personnel and their related parties
There were no other transactions with key management personnel during the year.

This concludes the remuneration report, which has been audited.

Shares under option

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

Option class	Expiry date	Exercise price	Number under option
Unlisted ordinary director incentive options (1)	15 October 2024	$0.0250	20,000,000
Unlisted ordinary director incentive options (2)	15 October 2024	$0.0250	20,000,000
Unlisted ordinary director incentive options (3)	15 October 2024	$0.0250	20,000,000
Unlisted ordinary director incentive options (4)	15 October 2025	$0.0250	20,000,000
Unlisted ordinary director incentive options (5)	27 March 2025	$0.0500	10,000,000
Unlisted ordinary director incentive options (6)	27 March 2025	$0.0500	10,000,000
Unlisted ordinary director incentive options (7)	27 March 2025	$0.0500	10,000,000
Unlisted ordinary director incentive options (8)	27 March 2025	$0.0500	10,000,000
Unlisted options (9)	28 August 2026	$0.0110	50,000,000
Unlisted ordinary director incentive options (10)	15 August 2026	$0.0300	20,000,000
Unlisted ordinary director incentive options (11)	15 August 2026	$0.0300	20,000,000
Unlisted ordinary director incentive options (12)	15 August 2026	$0.0300	20,000,000
Unlisted ordinary director incentive options (13)	15 August 2026	$0.0300	20,000,000
Unlisted ordinary director incentive options (14)	15 August 2027	$0.0300	20,000,000
Unlisted ordinary director incentive options (15)	19 December 2026	$0.0300	7,500,000
Unlisted ordinary director incentive options (16)	19 December 2026	$0.0300	5,000,000
Unlisted ordinary director incentive options (17)	19 December 2026	$0.0300	5,000,000
Unlisted ordinary director incentive options (18)	19 December 2026	$0.0300	5,000,000
			292,500,000

(1) 10,000,000 options issued to both Mr. Marinko and Mr. Wise which vest 12 months from the agreement date of 15 October 2021 and expire 3 years from the agreement date (Tranche A)

(2) 10,000,000 options issued to both Mr Marinko and Mr Wise which vest no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.025 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)

(3) 10,000,000 options issued to both Mr Marinko and Mr Wise which vest no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.035 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)

(4) 10,000,000 options issued to both Mr Marinko and Mr Wise which vest no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.050 or higher at any time up to expiry which is 4 years from the agreement date (Tranche D)

(5) 10,000,000 options issued to Mr Blackburn which vest 12 months from the agreement date of 27 March 2022 and expire 3 years from the agreement date (Tranche A)

(6) 10,000,000 options issued to Mr Blackburn which vest no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.06 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)

(7) 10,000,000 options issued to Mr Blackburn which vest no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.08 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)

(8) 10,000,000 options issued to Mr Blackburn which vest no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.10 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)

(9) 50,000,000 options were issued to various entities nominated by Kaai Capital Pty Ltd on 28 August 2023 exercisable at $0.011 and expiring 3 years from issue date as part remuneration for acting as lead manager for a share placement.

(10) 20,000,000 options issued to Mr Rizzo which vest 12 months from the agreement date of 15 August 2023 and expire 3 years from the agreement date (Tranche A)

(11) 20,000,000 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.03 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)

(12) 20,000,000 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.05 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)

(13) 20,000,000 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.07 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)

(14) 20,000,000 options issued to Mr Rizzo which vest no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.10 or higher at any time prior to expiry which is 4 years from the agreement date (Tranche E)

(15) 7,500,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 unless employment is terminated without cause in which case they vest immediately and expire 3 years from the agreement date (Tranche A)

(16) 5,000,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.06 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche B)

(17) 5,000,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.08 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche C)
(18) 5,000,000 options issued to Mr Tranfield which vest no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.10 or higher at any time prior to expiry which is 3 years from the agreement date (Tranche D)

The options table above does not include the in-substance issue of options (ELF Options) relating to arrangements involving the issue of shares financed by limited recourse loans. Accounting for such as an in-substance issue of options is a requirement of accounting standards.

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

Shares under performance rights

There were no unissued ordinary shares of Environmental Clean Technologies Limited under performance rights outstanding at the date of this report.

Shares or interests issued on the exercise of options

In previous financial years, shares were issued that were financed by an ELF with ECT Finance Ltd. The details of these facilities are disclosed within the Annual Report (refer to note 11 and note 12 of the financial statements for details). Shares issued under the ELFs are held as security and remain restricted from trading until the debt issued to the respective shareholders has been repaid and the shares released. These shares are accounted for as the in-substance issue of options for accounting purposes.

During the previous reporting period, 760,358,891 shares were issued which were the security for 50 new ELFs. The shares were issued from the conversion of ECTOE options. These ELFs were drawn down on 17 February 2023 and expire after 3 years. One of these ELFs was forfeited in the previous financial year with the 1,598,894 shares securing this ELF subsequently used to pay creditors leaving 758,759,997 shares as security for the remaining 49 ELFs.

During a prior reporting period, 35,000,000 shares were issued which are the security for 6 ELFs. These ELFs were approved by shareholders on 25 June 2021, were drawn down on 15 September 2021 and expire after 3 years.

On 10 May 2020, the Company commenced an ELF using the remaining 75,000,000 shortfall shares and 30,000,000 shortfall options (post share consolidation quantities) from a non-renounceable rights issue. The term of this ELF was 1 year and had been extended by three years. Since the commencement of this ELF all shares and all options have been released to suppliers and KMP in lieu of payments in cash or as partial settlement for the property purchased in Yallourn. In the current financial year, the remaining 15,265,428 shares which were held as security for this ELF were used to pay suppliers and KMP (refer to KMP disclosures above).

A further ELF was established using 916,407,834 shares that were previously used as security for expired ELFs. These shares were subsequently used as security for 4 new ELFs commencing 15 January 2021 for a term of 2 years. The issue of a further 383,592,166 shares was approved at a prior AGM which were also used as security for these ELFs. Total shares held as security for these ELFs was 1,300,000,000 (130,000,000 shares post share consolidation). In February 2022, payments for 3 of these ELFs were received and 65,000,000 shares were released leaving 65,000,000 shares securing the remaining ELF on 30 June 2024. The remaining ELF has had its term extended by another year.

As at 30 June 2024, there were therefore 858,759,997 (30 June 2023: 874,025,425) shares on issue and held as security where monies (principal and interest loans) are owing to the Company. Should loans remain unpaid at expiry, ECTF has recourse to those shares held as security and may settle the outstanding debt with the borrower via a number of mechanisms including but not limited to a) disposal of shares on the market with the proceeds used to repay the loan and b) selective buy-back in exchange for debt forgiveness by the parent company.

Shares issued on the exercise of performance rights

There were no ordinary shares of Environmental Clean Technologies Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

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

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

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

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd
There are no officers of the Company who are former partners of William Buck Audit (Vic) Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this directors' report.

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

On behalf of the directors

Jason Marinko
Chairman

29 August 2024
Perth

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Environmental Clean Technologies Limited

As lead auditor for the audit of Environmental Clean Technologies 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 the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Environmental Clean Technologies Limited and the entities it controlled during the year.

William Buck

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

N. S. Benbow
Director

Melbourne, 29 August 2024

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General information

The financial statements comprise those of Environmental Clean Technologies Limited as a consolidated entity consisting of Environmental Clean Technologies Limited ('the Company') and the entities it controlled at the end of, or during, the year (together referred to as 'the consolidated entity'). The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

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

Suite 37, 209 Toorak Road
South Yarra, VIC, 3141
Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

	Note	Consolidated 2024 $	Consolidated 2023 $
Other income			
Other income	4	1,439,079	838,218
Interest revenue calculated using the effective interest method		19,621	36,610
Total income		1,458,700	874,828
Expenses			
Corporate costs	5	(1,743,390)	(2,616,232)
Depreciation and amortisation expense		(1,136,147)	(1,056,496)
Engineering and design costs		(788,437)	(437,172)
Sales and marketing		(171,827)	(198,973)
Write-off of assets	7	(633,082)	(148,435)
Impairment of receivables	6	-	(132,000)
Changes in inventories		-	(8,921)
Employee benefits expense	5	(1,377,338)	(375,034)
Occupancy expense		(172,178)	(134,443)
Legal costs		(83,845)	(94,844)
Finance costs		(83,834)	(96,232)
Travel and accommodation		(51,713)	(55,595)
Change in fair value of financial liabilities	5	1,070,015	62,690
Loss on disposal of plant and equipment		(967)	-
Total expenses		(5,172,743)	(5,291,687)
Loss before income tax expense		(3,714,043)	(4,416,859)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Environmental Clean Technologies Limited		(3,714,043)	(4,416,859)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Environmental Clean Technologies Limited		(3,714,043)	(4,416,859)
		Cents	Cents
Basic loss per share	25	(0.185)	(0.277)
Diluted loss per share	25	(0.185)	(0.277)

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

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents		762,171	1,286,235
Trade and other receivables	6	1,536,844	1,665,401
Prepayments and deposits		52,046	56,769
Total current assets		2,351,061	3,008,405
Non-current assets			
Property, plant and equipment	7	3,239,410	4,636,921
Right-of-use assets		260,874	384,312
Intangibles	8	101,700	152,550
Total non-current assets		3,601,984	5,173,783
Total assets		5,953,045	8,182,188
Liabilities			
Current liabilities			
Trade and other payables		608,980	692,510
Borrowings	9	984,000	1,968,000
Lease liabilities		85,583	138,097
Employee benefit liabilities		49,491	19,877
Total current liabilities		1,728,054	2,818,484
Non-current liabilities			
Lease liabilities		203,466	273,354
Employee benefit liabilities		28,089	18,412
Financial liabilities	10	568,874	1,638,889
Total non-current liabilities		800,429	1,930,655
Total liabilities		2,528,483	4,749,139
Net assets		3,424,562	3,433,049
Equity			
Issued capital	11	92,410,300	88,961,632
Share-based payments reserve	12	2,530,569	2,273,681
Accumulated losses		(91,516,307)	(87,802,264)
Total equity		3,424,562	3,433,049

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

Environmental Clean Technologies Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	88,943,874	3,176,866	(85,067,045)	7,053,695
Loss after income tax expense for the year	-	-	(4,416,859)	(4,416,859)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,416,859)	(4,416,859)
Transactions with owners in their capacity as owners:				
Vesting charge for share-based payments (note 26)	-	777,906	-	777,906
Issue of shares (net) (note 11)	17,758	-	-	17,758
Transfer expired options (note 12)	-	(1,681,640)	1,681,640	-
Premium received on ELF options (note 12)	-	549	-	549
Balance at 30 June 2023	88,961,632	2,273,681	(87,802,264)	3,433,049

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	88,961,632	2,273,681	(87,802,264)	3,433,049
Loss after income tax expense for the year	-	-	(3,714,043)	(3,714,043)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,714,043)	(3,714,043)
Transactions with owners in their capacity as owners:				
Vesting charge for share-based payments (note 26)	-	434,120	-	434,120
Settlement of share-based payment with shares	177,732	(177,732)	-	-
Share placement (net) (note 11)	3,270,936	-	-	3,270,936
Option premium received	-	500	-	500
Balance at 30 June 2024	92,410,300	2,530,569	(91,516,307)	3,424,562

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

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		320,211	121,625
Research and development tax incentive (inclusive of GST)		1,410,260	1,794,182
Payments to suppliers and employees (inclusive of GST)		(4,379,426)	(3,451,734)
Interest received		19,621	36,610
Interest and other finance costs paid		(82,867)	(96,232)
Net cash used in operating activities	23	(2,712,201)	(1,595,549)
Cash flows from investing activities			
Payments for property, plant and equipment		(184,023)	(1,401,907)
Proceeds from disposal of plant and equipment and Wood247 business		-	30,250
Payments of security deposits		-	(11,825)
Receipts of security deposits		-	16,477
Net cash used in investing activities		(184,023)	(1,367,005)
Cash flows from financing activities			
Proceeds from issue of shares		3,500,000	-
Payment of equity raising costs		(7,564)	-
Proceeds from issue of options		500	-
Repayment of borrowings		(984,000)	-
Repayment of lease liabilities		(136,776)	(154,958)
Receipts of options premiums		-	549
Net (used in)/cash from financing activities		2,372,160	(154,409)
Net decrease in cash and cash equivalents		(524,064)	(3,116,963)
Cash and cash equivalents at the beginning of the financial year		1,286,235	4,403,198
Cash and cash equivalents at the end of the financial year		762,171	1,286,235

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

Note 1. Material accounting policy information

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

Going concern
For the financial year ended 30 June 2024, the consolidated entity had an operating net loss after tax of $3,714,043 (2023: $4,416,859), net cash outflows from operating activities of $2,712,201 (2023: net cash outflows of $1,595,549), net current assets at the reporting date of $623,007 (2023: net current assets of $189,921) and net assets of $3,424,562 (2023: net assets of $3,433,049). The consolidated entity currently does not have a material source of revenue and is reliant on receipt of research and development tax incentives, possible ELF loan repayments, equity capital or loans from third parties to meet its operating costs.

The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The reliance on future funding described above indicates a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. The financial statements have been prepared on the basis that the consolidated entity is a going concern which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

To this end, the consolidated entity is expecting to fund ongoing obligations as follows:
- utilisation of its current cash resources;
- principal paid and interest earned from current or new ELF debt arrangements (treated as capital injections);
- issuance of the Company's securities under ASX Listing Rule 7.1; and
- the sale of product from the Company’s test facility in Bacchus Marsh.

Further, the consolidated entity has entered into a lease agreement for its corporate office which has one year to run. The lease agreement includes sub-letting provision, which the directors may be able to utilize to further reduce the consolidated entity's cash outflows relating to its occupancy costs.

Management is focused on curtailing expenses where possible:
- Corporate expenses of $1,743,390 principally relate to matters connected with the overall administration of the Company and include expenses such as consulting, listing, legal and audit fees. The Company expects these costs to reduce by approximately $620,000 in the coming financial year;
- Costs for employing and retaining personnel was $1,377,338. The Company has already taken measures to reduce this expense for the coming financial year which is expected to result in savings of approximately $200,000;
- Management would also consider curtailing research and development activities as a means of preserving cash resources; and
- The Company has previously paid KMP using equity rather than cash and this remains an option.

Based on the above information and cash flow forecasts prepared, the directors are of the opinion that the consolidated entity is well positioned to meet its objectives and obligations going forward and therefore that the basis upon which the financial statements are prepared is appropriate in the circumstances.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention except for financial assets and liabilities at fair value through profit or loss and contingent consideration that has been measured at fair value.

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Note 1. Material accounting policy information (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Environmental Clean Technologies Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Environmental Clean Technologies Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Other income
Research and development tax incentive
The consolidated entity has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises the eligible expenses. Where the incentive is directly attributable to the acquisition of property, plant and equipment, the incentive is used to offset the initial cost incurred.

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

Research and development expenditure
Expenditure in respect of research and development is charged to profit or loss as incurred. Development costs will be capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Trade and other receivables
A receivable for the research and development tax incentive receivable is recognised at the time that the eligible expenditure has been incurred and the consolidated entity has reasonable certainty that the amounts will be received.

Property, plant and equipment
Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Historical cost may be reduced by amounts of research and development incentive received that are directly attributable to the acquisition of the asset.

For the purposes of establishing the expected useful life, assets are defined as either ‘commercial’ or ‘research and development’.

Depreciation is charged to write off the net cost of each item of property, plant and equipment over its expected useful life. Depreciation of plant and equipment is calculated on a diminishing value basis whilst depreciation of furniture and fittings and office equipment is calculated on a straight-line basis. The useful life of each class of asset is as follows:

- Plant and equipment	3 to 10 years
- Furniture and fittings	3 years
- Office equipment	3 years

Note 1. Material accounting policy information (continued)

Depreciation of research and development assets is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life within a defined research and development program context as follows:

- COLDry research and development plant and equipment upgrades 3 - 10 years

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

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

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

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

Other financial liabilities
Deferred and contingent consideration and earn-out liabilities were initially recognised at fair value. At each reporting date, the deferred and contingent consideration and earn-out liabilities are reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss.

Employee benefits
Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

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

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Note 1. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

IFRS 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard requires income and expenses to be classified into five categories: 'Operating' (residual category if income and expenses are not classified into another category), 'Investing', 'Financing', 'Income taxes' and 'Discontinued operations'. The standard introduces two mandatory sub-totals: 'Operating profit' and 'Profit before finance and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on how to organise and group information (aggregation and disaggregation) in the financial statements and whether to provide it in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significantly change to the layout of the statement of profit or loss.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified. The consolidated entity does not expect these amendments to have a material impact.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets
The consolidated entity estimates the effective life of intellectual property to be 20 years and amortises these assets on a straight-line basis. Where the resulting effective life differs from that recognised, the impact will be recorded in profit or loss in the period such determinations are made.

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

Earn-out liability - COLDry
The earn-out liability is recognised and measured at the present value of the estimated future cash flows to be made pursuant to the agreement. In determining the present value of the liability, significant unobservable inputs are used including the discount rate applied to future cash flows, and estimates of expected timing and quantities of production using probability weightings. Refer to note 10.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets (DTA) including carry forward tax losses are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Company has not recognised a deferred tax asset.

The consolidated entity has carried forward losses of $32,303,472 and an unrecognised DTA in relation to these losses of $8,075,868.

Research and development tax offset
The consolidated entity adopts the income approach to accounting for the research and development tax offset pursuant to AASB 120 'Accounting for Government Grants and Disclosure of Government Assistance'. The directors have concluded that the consolidated entity has developed sufficient systems and knowledge to allow reasonable assurance to be obtained with respect to the measurement and recognition of tax rebates receivable at the time of incurring eligible expenses. The directors also believe there is no exposure to the consolidated entity regarding clawback of the research and development tax offset by the Australian Tax Office.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates predominantly in the environmental and energy industry, and a single geographic segment being Australia.

The CODM reviews operating performance of the consolidated entity based on management reports that are prepared. At regular intervals, the CODM is provided management information at a consolidated entity level for the consolidated entity's cash position, the carrying values of intangible assets and a consolidated entity cash forecast for the next 12 months of operation. On this basis, no segment information is included in these financial statements.

Types of products and services
The principal products and service of the operating segment is as follows:

ECT (COLDry and HydroMOR): ECT represents the consolidated entity's primary activities of investment, research, development and commercialisation of technologies relating to COLDry and HydroMOR processes.

ECT Finance ('ECTF'): ECTF is a subsidiary of the group and represents the ELF activities of the consolidated group. ECTF lends to shareholders at commercial interest rates allowing them to finance the acquisition of shares in the Company through limited recourse loan arrangements.

ECT provides funding to ECTF via intercompany loan accounts allowing ECTF to then advance funds to ECT shareholders (i.e. ELF borrowers) for the purpose of exercising their ECT options and acquiring shares in ECT. The shares in ECT are held as security by ECTF against the ELF borrowings until such time as principal and interest payments are made. ECTF may release partial allocations of ECT shares on receipt of repayments of ELF borrowings.

The loan made by ECT to ECFT is interest bearing giving rise to intercompany revenue generated by ECT and intercompany interest expense incurred by ECTF. At a consolidated level, all intercompany loans are eliminated along with the related interest revenue and expense. Furthermore, all ELF borrowings advanced to shareholders, together with the related issue of ECT shares are eliminated as, pursuant to accounting standards, such loans, which are limited recourse borrowings in nature are deemed to represent the issue of in-substance call options by ECT to shareholders, with any receipts from ECT borrowers that do not result in the release of shares accounted for as the receipt of option premium. Only when shares are released on receipt of loan repayments is an actual issue of share capital recognised.

Note 4. Other income

	Consolidated	
	2024	2023
	$	$
Research and development tax incentive (i)	1,410,260	734,967
Government grants	20,000	-
Gain on termination of lease	-	38,067
Other income	8,819	15,684
Gain on recovery of bad debts(ii)	-	49,500
Other income	1,439,079	838,218

(i) Research and development tax incentive
The Company has recognised a receivable related to the research and development tax incentive of $1,473,170 at 30 June 2024 (2023: $1,294,899) which relates to eligible expenditure. Refer note 6. An amount of $8,351 (2023: $562,471) of the incentive received or receivable has been offset against the cost of plant and equipment during the year. Refer note 7.

(ii) Gain on recovery of bad debts
In 2022, the Company sold its interest in the Wood 247 business for cash and an exchange of shares. The purchaser owed the Company $132,000 which had been written off as a bad debt in the first half of the 2023 year. During the period, the Company was able to take back 4,500,000 ECT shares that it had delivered to the purchaser as part of the sale transaction. These shares were valued at $0.011 each on 20 February 2023 when the shares were returned therefore delivering value of $49,500 back to the Company and are held by ECT Finance Limited. Refer to note 11. The previous bad debt was therefore recovered to this extent and recognised as income for the year.

Note 5. Expenses

	Consolidated	
	2024	2023
	$	$
Loss before income tax includes the following specific expenses:		
Remeasurement of other financial liabilities		
Remeasurement of deferred and contingent consideration for HydroMOR assets	-	(436,552)
Remeasurement of COLDry earn-out liability	(1,070,015)	373,862
Total remeasurement of financial liabilities	(1,070,015)	(62,690)
Employee benefits expense		
Salaries and wages	1,239,192	301,360
Defined contribution superannuation expense	138,196	73,674
Share-based payments expense (included as part of Corporate costs)	98,683	670,839
Total employee benefits expense	1,476,071	1,045,873

Note 6. Trade and other receivables

	Consolidated	
	2024	2023
	$	$
Current assets		
Other receivables	-	291,397
Research and development tax incentive receivable	1,473,170	1,294,899
	1,473,170	1,586,296
BAS receivable	63,674	79,105
	1,536,844	1,665,401

Allowance for expected credit losses
There were no allowances for expected credit losses on receivables recognised as at reporting date. Amounts of trade and other receivables written off as not recoverable during the year were $nil (2023: $132,000). See note 26 for further details.

Research and development receivable
The research and development tax incentive receivable as at 30 June 2023 was received in December 2023. After adjustments, the total amount received was $1,286,990.

Note 7. Property, plant and equipment

	Consolidated	
	2024	2023
	$	$
Non-current assets		
Land and buildings	1,148,235	1,143,235
Less: Accumulated depreciation	(46,036)	(25,402)
	1,102,199	1,117,833
Leasehold improvements	91,984	86,608
Less: Accumulated depreciation	(57,032)	(25,201)
	34,952	61,407
Plant and equipment	7,939,361	8,599,506
Less: Accumulated depreciation	(5,851,235)	(5,151,930)
	2,088,126	3,447,576
Fixtures and fittings	4,467	4,467
Less: Accumulated depreciation	(4,467)	(4,467)
	-	-
Office equipment	38,387	30,324
Less: Accumulated depreciation	(24,254)	(20,219)
	14,133	10,105
	3,239,410	4,636,921

Note 7. Property, plant and equipment (continued)

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

Consolidated	Land and buildings $	Leasehold improvements $	Plant and equipment $	Office equipment $	Total $
Balance at 1 July 2022	1,026,529	59,358	3,554,385	15,106	4,655,378
Additions	116,706	24,906	1,478,518	1,835	1,621,965
Disposals	-	-	(81,360)	(15)	(81,375)
R&D tax incentive offset	-	-	(562,471)	-	(562,471)
Write-off of assets	-	-	(148,435)	-	(148,435)
Depreciation expense	(25,402)	(22,857)	(793,061)	(6,821)	(848,141)
Balance at 30 June 2023	1,117,833	61,407	3,447,576	10,105	4,636,921
Additions	5,000	5,376	160,437	21,561	192,374
Disposals	-	-	-	(967)	(967)
R&D tax incentive offset	-	-	-	(8,351)	(8,351)
Write-off of assets	-	-	(633,082)	-	(633,082)
Depreciation expense	(20,634)	(31,831)	(886,805)	(8,215)	(947,485)
Balance at 30 June 2024	1,102,199	34,952	2,088,126	14,133	3,239,410

During the year the Company made the decision to write-off equipment that is no longer part of phases 1 or 2 which are referred to in the directors' report. The majority of the write-off related to a kiln that had no material recovery value.

Note 8. Intangibles

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

Consolidated	Right of access - mining $
Balance at 1 July 2022	203,400
Amortisation expense	(50,850)
Balance at 30 June 2023	152,550
Amortisation expense	(50,850)
Balance at 30 June 2024	101,700

COLDry intellectual property ('COLDry IP')
The *COLDry* IP represents the patented technology related to *COLDry* acquired by the consolidated entity in 2009. It is the most advanced of all the Company's technologies and while the asset has been fully impaired in order to comply with relevant accounting standards, the consolidated entity is of the view that this IP remains one of its most valuable assets. *COLDry* is currently in the early stages of commercialisation and has been manufactured and sold previously. *COLDry* is also the cornerstone of all other technologies that the consolidated entity is developing such as HydroMOR and COHgen.

Note 8. Intangibles (continued)

The recognition and value of the *COLDry* IP, being an intangible asset, must be considered annually in accordance with the requirements of AASB 136 'Impairment of Assets'. An impairment test must be conducted if there are indicators of impairment, in which case the entity shall estimate the recoverable amount of the asset. The recoverable amount shall be the higher of the fair value less cost of sale and value in use. Assessments performed under AASB 136 using a value-in-use model did not support the carrying value of the *COLDry* IP. The asset was fully impaired in the year ended 30 June 2019.

Assessments of the *COLDry* IP fair value less cost of sale and the value in use will be conducted in future accounting periods. Should these assessments warrant a reversal of the impairment loss recognised in the year ended 30 June 2019, a revaluation increase will be recognised in accordance with relevant accounting standards.

Right-of-access - mining
During the 2021 financial year, the Company entered into an agreement with EnergyAustralia to secure a supply of lignite. The consideration paid to EnergyAustralia was used to upgrade its plant to facilitate product supply to the Company. The agreement included the cost to repair and commission the outfeed delivery system at a cost of $450,000 of which $195,750 was claimed as part of the R&D tax incentive last financial year. The remaining balance of $254,250 is being amortised over 5 years.

Note 9. Borrowings

	Consolidated	
	2024 $	2023 $
Current liabilities		
Invest Victoria R&D funding Loan	984,000	1,968,000

Refer to note 13 for further information on financial instruments.

Invest Victoria R&D funding loan
This loan relates to a facility agreement that provides for funding based on the value of the anticipated receipt of the AusIndustry Tax Incentive for the respective financial year and is secured by the tax incentive payable to the Company under the research and development tax incentive program.

The initial loan was for $1,968,000 and a repayment was made on 4 December 2023 of $984,000, reducing the loan balance to $984,000. The loan is currently repayable on 31 October 2024 or when the Company receives its 2023/2024 Research and Development tax incentive refund. The interest rate for this loan is 4.515% and interest is payable monthly.

Note 10. Financial liabilities

	Consolidated	
	2024 $	2023 $
Non-current liabilities		
Earn-out liability - COLDry	568,874	1,638,889

Earn-out liability - COLDry
The earn-out liability represents deferred consideration payable related to the acquisition of the COLDry intellectual property from the Maddingley Group. The consideration payable is calculated based on $0.50 per projected processed tonne of COLDry pellets manufactured and is discounted at a rate of 21% (2023: 11%). The total consideration payable is $3,000,000 plus applicable interest at the Reserve Bank of Australia cash rate. Refer to note 14.

	Earn-out liability COLDry $	Total $
Opening balance as at 1 July 2023	1,638,889	1,638,889
Remeasurement to fair value (charge to profit or loss)	(1,070,015)	(1,070,015)
Closing balance as at 30 June 2024	568,874	568,874

Note 11. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	2,313,050,382	1,598,085,144	92,410,300	88,961,632
Treasury shares	-	4,500,000	-	-
ELF shares	858,759,997	874,025,425	-	-
	3,171,810,379	2,476,610,569	92,410,300	88,961,632

Ordinary share capital

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Details	Date	Shares Issued	Issue price	$
Balance	1 July 2022	1,595,597,091		88,943,874
Share-based payments	11 April 2023	2,819,987	$0.0100	26,895
Share-based payment	19 April 2023	333,333	$0.0090	3,000
Share forfeiture	20 April 2023	(4,500,000)	$0.0110	(49,500)
Share-based payments	05 May 2023	1,178,513	$0.0110	12,964
Share-based payment	22 May 2023	528,535	$0.0100	5,250
Share-based payments	14 June 2023	2,127,685	$0.0090	19,149
Balance	30 June 2023	1,598,085,144		88,961,632
Share-based payments	July 2023	2,275,522	$0.0080	18,204
Share capital placements	August 2023	349,126,363	$0.0055	1,920,195
Cost of capital placement (i)	August 2023	21,818,182	$0.0000	-
Share-based payments	October 2023	16,164,150	$0.0080	133,101
Share capital placements	December 2023	14,510,000	$0.0055	79,805
Share-based payments	December 2023	3,571,021	$0.0074	26,427
Share capital placement	April 2024	307,500,000	$0.0050	1,500,000
Equity raising costs (ii)		-	$0.0000	(229,064)
Balance	30 June 2024	2,313,050,382		92,410,300

Notes:
(i) Shares to the value of $120,000 were issued to Kaai Capital as manager of the capital raising. As the cost of the placement offsets the value of the shares issued, no amount has been recognised.
(ii) On 28 August 2023 the Company issued 50,000,000 options to entities nominated by Kaai Capital. The options were issued as remuneration for acting as lead manager for a share placement. The options are exercisable at $0.011 and expire 3 years from issue. An amount of $221,500 was recognised as a reduction in share capital in relation to these options.

Treasury shares

Treasury shares were shares in the Company that were originally held by ECT Finance Ltd, a subsidiary of the Company, as security for an equity lending facility (ELF). The shares were subsequently returned to the Company as part of the settlement for the sale of the Wood247 business.

Note 11. Issued capital (continued)

Movements in treasury shares	Date	No of shares
Balance	1 July 2022	4,500,000
Balance	30 June 2023	4,500,000
Issued for share-based payments	October 2023	(4,500,000)
Balance	30 June 2024	-

ELF share capital

The Company's subsidiary, ECT Finance Ltd, has entered into limited recourse loans with option-holders (Participants) allowing them to obtain finance to exercise share options issued by the Company. Shares in ECT were issued on exercise of options in accordance with the Loan and Security Agreement (the Agreement) of the ELF.

All shares issued pursuant to the ELF and which are financed by limited recourse loans are considered, for accounting purposes, to be options issued. As a result, neither the value of the loans receivable, nor the value of shares issued, are recognised in the financial statements. Where the Company receives funds from Participants in the form of principal or interest, such amounts are treated as the receipt of option premium and recognised in the option reserve until the loan is settled (refer to note 12). Loans expire within 2-3 years from issue and interest is charged at commercial rates of interest.

Notwithstanding any other provision of the ELF, each Participant has a legal and beneficial interest in the ELF shares issued to them except that any dealings with those ELF shares by the Participant is restricted in accordance with the Agreement. ELF shares rank equally with all existing ordinary shares of the Company from the date of issue in respect of all rights issues, bonus issues, dividends and other distributions to, or entitlements of, ordinary shareholders. On termination of the loan facility, the Participant may elect to settle the loan or default on the loan and the Company's subsidiary could enforce the return of the ELF shares subject to requirements of the Corporations Act and as outlined in the Agreement signed by each borrower.

The face value of limited recourse loans that had been issued at the reporting date was $24,112,253 (2023: $24,288,797) and interest and management fees accrued on such loans was $3,579,017 (2023: $551,011).

As at reporting date, there are 858,759,997 (2023: 874,025,425) shares held as security against these loans (ELF Shares) and therefore there are ELF Options of the same amount deemed to be on issue.

ELF share capital movements (i.e., number of shares) are as follows:

	Consolidated	
	2024	2023
Details		
Opening balance of ELF shares on issue	874,025,425	120,654,587
ELF shares repurposed for share-based payments on expiry of ELFs	(15,265,428)	(6,988,053)
ELF shares issued during year	-	760,358,891
Closing balance of ELF shares on issue	858,759,997	874,025,425

The following ELF shares were on issue at reporting date:

ELF issue details	Effective exercise price	No. of shares 2024	No. of shares 2023
Issue date 10 May 2020, expiry date 10 May 2024	$0.01	-	15,265,428
Issue date 15 January 2021, expiry date 15 January 2024	$0.01	65,000,000	65,000,000
Issue date 15 September 2021, expiry date 15 September 2024	$0.02	35,000,000	35,000,000
Issue date 17 February 2023, expiry date 16 February 2026	$0.03	758,759,997	758,759,997
		858,759,997	874,025,425

Note 11. Issued capital (continued)

Options on issue (Unlisted director incentive options)
Unlisted director incentive options have been issued as part of an incentive scheme and which formed part of their remuneration.

Issue date	Number issued	Exercise price	Expiry date	Terms	Balance on issue at year end
22 Dec 2021	20,000,000	$0.025	15 Oct 2024	note (1)	20,000,000
22 Dec 2021	20,000,000	$0.025	15 Oct 2024	note (2)	20,000,000
22 Dec 2021	20,000,000	$0.025	15 Oct 2024	note (3)	20,000,000
22 Dec 2021	20,000,000	$0.025	15 Oct 2025	note (4)	20,000,000
24 Jun 2022	10,000,000	$0.05	27 Mar 2025	note (5)	10,000,000
24 Jun 2022	10,000,000	$0.05	27 Mar 2025	note (6)	10,000,000
24 Jun 2022	10,000,000	$0.05	27 Mar 2025	note (7)	10,000,000
24 Jun 2022	10,000,000	$0.05	27 Mar 2025	note (8)	10,000,000
15 Aug 2023	20,000,000	$0.03	15 Aug 2026	note (9)	20,000,000
15 Aug 2023	20,000,000	$0.03	15 Aug 2026	note (10)	20,000,000
15 Aug 2023	20,000,000	$0.03	15 Aug 2026	note (11)	20,000,000
15 Aug 2023	20,000,000	$0.03	15 Aug 2026	note (12)	20,000,000
15 Aug 2023	20,000,000	$0.03	15 Aug 2027	note (13)	20,000,000
19 Dec 2023	7,500,000	$0.05	19 Dec 2026	note (14)	7,500,000
19 Dec 2023	5,000,000	$0.05	19 Dec 2026	note (15)	5,000,000
19 Dec 2023	5,000,000	$0.05	19 Dec 2026	note (16)	5,000,000
19 Dec 2023	5,000,000	$0.05	19 Dec 2026	note (17)	5,000,000
					242,500,000

(1) Exercise is subject to vesting (12 months from issue date)
(2) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.025 or higher at any time prior to expiry
(3) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.035 or higher at any time prior to expiry
(4) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 October 2021 if the 20-day VWAP is $0.05 or higher at any time prior to expiry
(5) Exercise is subject to vesting (12 months from issue date)
(6) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.06 or higher at any time prior to expiry
(7) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.08 or higher at any time prior to expiry
(8) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 27 March 2022 if the 20-day VWAP is $0.10 or higher at any time prior to expiry
(9) Exercise is subject to vesting (12 months from issue date)
(10) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.03 or higher at any time prior to expiry
(11) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.05 or higher at any time prior to expiry
(12) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.07 or higher at any time prior to expiry
(13) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 15 August 2023 if the 20-day VWAP is $0.10 or higher at any time prior to expiry
(14) Exercise is subject to vesting (12 months from issue date)
(15) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.05 or higher at any time prior to expiry
(16) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.07 or higher at any time prior to expiry
(17) Exercise is subject to vesting which may occur no earlier than 12 months from the agreement date of 19 December 2023 if the 20-day VWAP is $0.10 or higher at any time prior to expiry

Note 11. Issued capital (continued)

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity monitors capital by reference to cash flow forecasts in relation the operating revenue and expenditure. The consolidated entity also monitors its capital expenditure requirements to identify any additional capital required.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain obligations in relation to its financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management strategy remains unchanged from 2023.

Note 12. Share-based payments reserve

	Consolidated	
	2024	2023
	$	$
Share-based payments reserve	2,530,569	2,273,681

Share-based payments reserve
The balance of the reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration which have not fully vested in the recipient as at reporting date or otherwise represent an obligation incurred to issue ordinary shares.

The reserve also includes the value of consideration received for options issued, including the value of options issued on settlement of convertible promissory notes. Such options may include those that have been issued as a share-based payment and which have vested in the option holder as at reporting date (refer to note 11 for further details).

On 28 August 2023 the Company issued 50,000,000 options to entities nominated by Kaai Capital. The options were issued as remuneration for acting as lead manager for a share placement. The options are exercisable at $0.011 and expire 3 years from issue. An amount of $221,500 was recognised as a reduction in share capital in relation to these options (included as part of the equity raising costs).

Note 13. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies and evaluates risks. Finance reports to the Board on a regular basis.

Market risk

Interest rate risk
The consolidated entity has minimal exposure to interest rate risk for both borrowings and deposits. Fluctuations in interest rates will not have any material risk exposure to the cash held in bank deposits at variable rates. Borrowings are at a variable rate and fluctuations are not expected to have a material impact.

Note 13. Financial instruments (continued)

Liquidity risk

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

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. The consolidated entity aims at maintaining flexibility in funding by keeping committed funding options available to meet the consolidated entity's needs.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2024	Interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	398,378	-	-	-	398,378
Other payables	-	210,602	-	-	-	210,602
Interest-bearing - variable						
Earn-out liability (COLDry)	4.350%	-	14,845	122,912	431,117	568,874
Interest-bearing - fixed rate						
Lease liability	7.900%	142,720	45,619	145,233	-	333,572
R&D funding loan	4.515%	998,809	-	-	-	998,809
Total non-derivatives		1,750,509	60,464	268,145	431,117	2,510,235

2023	Interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	571,264	-	-	-	571,264
Other payables	-	121,246	-	-	-	121,246
Interest-bearing - variable						
Earn-out liability (COLDry)	4.100%	-	5,162	47,243	1,586,484	1,638,889
Interest-bearing - fixed rate						
Lease liability	7.900%	161,116	141,430	129,000	43,000	474,546
R&D funding loan	4.265%	1,995,978	-	-	-	1,995,978
Total non-derivatives		2,849,604	146,592	176,243	1,629,484	4,801,923

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Cash flows related to settlement of the COLDry earn-out liability are based on timing of forecast production output upon which payment is calculated. Future cash flows have been discounted at 21% (2023: 11%) in determining the recognised carrying value within the financial statements.

Note 14. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2024	Level 1 $	Level 2 $	Level 3 $
Liabilities			
Earn-out liability - COLDry IP	-	-	568,874
Total liabilities	-	-	568,874

2023	Level 1 $	Level 2 $	Level 3 $
Liabilities			
Earn-out liability - COLDry IP	-	-	1,638,889
Total liabilities	-	-	1,638,889

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the forecast cash flows required to discharge the liability at the current market interest rate that is available for similar financial liabilities. Movements in the fair value of the financial liabilities are disclosed in their respective notes.

Valuation techniques for fair value measurements categorised within level 3
The above financial liabilities have been valued using a discounted cash flow model and/or option pricing models. Refer to note 10 and below for further details.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Deferred consideration HydroMOR $	Earn-out liability COLDry IP $	Total $
Balance at 1 July 2022	436,552	1,265,027	1,701,579
Remeasurement to fair value	(436,552)	373,862	(62,690)
Balance at 30 June 2023	-	1,638,889	1,638,889
Remeasurement to fair value	-	(1,070,015)	(1,070,015)
Balance at 30 June 2024	-	568,874	568,874

Note 14. Fair value measurement (continued)

The unobservable inputs and sensitivities of level 3 liabilities are as follows:

Description	Unobservable inputs	Potential range	Sensitivity
COLDry earn-out liability	Discount rate	16% - 26% (21% used) (2023: 11% used)	A change in this rate of +/- 5% would have an effect of: +5%: decreasing the carrying value of the liability by $172,235 (and decreasing the loss); and -5%: increasing the carrying value of the liability by $305,138 (and increasing the loss).
	Timing of production to discharge liability	Dec 2023 onwards (2023: July 2022 onwards)	The rate of payment of the earn-out liability is linked to the expected timing of plant production. Obligations are currently forecast to commence next year. A change in timing of the commercial scale commencement of +1 year from that currently forecast would reduce the loss and liability by $24,821.

Note 15. Key management personnel disclosures

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

	Consolidated	
	2024	2023
	$	$
Short-term benefits	1,227,214	968,783
Post-employment benefits	91,376	14,319
Long-term benefits	16,434	-
Share-based payments	193,255	797,928
	1,528,279	1,781,030

The share-based payment expense of $193,255 for this financial year related to the settlement of consulting invoices, director fees and the issue of unlisted options. Refer to note 19, note 26 and the directors' report for further details.

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company:

	Consolidated	
	2024	2023
	$	$
Audit or review of the financial statements		
William Buck Audit (Vic) Pty Ltd	47,300	-
BDO Audit Pty Ltd	100,065	133,852
	147,365	133,852

Note 17. Contingent liabilities

The Company has guaranteed the debts of its wholly owned subsidiaries (refer note 22) as at 30 June 2024. There were no other contingent liabilities of the consolidated entity as at 30 June 2024 or 30 June 2023 other than as disclosed in note 10.

Note 18. Commitments

	Consolidated	
	2024	2023
	$	$
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	33,998
Patent commitments *		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	7,480	-
One to five years	44,040	29,516
More than five years	143,000	11,908
	194,520	41,424

* Patent commitments represent maintenance payments pursuant to the registered patents of both COLDry and HydroMOR.

Coal supply agreement with EnergyAustralia
On 28 May 2021, the Company signed a coal supply agreement with EnergyAustralia for the supply of lignite from EnergyAustralia'a Yallourn mine (refer ASX announcement dated 3 June 2021). The agreement requires that EnergyAustralia supply at least 50,000 tonnes (or other agreed amounts) to the Company for the next 5 years to support the Company's COLDry activities. There is no minimum purchase commitment incurred by the Company.

Note 19. Related party transactions

Parent entity
Environmental Clean Technologies Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 21.

Key management personnel
Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

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

	Consolidated	
	2024	2023
	$	$
Payment for other expenses:		
Payment of forklift rent to key management personnel (i)	-	7,500
Payment in lieu of the issue of options (ii)	50,000	-

Notes:
(i) The Company rented a forklift from Glenn Fozard on a monthly basis for $750 (plus GST) per month. This arrangement replaced a prior rental agreement for a less suitable and older forklift with another supplier. The arrangement ceased in April 2023.
(ii) The Company included a resolution in its notice of meeting for the annual general meeting held in November 2023 that related to the issue of incentive-based options to Glenn Fozard. As part of the agreement with Mr. Fozard, if the options were not issued, a cash payment of $50,000 was to be made. The resolution was withdrawn prior to the AGM. A creditor for this amount was recognised in these financial statements and was subsequently paid out in cash in January 2024.

There were no other transactions with related parties during the current and previous financial year.

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

Director and KMP fees payable
The following fees payables (inclusive of GST) were owing to directors and KMP at reporting date:

Note 19. Related party transactions (continued)

	Consolidated	
	2024	2023
	$	$
Director's fees	-	23,865
Consulting fees	-	109,818
	-	133,683

During the prior year, directors and KMP agreed to take a portion of their remuneration in shares, which was approved by the shareholders at the last AGM.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date other than the following ELF loans:

ELF Loans
The following balances are outstanding at the reporting date in relation to ELF loans to key management personnel made on 17 February 2023 on the same terms and conditions as other ELF borrowers. Balances include interest accrued to 30 June 2024. Under the accounting policy adopted for ELF loans, these remain unrecognised in the financial statements.

	2024	2023
	$	$
Jason Marinko (i)	174,314	157,159
Tim Wise (ii)	89,157	78,579
Glenn Fozard (iii)	218,352	192,446
Martin Hill	49,011	43,197
Ashley Moore (iv)	198,285	174,761
Adam Giles (v)	32,446	28,597
	761,565	674,739

Notes
(i) Loan is in the name of Tessobel Pty Ltd
(ii) Loan is in the name of Finind Pty Ltd
(iii) Loans are in the name of Glenn Fozard or Anne Fozard
(iv) Loans are in the name of A & K Moore Nominees Pty Ltd and Perl M&C Pty Ltd
(v) Loan is in the name of Caracob Pty Ltd

Note 20. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	$	$
Loss after income tax	(3,713,812)	(4,395,767)
Total comprehensive loss	(3,713,812)	(4,395,767)

Note 20. Parent entity information (continued)

Statement of financial position

	Parent	
	2024	2023
	$	$
Total current assets	3,930,428	4,587,540
Total assets	7,532,412	9,761,323
Total current liabilities	1,728,056	2,818,484
Total liabilities	2,528,485	4,749,139
Equity		
Issued capital	92,410,300	88,961,632
Share-based payments reserve	2,530,569	2,273,682
Accumulated losses	(89,936,942)	(86,223,130)
Total equity	5,003,927	5,012,184

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Company is party to a deed of cross guarantee with its wholly-owned subsidiaries. The deed requires that both the Company and its subsidiaries guarantee the debts of each other. Refer to note 22.

Capital and other commitments
The parent entity has operating lease, patent, equipment finance and royalty commitments payable (not recognised as liabilities). Refer to note 18 for details.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries and income from associates are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.
- ELF loans receivable are recognised as an asset in the parent entity. There are no ELF loans receivable recognised on consolidation.

Note 21. Interests in subsidiaries

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

		Ownership interest	
	Principal place of business /	2024	2023
Name	Country of incorporation	%	%
Asia Pacific Coal and Steel Pty Ltd	Australia	100%	100%
Enermode Pty Ltd	Australia	100%	100%
ECT Coldry Pty Ltd	Australia	100%	100%
A.C.N. 109 941 175 Pty Ltd	Australia	100%	100%
Environmental Clean Technologies Development and Services India Private Ltd	India	100%	100%
ECT Finance Ltd	Australia	100%	100%
ECT Waste-to-Energy Pty Ltd	Australia	100%	100%

Note 22. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- Environmental Clean Technologies Ltd (Parent entity)
- Asia Pacific Coal and Steel Pty Ltd
- Enermode Pty Ltd
- ECT Coldry Pty Ltd
- A.C.N. 109 941 175 Pty Ltd
- ECT Finance Ltd
- ECT Waste-to-Energy Pty Ltd

By entering into the deed, the wholly-owned entities are relieved from any requirements to prepare financial statements and a directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Environmental Clean Technologies Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position are substantially the same as the consolidated entity and therefore have not been separately disclosed.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	2023
	$	$
Loss after income tax expense for the year	(3,714,043)	(4,416,859)
Adjustments for:		
Depreciation and amortisation	1,136,147	1,056,496
Net loss incurred on disposal of plant and equipment	967	51,110
Gain on lease termination	-	(38,067)
Write-off of assets	633,082	280,435
Recovery of bad debts	-	(49,500)
Share-based payments	212,620	845,164
Revaluation of financial liabilities	(1,070,015)	(62,690)
Other	-	126
Change in operating assets and liabilities:		
Decrease in trade and other receivables	291,392	827,892
Decrease/(increase) in prepayments	4,724	(8,070)
Decrease in trade and other payables	(246,366)	(112,480)
Increase in employee benefits	39,291	30,894
Net cash used in operating activities	(2,712,201)	(1,595,549)

Note 24. Non-cash investing and financing activities

	Consolidated	
	2024	2023
	$	$
Acquisition of plant and equipment - payables	-	220,058
Acquisition of right-of-use assets	14,319	202,272
	14,319	422,330

Note 25. Earnings per share

	Consolidated	
	2024	2023
	$	$
Loss after income tax attributable to the owners of Environmental Clean Technologies Limited	(3,714,043)	(4,416,859)

	Cents	Cents
Basic loss per share	(0.185)	(0.277)
Diluted loss per share	(0.185)	(0.277)

At 30 June 2024, there were 858,759,997 shares held as security which are subject to the repayment of ELF loans. For accounting purposes, these ELF loans and the related shares issued are treated as an in-substance issue of options. The ELF shares issued are therefore not included in the Basic EPS calculation. There were also 120,000,000 unlisted options on issue at reporting date. All options were considered anti-dilutive and excluded from the calculations above.

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	2,004,639,446	1,595,736,136
Weighted average number of ordinary shares used in calculating diluted loss per share	2,004,639,446	1,595,736,136

All options on issue are out-of-the-money at reporting date and therefore considered anti-dilutive for the purposes of the diluted EPS calculation and therefore not included.

Note 26. Share-based payments

Share-based payments made by the consolidated entity are described below. Such share-based payment arrangements were settled, or will be settled subject to shareholder approval, through delivery or issue of ECT shares and unlisted incentive options. Such transactions impacted the financial statements in the following manner:

Impact on financial statements of share-based payments	2024	2023
	$	$
Corporate costs expense	193,255	797,928
Sales and marketing expense	19,365	47,236
Cost for year	212,620	845,164
Reflected in equity as		
Share-based payments reserve	(434,120)	(777,906)
Share capital (issued)	-	(67,258)
Cost of share capital raised	221,500	-
	(212,620)	(845,164)

A summary of the components of the share-based payments expense is as follows:

	Consolidated	
	2024	2023
	$	$
Corporate and sales and marketing expenses		
Issue of ECT shares to key management personnel for services (see note (a))	-	14,725
Transfer of shares and options for the acquisition of goods and the provision of services (see note (c))	-	47,236
	-	61,961
	-	61,961

Note 26. Share-based payments (continued)

Further details in relation to share-based payments transactions are as follows:

(a) ECT shares issued and issuable to key management personnel for services

Shares were issued to KMP during the financial year in settlement of invoices for consulting services and part settlement of director fees. All shares were transferred from an established ELF. The price used to determine the number of shares to be issued was the VWAP for the calendar month in which the services were provided.

The total corporate expense for the year relating to such shares was $nil (2023: $14,725). Details of shares issued are as follows:

	2024	2024	2023	2023
	Number of shares issued	Fair value $	Number of shares issued or issuable	Fair value $
Directors				
James Blackburn	3,060,906	23,864	867,097	7,955
James Blackburn (director incentive options)	-	11,605	-	-
Jason Marinko	3,060,906	23,864	867,097	7,955
Sam Rizzo (director incentive options)	-	99,928	-	-
Tim Wise	1,507,161	12,436	867,097	7,955
Glenn Fozard	9,339,828	80,000	7,196,970	65,000
KMP				
John Tranfield (incentive options)	-	30,421	-	-
Martin Hill	437,500	3,500	437,500	3,500
Ashley Moore	625,000	5,000	2,235,001	20,000
Adam Giles	-	-	1,575,611	14,725
Total (i)	18,031,301	290,618	14,046,373	127,090

Note

(i) Of the 18,031,301 (2023: 14,046,373) shares issued or issuable shown above:
- 18,032,301 (2023: 4,248,112) represented transfers from an established ELF facility and did not require shareholder approval;
- no shares (2023: no shares) were issued by the Company; and
- no shares (2023: 9,798,261) are issuable subject to shareholder approval.

The shares issued were as follows:
- Fozard 7,196,970 ECT shares (total value $65,000) relates to services provided in 2023;
- each of Blackburn, Marinko and Wise 867,097 ECT shares (total value per KMP $7,955) relates to services provided in 2023;
- Moore 625,000 ECT shares (total value $5,000) relates to services provided in 2023;
- Hill 437,500 ECT shares (total value $3,500) relates to services provided in 2023.

(b) Issue of unlisted incentive options

The following incentive options were issued to directors as part of an incentive scheme for directors and executives and formed part of their remuneration (corporate expenses) for the current and prior year. Incentive options were also issued to the Lead Manager of a share placement conducted in August 2023.

Note 26. Share-based payments (continued)

Name	Grant date	Option Type(i)	Number of options issued	Fair value per option	Expiry Date	Exercise price	Total FY24 remuneration	Total FY23 remuneration
Jason Marinko	22 Dec 2021	Tranche A	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche B	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche C	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche D	10,000,000	0.0276	15 Oct 2025	$0.025	-	80,910
			40,000,000				-	306,051
Tim Wise	22 Dec 2021	Tranche A	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche B	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche C	10,000,000	0.0256	15 Oct 2024	$0.025	-	75,047
	22 Dec 2021	Tranche D	10,000,000	0.0276	15 Oct 2025	$0.025	-	80,910
			40,000,000				-	306,051
James Blackburn	24 Jun 2022	Tranche A	10,000,000	0.0064	27 Mar 2025	$0.05	-	47,166
	24 Jun 2022	Tranche B	10,000,000	0.0014	27 Mar 2025	$0.05	4,745	4,730
	24 Jun 2022	Tranche C	10,000,000	0.0011	27 Mar 2025	$0.05	3,762	3,750
	24 Jun 2022	Tranche D	10,000,000	0.0009	27 Mar 2025	$0.05	3,098	3,090
			40,000,000				11,605	58,736
Various	28 Aug 2023		50,000,000	0.0044	28 Aug 2026	$0.011	221,500	-
			50,000,000				221,500	-
Sam Rizzo	27 Nov 2023	Tranche A	20,000,000	0.0045	15 Aug 2026	$0.030	78,934	-
	27 Nov 2023	Tranche B	20,000,000	0.0012	15 Aug 2026	$0.030	7,223	-
	27 Nov 2023	Tranche C	20,000,000	0.0010	15 Aug 2026	$0.030	5,588	-
	27 Nov 2023	Tranche D	20,000,000	0.0008	15 Aug 2026	$0.030	4,666	-
	27 Nov 2023	Tranche E	20,000,000	0.0008	15 Aug 2027	$0.030	3,517	-
			100,000,000				99,928	-
John Tranfield	19 Dec 2023	Tranche A	7,500,000	0.0045	19 Aug 2026	$0.050	27,422	-
		Tranche B	5,000,000	0.0012	19 Aug 2026	$0.050	1,239	-
		Tranche C	5,000,000	0.0010	19 Aug 2026	$0.050	959	-
		Tranche D	5,000,000	0.0008	19 Aug 2026	$0.050	801	-
			22,500,000				30,421	-
Total			292,500,000				363,454	670,838

Notes

(i) All ‘tranche A’ options have a service condition that the option holder must complete 12 months of service following the grant of the options for the options to vest. If Mr. Tranfield is terminated without cause within the first 12 months, his tranche A options will vest immediately upon termination of employment.

All options vest from 12 months after agreement date and for tranches B to E for Mr. Rizzo and tranches B to D for Mr. Tranfield, provided that the applicable 20-day VWAP targets are met at any time after that date. The VWAP targets associated with each Tranche of option are as specified below in the valuation methodology.

Note 26. Share-based payments (continued)

Options over ordinary shares	2024 Number	2023 Number
Balance at the beginning of the year	120,000,000	120,000,000
Options issued	172,500,000	-
Balance at the end of the year	292,500,000	120,000,000

Option valuation methodology

The fair value of options on grant date was determined using a Black Scholes option valuation model adjusted, as applicable, for the probability of the share price reaching specified 20-day VWAP targets as determined at grant date. The inputs to the valuation model therefore include, agreement date, grant date (being date of issue and measurement), expiry date and exercise price as specified in the table above, as well as the following inputs:

James Blackburn options
Share price at grant date: $0.016
Share price volatility: 100%
Risk-free rate: 2.93%

Tranche A - no VWAP targets applicable - vested after 12 months
Tranche B - VWAP target $0.06 (probability of reaching VWAP target 22%)
Tranche C - VWAP target $0.08 (probability of reaching VWAP target 18%)
Tranche D - VWAP target $0.10 (probability of reaching VWAP target 15%)

Sam Rizzo options
Share price at grant date: $0.0065
Share price volatility: 150%
Risk-free rate: 4.19%

Tranche A - no VWAP targets applicable - vests after 12 months
Tranche B - VWAP target $0.030 (probability of reaching VWAP target 27%)
Tranche C - VWAP target $0.050 (probability of reaching VWAP target 21%)
Tranche D - VWAP target $0.070 (probability of reaching VWAP target 18%)
Tranche E - VWAP target $0.10 (probability of reaching VWAP target 18%)

John Tranfield options
Share price at grant date: $0.005
Share price volatility: 100%
Risk-free rate: 4.19%

Tranche A - no VWAP targets applicable - vests after 12 months
Tranche B - VWAP target $0.050 (probability of reaching VWAP target 27%)
Tranche C - VWAP target $0.070 (probability of reaching VWAP target 21%)
Tranche D - VWAP target $0.10 (probability of reaching VWAP target 18%)

(c) Transfer of shares and options for the acquisition of goods and the provision of services

2024
During 2024 there were no transfers of shares or options for the acquisition of goods. For details of shares transferred for the provision of services refer to note 15.

2023

On 11 April 2023, 2,819,987 shares were released from an ELF which related to the settlement of creditors. The value of the shares was calculated using the VWAP of the Company's shares for the month in which the creditor provided the services from January to March 2023. The VWAPs used were January 2023 $0.011, February 2023 $0.011, and March 2023 $0.009 for a total consideration of $26,894 which was treated as a corporate expense.

Note 26. Share-based payments (continued)

On 19 April 2023, 333,333 shares were released from an ELF which related to the settlement of creditors. The value of the shares was calculated using the VWAP of the Company's shares for the month of March 2023 which was $0.009 for a total consideration of $3,000 which was treated as a corporate expense.

On 5 May 2023, 1,178,513 shares were released from an ELF which related to the settlement of creditors. The value of the shares was calculated using the VWAP of the Company's shares for the month of April 2023 which was $0.011 for a total consideration of $12,963 which was treated as a corporate expense.

On 22 May 2023, 528,535 shares were released from an ELF which related to the settlement of creditors. The value of the shares was calculated using the VWAP of the Company's shares for the month in which the creditor provided the services in March and April 2023 was $0.009 and $0.011 respectively for a total consideration of $5,250 which was treated as a corporate expense.

On 14 June 2023, 2,127,685 shares were released from an ELF which related to the settlement of creditors. The value of the shares was calculated using the VWAP of the Company's shares for the month of May 2023 which was $0.009 for a total consideration of $19,149 which was treated as a corporate expense.

Total charged to corporate expense for the year was $67,256.

Note 27. Events after the reporting period

On 17 July 2024, Environmental Clean Technologies Limited announced the signing of a binding Heads of Agreement (HoA) with ESG Agriculture Pty Ltd ("ESG") for the development and offtake of soil health products. This HoA follows an existing Memorandum of Understanding (MoU) announced on 4 April 2024 and is a precursor to a detailed Joint Venture (JV) between ECT and ECG.

The MoU is now replaced by the HoA, and completed activities as outlined in the MoU validate the ECT and ESG processes, including COLDry, which serves as the front-end feedstock preparation process.

Initial results from small batch tests conducted by an ISO-accredited laboratory, HRL Technology, indicate a successful blending of lignite and nitrogen ingredients with almost no loss (less than 1%) of nitrogen content over the process. Initial field trials will be conducted in the coming weeks. Subsequent large field trials will be undertaken over the next 3-6 months and will target large cropping farms in South Australia, Victoria, NSW and Queensland. Concurrently, techno-economic analysis conducted by the team, mapping capex, opex, and market pricing, indicates this is a commercial proposition to be executed across two distinct stages:

- **Stage 1 – Baseline demonstration**
  This stage is intended to focus on building the COLDry process connected in-line with granulation at scale. The intent is to sell a commercial quantity of fertiliser whilst field trials are converted into bankable off-take. This stage will not prioritise financial performance, with the emphasis placed on de-risking the engineering and bankability of the project.

- **Stage 2 – Optimisation**
  This stage, which will follow Stage 1, will aim to optimise key operational and process parameters to expand the earnings footprint in line with a de-risked baseline of operations and performance. Key areas of optimisation will include blending, zero-cost waste heat, net zero impact, 24/7 operations, and drying acceleration.

Stage 2 is expected to generate earnings.

These results give ECT and ESG confidence to advance to a collaborative, whole-of-value chain JV. The HoA establishes this commitment and outlines the JV's principles.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Environmental Clean Technologies Limited *	Body Corporate	Australia	-	Australia **
Asia Pacific Coal and Steel Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Enermode Pty Ltd	Body Corporate	Australia	100.00%	Australia **
ECT Coldry Pty Ltd	Body Corporate	Australia	100.00%	Australia **
A.C.N. 109 941 175 Pty Ltd	Body Corporate	Australia	100.00%	Australia **
Environmental Clean Technologies Development and Services India Private Ltd	Body Corporate	India	100.00%	India
ECT Finance Ltd	Body Corporate	Australia	100.00%	Australia **
ECT Waste-to-Energy Pty Ltd	Body Corporate	Australia	100.00%	Australia **

* Parent entity

** Environmental Clean Technologies Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- subject to the matters disclosed in note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 22 to the financial statements; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors

Jason Marinko
Chairman

29 August 2024
Perth

Independent auditor's report to the members of Environmental Clean Technologies Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Environmental Clean Technologies Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

— 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

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

What was audited?

We have audited the financial report of 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 for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— 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.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 the Group incurred a net loss of $3,714,043 and net operating cash outflows of $2,712,201 during the year ended 30 June 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

	Area of focus (refer also to notes 4 & 6)	**How our audit addressed the key audit matter**
Research and development tax incentive	During the financial year the Group recorded research and development ("R&D") grant revenue of $1,410,260, and a year-end accrual included in receivables of $1,473,170 in the statement of financial position. The directors employ the use of an R&D expert to assist them with the calculation and submission of the R&D claim. Given that the R&D accrual for grant revenue may differ in its final claim and that there are complexities that may arise in its calculation, particularly for the eligibility of qualifying expenditure under the R&D credit regime, as administered by both AusIndustry and the Australian Taxation Office, this is considered a Key Audit Matter for this audit report.	Our audit procedures included: — Understanding the key controls and governance established by management for raising the R&D accrual and claiming R&D tax credits; — Assessing the appropriateness of the experience, skill and objectivity of the expert employed by director to assist with the calculation and submission of the R&D claim; — Recalculating the R&D accrual raised in these financial statements; and — Consulting with our internal R&D specialist, both on the appropriateness of the modification of the claim relative to the prior year accrual, together with an examination of the inputs and assumptions included in the current year R&D accrual. — We also ensure that matters relating to the R&D accrual and claim revenue were appropriately

		disclosed in the financial statements.
Valuation of contingent consideration	Area of focus (refer also to notes 10, 13 & 14) The Group continues to account for deferred and contingent consideration amounts payable in-respect of its historical purchases of its HydroMor and COLDry intellectual property. *HydroMor* Consistent with the prior year, the directors have assessed that the Group has no material obligation owing in-respect of tranches c), d), e) and f) given the remote probability of the milestones triggering the remaining payments owing under the original acquisition agreement. *COLDRY* This provision contemplates the repayment of the obligation according to royalty tonnage rate arising from commercial production. Key inputs and variables in the calculation therefore consider a) the total tonnage production capacity of the Group; b) the expected utilisation of that tonnage capacity in forecast years; c) assumptions relating to costs for interest rates and CPI rates as applied to forecast data; and d) the appropriate discount rate applicable to future expected cash outflows arising from the tonnage royalty obligations. Given the subjectivity of those inputs and assumptions, this was determined to be a key audit matter.	**How our audit addressed the key audit matter** Our audit procedures included: — Reviewing and understanding the legacy acquisition agreements for HydroMor and COLDry; — Liaising with technical experts of the Group of the probability and likelihood of satisfying milestone conditions or tonnage production relevant to each agreement; — Appraising the appropriateness of those technical experts in the context of the reasonableness and appropriateness of those aforesaid assumptions and inputs; — Recomputing the models provided by management supporting the valuations of both models; — Liaising with our Corporate Advisory team on the appropriateness of the discount rate applied to the valuation of the COLDry provision; and — Ensuring that both provisions, including their fair value sensitivities, were adequately disclosed in the financial statements.

Other matter

On 30 April the Company announced to the Australian Securities Exchange that it had changed its auditor. Consequently, the Financial Report for the prior year ended 30 June 2023, which are represented in the comparative results expressed in these financial statements, were audited by another auditor, whose report dated 31 August 2023 expressed an unmodified opinion on those statements. Our opinion is not modified in respect of this matter.

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:

— 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

— 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:

— 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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Environmental Clean Technologies Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

Responsibilities

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

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

N. S. Benbow
Director
Melbourne, 29 August 2024

The shareholder and option holder information set out below was applicable as at 13 August 2024.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total options issued
1 to 1,000	429	-	-	-
1,001 to 5,000	666	0.07	-	-
5,001 to 10,000	567	0.15	-	-
10,001 to 100,000	2,246	3.00	-	-
100,001 and over	1,403	96.78	7	100.00
	5,311	100.00	7	100.00
Holding less than a marketable parcel	4,454	6.04	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Number of ordinary shares held	% of total ordinary shares issued
LJ & K Thomson Pty Ltd (LJT & KT Super Fund A/C)	424,540,000	13.38
Bin Liu	133,121,343	4.20
Sunset Tidal Pty Ltd (Sunset Tidal Investment A/C)	110,000,000	3.47
Godin Corp Pty Ltd (Seven A/C)	100,144,805	3.16
Emerald River Pty Ltd (Kenny Family A/C)	100,000,000	3.15
Arkyn Pty Ltd (Kovani A/C)	76,491,667	2.41
Lloyd Thomson & Kate Thomson (The Thomson Custodian A/C)	76,133,334	2.40
Superior Coatings (Aust) Pty Ltd	71,000,000	2.24
Tellaro Pty Ltd (Tellaro A/C)	69,250,000	2.18
Iain McEwin	60,000,000	1.89
Challenge Bricks & Roofing Pty Ltd	55,284,804	1.74
Alitime Nominees Pty Ltd (Honeyham Family A/C)	44,000,000	1.39
10 Bolivianos Pty Ltd	43,718,564	1.38
Davy Corp Pty Ltd (Davy Investment A/C)	34,712,238	1.09
Cameron Thomson	31,000,000	0.98
Kojin Pty Ltd	29,500,000	0.93
Benefico Pty Ltd	29,500,000	0.93
Alexander Thambirajah	29,000,000	0.91
Arkalya Pty Ltd	29,000,000	0.91
Romfal Sifat Pty Ltd (The Fizmail Family A/C)	29,000,000	0.91
	1,575,396,755	49.65

Substantial holders

Substantial holders in the Company are set out below:

	Number of ordinary shares held	% of total ordinary shares issued
LJ & K Thomson Pty Ltd (LJT & KT Super Fund A/C)	505,873,334	15.95%

Voting rights

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

Ordinary shares, including those held within an equity loan funding (ELF) arrangement
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
Options do not convey any rights to the holder with respect to voting unless such options are exercised and ordinary shares are issued.

Restricted securities and securities subject to voluntary escrow

Class	Expiry date for restriction	Number of securities
ECT ordinary shares	14 September 2024	35,000,000
ECT ordinary shares	15 January 2025	65,000,000
ECT ordinary shares	16 February 2026	758,759,997
Unlisted options	Refer directors' report	292,500,000