ABN 30 107 424 519

Iondrive Limited
(previously Southern Gold Limited)
Annual Financial Report
30 June 2024

Contents

Directors' Report

The directors present their report of Iondrive Limited (the Company or Iondrive) and its controlled entities (Consolidated Group or Group) for the financial year ended 30 June 2024.

Principal Activities

The principal continuing activities of the group during the year were the battery technology development and commercialisation, as well as Lithium exploration.

Financial Results

The net result of operations for the group for the year was a loss after income tax of ($6,119,130) (2023: loss of $8,044,850).

Dividends

No dividends were declared in relation to the current financial year ended 30 June 2024, and the directors do not recommend the payment of dividends in respect of the financial year.

Review of Operations

The year ended 30 June 2024 was a pivotal year for Iondrive with completion of the acquisition of battery technology company Iondrive Technologies Pty Ltd (IDT), and quickly progressing a Pre-Feasibility study on the priority technology, being a recycling solution/process for Li-ion batteries.

Iondrive Technologies Pty Ltd (IDT) Acquisition

The acquisition of IDT occurred on 4 July 2023, following shareholder approval, for $1.2 million paid through the issue of Iondrive fully paid ordinary shares. IDT held the first right to acquire or enter the three exclusive world-wide licences across patent protected battery technologies developed by the University of Adelaide (the "University").

The year ended 30 June 2024 was a pivotal year for Iondrive with completion of the acquisition of battery technology company Iondrive Technologies Pty Ltd (IDT), and quickly progressing a Pre-Feasibility Study (PFS) on the priority technology, being a process for extracting critical minerals from recycled Li-ion batteries. A $2.0 million capital raise announced in June 2024 (tranche 2 completed in July following shareholder approval), provided funding to assist in completing the PFS by the target date of October 2024, advancing industry collaborations and early preparations for an anticipated Pilot Plant.

In addition, the Company progressively undertook a Board renewal process, changed its Company name effective 15 November 2023 (previously Southern Gold Limited (ASX: SAU)) and appointed a new Chief Executive Officer on 12 February 2024. These changes reflect the continued strategic shift towards battery technologies, with an exploration business focussed on minerals critical to the renewable energy transition.

Iondrive Technologies Pty Ltd (IDT)

The year ended 30 June 2024 marked a transformative period for Iondrive, as the company advanced its strategic focus on lithium battery recycling technology following the acquisition of Iondrive Technologies Pty Ltd (IDT). This acquisition provided Iondrive with three exclusive worldwide licenses for innovative battery technologies developed by the University of Adelaide.

Lithium Battery Recycling

Central to the Company's strategy is the development and commercialisation of its Deep Eutectic Solvent (DES) technology, which offers a novel, environmentally friendly process for extracting critical minerals such as lithium, cobalt, nickel, and manganese from spent lithium-ion batteries. The increasing demand for sustainable solutions in the

battery recycling market, particularly in Europe, has presented Iondrive with a substantial opportunity to leverage its innovative technology.
The European market has become a focal point for Iondrive, driven by stringent environmental regulations and the growing emphasis on circular economy principles within the EU. A Rho Motion market research study, completed in November 2023, provided a comprehensive analysis of the global battery recycling market, highlighting several key factors that underpin Iondrive's strategic advantage. The study identified a projected compound annual growth rate (CAGR) of 25% in battery material available for recycling, with black mass volumes expected to reach two million tonnes by 2030. This growth is primarily fuelled by the rise of electric vehicles (EVs) and the consequent increase in production scrap and end-of-life (EoL) batteries.

In Europe, where legislative support is creating a sense of urgency for establishing battery recycling capability, Iondrive's DES technology is positioned to capitalise on 'green' price premiums for recycled materials, particularly as new regulations will mandate the inclusion of recycled metals in new EV batteries from 2030. The Rho Motion study underscored the competitive advantage that Iondrive holds as an early mover with a process that not only promises higher recovery rates but also addresses environmental concerns associated with traditional recycling methods, such as smelting and acid leaching.

Throughout the year, Iondrive made substantial strides in validating its DES technology through large-scale bench trials. Iondrive successfully completed the first phase of its large-scale bench trials at the University of Adelaide in April 2024, with results indicating the scalability of high metal recoveries and solvent losses of less than 2%. Given that solvent is the largest input cost, low solvent loss is critical for the process's economic viability. These trials are crucial for scaling the technology and generating the necessary process data to inform the design of a pilot plant.

Subsequent to the financial year-end, the metal recoveries were independently verified by Independent Metallurgical Operations (IMO) in Perth. These large-scale trials not only validated the scalability of Iondrive's DES battery recycling technology but also confirmed that low solvent losses enhance the economics of the process. Building on this success, large-scale process optimisation trials are currently underway at the University of Adelaide to further improve reagent loads and selectivity in metals recovery.

The insights gained from these trials have been important in advancing Iondrive's ongoing PFS, which is on track for completion by October 2024. The PFS aims to de-risk the commercialisation of the DES technology by addressing technical, commercial, and executional risks. It includes a thorough analysis of various business models, to ensure that Iondrive's path to market is both efficient and maximises the commercial opportunity.

To support completion of the PFS, Iondrive engaged in several strategic initiatives, including the engagement of:

- Wood Group for the conceptual engineering design of a 10,000 tpa commercial black mass processing plant. This study is essential for defining the process, estimating project economics, and ensuring that the plant design is scalable and efficient; and
- the Production Engineering of E-Mobility Components (PEM) department at RWTH Aachen University, Germany and Koch Modular Process Systems, New Jersey, USA. These benchmarking and engineering studies are focused on optimising the DES process by comparing it against conventional hydrometallurgical methods and identifying areas for cost optimisation. Specifically, the benchmarking study is to compare Capex and Opex costs and overall economics with conventional hydrometallurgical processes.

With the PFS nearing completion, Iondrive has commenced planning to advance to the pilot plant stage in FY2025. The insights from the large-scale bench trials and the ongoing strategic evaluations will guide the Company as it plans to scale its DES technology from batch-mode trials to a continuous, fully integrated closed-loop process at pilot plant scale. This progression is vital for mitigating risks and ensuring that Iondrive's innovative recycling process is ready for commercial operations.

In parallel with the PFS, Iondrive is engaging with a number of participants in the recycling industry, and the wider green energy transition, across the EU, US, Asia and Australia. This is an important process with a view to identifying collaboration opportunities with strategic industry partners for the commercialisation of the DES battery recycling technology.

Subsequent to year end, Iondrive signed a Collaboration Agreement with the Production Engineering of E-Mobility Components (PEM) at RWTH Aachen University, along with PEM Motion GmbH. This agreement represents a significant milestone in Iondrive's European market strategy, formalising a strategic partnership aimed at addressing the challenges of battery recycling in Europe. Together, the partners plan to establish a consortium of industry partners – representing all areas of the battery recycling value chain – to validate Iondrive’s DES battery recycling technology at scale, secure necessary funding, and accelerate the development of a pilot plant. Importantly, this collaboration represents the first market validation of the attractiveness of Iondrive’s unique environmentally sustainable battery recycling technology.

Other Battery Technologies

The Company is undertaking a high-level review to assess the technical and commercial aspects of its exclusively licensed Sodium Aqueous Battery and its High-Performance Safe Lithium Metal Battery technologies. These technologies are described further below.

Aqueous Sodium-Ion Battery (ASIB)

Aqueous batteries are much cheaper to produce than lithium-ion batteries due to the use of readily available inputs, albeit at a lower energy density than lithium-ion batteries. They also provide much longer cycle life, making them ideal for large scale grid energy storage. The historic technical challenge with water-based batteries has been to increase energy density while maintaining a water-based batteries’ long cycle life.

Applied research conducted by the University of Adelaide led to development of a water-based battery that uses proprietary technology involving the application of a patented novel layer on the cathode, a titanium compound-based anode, and a sodium chloride-based electrolyte. The University has reported that the performance of the Company’s Aqueous Sodium-Ion Battery exceeded initial expectations, achieving leading-class energy density values with 120Wh/kg over 13,000 cycles, exceeding all known published research.

High Performance Safe Lithium Metal (LiM) Batteries

Lithium-based batteries are currently the most efficient method to store energy on scale today and until better options reach the market, new developments are needed to improve the safety and longevity of lithium cells. Under this project, the University of Adelaide has developed three innovative technologies relating to the cathode, anode and electrolyte components of lithium-ion batteries. Together, these components create an improved battery system that has a very high energy density, long cycle life, and is non-flammable, therefore safer.

Performance figures for the NCM811 cathode doping technology shows 87% capacity retention after 500 cycles compared to 36% for conventional NCM811 cathodes. In October 2023, the University, with Iondrive as the industry partner, was awarded a $191,897 grant from Australia’s Economic Accelerator (AEA) to further progress the development of the high-performance nickel-rich cathodes. Iondrive will also contribute $125,000 in cash to this research.

South Korean Exploration

In November 2023, the Group secured an Earn-In and Joint Venture Agreement (JV or the Agreement) with a subsidiary of KoBold Metals Company (KoBold), a US-based exploration company backed by significant AI technology and institutional investors. The Agreement covers the Samguen, Seobyeok, Danyang, Seosan, and Cheonpyeong Lithium Projects in South Korea. Under the terms of the agreement, KoBold can earn a 75% interest in the Lithium Projects through a two stage earn-in arrangement of up to $7 million over 5 years:

- Stage 1: $2 million sole-funded exploration and evaluation of the Lithium Projects, by November 2026, for a 51% interest. A minimum spend of $500,000 is required by May 2025;
- Stage 2: the option to sole fund exploration expenditure of an additional $5 million, by November 2028, to increase KoBold’s interest to 75%;

- Iondrive may maintain its 25% interest by funding its pro-rata commitment after Stage 2; and
- If Iondrive's interest falls below 10%, this interest is replaced with a 1% net smelter royalty, subject to a US$9,540,000 cap.

Iondrive's wholly owned subsidiary, Korea Metals Resources (KMR), has been engaged as Field Operator by KoBold during the earn-in period, for a minimum of 18 months (ending May 2025). Under the Agreement, costs incurred by KMR in providing services as the Field Operator are reimbursed by Kobold on a monthly basis, including the full-time cost of three South Korean field staff, any other staff utilised and direct support costs, assisting the Group to reduce its cost base of the exploration business in South Korea.

Iondrive, in partnership with KoBold, reported promising results from rock-chip samples collected during reconnaissance exploration at the Samgeun, Seobyeok, and Danyang lithium projects. Conducted in late November 2023, the sampling at Samgeun returned ten samples with over 400 ppm Li_2O, with the highest at 0.43% Li_2O. Mapping confirmed the presence of pegmatite dikes, consistent with previous geological maps. Similarly, at Seobyeok, 72 samples were collected, with two showing over 400 ppm Li_2O, validating the accuracy of historical geological data. Further fieldwork is underway, following up these results as well as generating new targets.

For other exploration projects that include gold, copper and RRE projects, we are progressing a number of avenues to realise value through either a sale or Earn-in/Joint Ventures.

Corporate

The Group completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd (IDT) through the issue of 60 million fully paid ordinary shares, valued at $1.38 million.

Change of Company name

The parent Company announced a change in its name from Southern Gold Limited to Iondrive Limited. The change of name, together with the change of ASX code from SAU to ION, was effective for ASX purposes from 15 November 2023. The Group also changed its website address to: Iondrive.com.au. The change of name to Iondrive Limited followed overwhelming shareholder approval for the change at the Annual General Meeting held on 9 November 2023.

Chief Executive Officer Appointment

In October 2023, Dr Ebbe Dommisse was appointed Interim CEO of Iondrive's battery technology business, Iondrive Technologies. Following strong progress with the PFS for the battery recycling technology, Dr Dommisse was appointed Chief Executive Officer of Iondrive Limited and the consolidated Group, effective 12 February 2024. With a career spanning over two and a half decades, Dr Dommisse has held key executive positions across various global markets including Australia, USA, South Africa, Europe, China, and South-East Asia. Based in Australia and with his experience in enhancing company operations, and in bringing innovative products to market, Dr Dommisse is perfectly positioned to progress Iondrive's strategic objectives, including the commercialisation of three battery related technologies exclusively licensed from the University of Adelaide.

Mr Robert Smillie retired from his position as Managing Director and CEO of Iondrive Ltd on 10 February 2024. Mr Smillie continues with the Group in a consulting capacity, with a primary focus on South Korean lithium exploration in collaboration with Kobold Metals.

Board Renewal

There were also a number of changes to the composition of the Board to align to the Company's acquisition of the battery technology business. Firstly, Dr Jack Hamilton was appointed as a Non-Executive Director and Mr Adam Slater was initially engaged as an advisor to the Board, both effective at the conclusion of the Annual General Meeting held on 9 November 2023. Mr Slater was then appointed a Non-Executive Director on 4 December 2023 following receipt of his ASIC director identification number. The Board renewal process was completed by the appointment of Mr Andrew Sissian as a Non-Executive Director on 12 June 2024.

As the Group transitions to a new phase, the Board bid a sincere farewell to three retiring Directors that have played key roles in the Group's journey. Mr Peter Bamford, a seasoned mining engineer and corporate executive, has been an integral part of the Board since 2018. Likewise, Mr Doug Kirwin, a respected Australian geologist with an impressive 45 years of international experience, served as a Non-Executive Director since February 2020. Finally, Mr BeeJay Kim with his guidance and leadership in relation to the Company's South Korean exploration business in particular.

Funding

During the year, Iondrive progressively sold its remaining holding of 149,900,000 BMV shares, resulting in total proceeds of £781,272 ($1,505,277) providing additional funding for the Group's activites.

On 3 June 2024, Iondrive announced a $2.0 million placement to advance its battery recycling technology. The placement raised gross proceeds of approximately $2.0 million through the issue of 222,222,222 fully paid ordinary shares at a price of $0.009 per share. Cornerstone participation came from Iondrive's two largest shareholders: Strata Investment Holdings Plc and Ilwella Pty Ltd, with additional participation from the Board and Management totalling $260,000. The funds will be used primarily to finalise the Battery Recycling PFS and to progress industry collaborations and early planning for the Pilot Plant. The placement was managed by Prenzler Group. The second tranche of the placement was completed post year-end, following shareholder approval at the General Meeting in July 2024.

Changes in State of Affairs

There were no significant changes in the state of affairs of the Group other than that referred to in the Review of Operations, or in the financial statements or notes thereto.

Events Subsequent to Reporting Date

Tranche 2 share placement

Following shareholder approval, the Company completed Tranche 2 of a share placement on 29 July 2024 by issuing 103,650,902 shares at $0.009 per share, raising approximately $0.93 million.

Completion of large-scale bench trials

On 30 July 2024, Iondrive announced the successful completion of its large-scale bench trials for its DES battery recycling technology. The trials, representing a 1,000x scale-up, demonstrated high metal recoveries and minimal solvent losses, with results from testing at the University of Adelaide and independently verified by Independent Metallurgical Operations (IMO) in Perth. These outcomes validate the scalability and economic potential of Iondrive's recycling technology, with further process optimisation trials currently underway.

Issue of unlisted options

On 6 August 2024, the Company granted 5,000,000 unlisted options to the Company's former Chief Executive Officer who has been retained as a consultant. The granting of the options had been approved by shareholders on 18 July 2024. The options vest subject to the satisfaction of performance conditions relating to the continuation of the Earn-in and Joint Venture activities with KoBold Metals and the monetisation of non-core exploration assets in South Korea (refer Note 22).

Issue of securities as a long-term incentive

On 6 August 2024, the Company granted 30,625,000 unlisted options and 30,625,000 performance rights to the Company's Chief Executive Officer and Chief Financial Officer as a long-term incentive. The granting of the options had been approved by shareholders on 18 July 2024. The options and the performance rights vest in four tranches, subject to the satisfaction of both service conditions and performance conditions (Refer note 22).

EU Collaboration Agreement

On 12 August 2024, Iondrive announced the signing of a collaboration agreement with the Production Engineering of E-Mobility Components at RWTH Aachen University (PEM) and PEM Motion GmbH (PEM Motion). This collaboration aims to attract investment to validate the Iondrive DES recycling technology at pilot plant scale and to form a consortium of strategic industry partners to solve a pressing industry need, being the establishment of a robust and scalable process for recycling lithium-ion batteries within the EU, with a focus on converting recycled materials into high-quality precursors for battery active materials for the expanding EV market. The pilot plant, as part of the proposed consortium, utilising Iondrive's battery recycling technology, is likely to be located at PEM's facilities in Germany.

Iondrive's early invitation to participate in the formation of this consortium, formalises a strategic industry partnership in Europe, a key target market, and underscores the value proposition of its unique sustainable battery recycling process.

Other than the above, there has not arisen any other matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Group, the results of those operations, or the state of the Group in future years.

Environmental Regulation and Performance Statement

Iondrive's wholly owned subsidiary in South Korea, Korea Metal Resources, carries out exploration activities. In South Korea, exploration activity is principally regulated at the national level by the Ministry of Trade, Industry and Energy (MOTIE) which in turn manages mining and exploration affairs through the Mine Registration Office and the Mine Safety Office.

There have been no known environmental breaches attributed to the Group's exploration activities to date.

Options

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

Issue Date	Date of Expiry	Fair Value at Grant Date $	Exercise Price $	Number under Option
09/09/2021	16/09/2025	$0.02845	$0.100	680,000
29/10/2021	31/10/2025	$0.03259	$0.120	3,700,000
22/02/2023	22/02/2027	$0.01213	$0.050	300,000
30/06/2023	30/12/2024	$0.00000	$0.027	63,000,000
04/07/2023	3/07/2026	$0.00402	$0.040	7,000,000
24/07/2023	23/07/2026	$0.00402	$0.040	3,000,000
09/11/2023	9/11/2026	$0.00181	$0.040	10,000,000
09/11/2023	9/11/2027	$0.00532	$0.025	6,000,000
22/01/2024	22/01/2028	$0.00404	$0.025	100,000
06/08/2024	12/02/2026	$0.00123	$0.025	5,000,000
06/08/2024	06/08/2029	$0.00424	$0.012	30,625,000
				129,405,000

On 6 August 2024, Company granted 30,625,000 unlisted options (as included in the table above), together with 30,625,000 performance rights, to the Company's Chief Executive Officer and Chief Financial Officer as a long-term incentive, following shareholder approval on 18 July 2024. The options and performance shares vest, after a minimum service period to 12 August 2025, in four tranches when the 30-day volume weighted average price of the Company's ordinary shares exceeds the set price hurdles at any time prior to 12 February 2027. The performance rights convert into one fully paid ordinary share upon vesting. The options have an exercise price of $0.012 and lapse 6 August 2029. The fair value per option is $0.00424 per option (as noted above) and the fair value of the performance rights is $0.00510 per performance right. As the options and performance rights had been agreed prior to 30 June 2024, albeit subject to shareholder approval, an expense has been recognised in the financial statements for the year ended 30 June 2024 (refer Note 22).

No option holders have any rights to participate in any issues of shares or other interests in the Company.

For details of options issued to Directors and Executives as remuneration, refer to the Remuneration Report.

Performance Rights

Ausino Drilling Services Pty Ltd (ADS) holds 10 million performance rights at US$0.11 per right for US$1.1 million. The performance rights will vest if, and when, ADS provide drilling services, with 25% of the invoices for drilling services to be paid in Iondrive shares. There are currently no immediate plans to utilise this facility and the performance rights are expected to lapse on 31 December 2024.

As noted above, subsequent to 30 June 2024, the Company 30,625,000 performance rights as part of a long-term incentive plan for the Company's Chief Executive Officer and Chief Financial Officer, following shareholder approval on 18 July 2024.

Directors

The following were Directors of the Company at any time during the financial year, or at any time subsequent to the end of the financial year through to the date of this report, are as set out below:

Michael McNeilly (Non-Executive Chair)

John Rock (Non-Executive Director, appointed 23 July 2023)

John Hamilton (Non-Executive Director, appointed 9 November 2023)

Adam Slater (Non-Executive Director, appointed 4 December 2023)

Andrew Sissian (Non-Executive Director, appointed 12 June 2024)

Peter Bamford (Non-Executive Director and Chair until 31 July 2023, resigned 9 November 2023)

Robert Smillie (Managing Director, resigned 10 February 2024)

Beejay Kim (Non-Executive Director, resigned 1 June 2024)

Douglas Kirwin (Non-Executive Director, resigned 9 November 2023)

Details of Directors' qualifications, experience and special responsibilities of the existing Directors are as follows:

Michael McNeilly (Non-Executive Chair)
BA (Internal Economics)

Michael McNeilly is CEO, and Director of AIM/ASX dual listed natural resources investing company Metal Tiger Plc. Mr McNeilly has extensive experience in listed companies and is currently Non-Executive Director of ASX-listed Cobre Limited. He sits on several private company boards within the Metal Tiger group.

Past board appointments include MOD Resources Ltd (up to acquisition by Sandfire in November 2019), Metal Capital Ltd (until November 2018), Greatland Gold Plc (until October 2017), Arkle Resources Plc (until November 2019). Mr McNeilly also has a deep understanding of the equity capital markets having worked at broking house Arden Partners Plc and Allenby Capital Ltd where he was part of their corporate finance teams during 2011-2015.

Mr McNeilly studied Biology at Imperial College London and has a BA in International Economics at the American University of Paris. He is fluent in French.

Mr McNeilly currently holds 1,111,111 shares and 600,000 options in Iondrive Limited.

John Rock (Non-Executive Director)
BA (Arts)

John Rock was appointed Non-Executive Director, effective from 24 July 2023. His appointment coincided closely with Iondrive's acquisition of Iondrive Technologies in July 2023. Mr Rock brings extensive leadership, entrepreneurial and commercialisation experience and has been directly involved with the IDT business since its inception.

Mr Rock has ongoing experience in the startup and commercialisation sector. He is a Co-founder and Director of OTB Ventures, a company with the specific mandate of finding, nurturing, and commercialising early-stage University technologies. In this role, he is responsible for sourcing and evaluating research and its potential commercial outcomes.

With a background in Business, Mr Rock has a broad skill base coupling management, strategy implementation and culture.

Mr Rock currently holds 5,916,667 shares and 3,375,000 options in Iondrive Limited.

Jack Hamilton (Non-Executive Director, appointed 9 November 2023)
PhD, B.Eng (Chem), FAICD, FAIE

Dr Hamilton is a highly experienced senior executive and board director with extensive expertise across technology, operations and manufacturing, project management, business development and commercial ventures. His career in the energy sector includes leading Australia's largest resource project as Director of North West Shelf Ventures for Woodside Energy Ltd. He has held senior positions both locally and internationally.

Currently, Dr Hamilton serves as a Non-Executive Director of Hazer Group Ltd (ASX: HZR). His recent board experiences include roles as Chairman of AnteoTech (ASX: ADO) and Non-Executive Director of Calix Ltd (ASX: CXL). Dr. Hamilton holds a Bachelor of Engineering (Chemical) and a Doctorate of Philosophy (Engineering) from the University of Melbourne. He is a Fellow of the Australian Institute of Energy (FAIE) and a Fellow of the Australian Institute of Company Directors (FAICD).

Dr Hamilton currently holds 4,444,444 shares and 3,000,000 options in Iondrive Limited.

Adam Slater (Non-Executive Director, appointed 4 December 2023)
BA (Arts)

Mr Slater is a seasoned professional with nearly three decades of experience in the commodities industry. From 2007 to 2018, he spearheaded the development of the commodity division at CWT Limited, an SGX-listed company, overseeing financial services, commodity brokerage, trading, and supply chain management. During this period, he served on the boards of all CWT Limited's commodity-related businesses, including chairing the board of MRI Trading.

In 2019, Mr Slater shifted his focus to venture capital and private equity, taking on multiple board positions and advisory roles. He currently holds a non-executive role at Iondrive and is a member of OurCrowd's Global Investor Advisory Council. As a founding LP in Genesis Alternative Ventures, he sits on the LP Boards for their Funds I and II. He previously served on the board of Elminda (now part of NASDAQ-listed WAVD) and recently joined the board of TradeCloud Services Pte Ltd. A graduate of McGill University in East Asian Studies, Mr Slater is fluent in English, Hebrew, and Chinese.

Mr Slater currently holds 4,444,444 shares and 3,000,000 options in Iondrive Limited.

Andrew Sissian (Non-Executive Director, appointed 12 June 2024)
CPA, MAcc, BCom (Finance)

Mr Sissian is a seasoned corporate and capital markets executive and CPA. Mr Sissian is a co-founder and NED of Cobre Limited ASX.CBE and CEO of high growth IoT technology company Procon Telematics. Mr Sissian advises and partners with a range of companies in the technology and future minerals sectors. Mr Sissian has also spent more than a decade in equities and institutional banking including with the National Australia Bank in Australia and Shanghai and with Wilsons Advisory.

Mr Sissian currently holds 2,777,778 shares in Iondrive Limited.

Chief Executive Officer

The following person held the position of Chief Executive Officer at the date of this report:

Ebbe Dommisse
B.Eng (Chem), MSc, PhD, MBA, GAIC

Mr Dommisse is a seasoned professional with over 25 years of experience in commercialising technologies, execution and manufacturing. He previously served as the COO at Circa Group, an Australian start-up that commercialised a biochemical process from laboratory scale to commercial scale. Prior to this, he was Regional GM of Pact Group, an ASX-listed manufacturer, where he was responsible for establishing a world-class plant in Indonesia and overseeing operations in South-East Asia.

Mr Dommisse currently holds 1,111,111 shares, 24,500,000 options and 24,500,000 performance rights in Iondrive Limited.

Chief Financial Officer and Company Secretary

The following person held the position of Chief Financial Officer and Company Secretary during the financial year:

Ray Ridge
BA (Acc), CA, GIA (cert)

With over 30 years experience, Mr Ridge has held senior management positions in finance, compliance and commerce across a range of industries, including previous appointments as General Manager Commercial & Operations with the Utilities, Government and Power Business Group of Parsons Brinckerhoff, CFO of the Merchandise Division of Elders Ltd and Senior Audit Manager at Arthur Andersen. Mr Ridge has recently held, or currently holds, Chief Financial Officer and/or Company Secretary roles at four other ASX listed companies.

Mr Ridge currently holds 5,444,444 shares, 6,725,000 options and 6,125,000 performance rights in Iondrive Limited.

Remuneration Report (audited)

The remuneration policy is designed to align Key Management Personnel objectives with shareholder and business objectives by providing a fixed remuneration package to Non-executive Directors and time-based remuneration to Executive Directors. The Board of Iondrive believes the policy to be appropriate and effective in attracting and retaining the best Directors and Executives to manage and direct the Group, as well as create goal congruence between Directors, Executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of board members and other Key Management Personnel of the Company is detailed below.

The Company's constitution specifies that the total amount of remuneration for Non-Executive Directors shall be fixed from time to time by a general meeting. For the year ended 30 June 2024, the maximum aggregate cash remuneration for Non-Executive Directors was set at $300,000 per annum. Following the shareholder approval on 18 July 2024, this cap was increased, and the current maximum aggregate cash remuneration of Non-Executive Directors has been set at $350,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director or Chief Executive Officer is determined by the Non-executive Directors and approved by the Board as part of the terms and conditions of employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive Director remuneration is by way of fees and statutory superannuation contributions where applicable. Directors do not participate in schemes designed for remuneration of executives and are not provided with retirement benefits. The Group currently has no performance-based remuneration component built into Non-executive Director packages.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long-term objective of maximising shareholder value, through the retention of high-quality personnel.

The Company has an Employee Incentive Plan approved by shareholders that enables the Board to offer eligible employees and consultants options or performance rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, options and performance rights to acquire ordinary fully paid shares may be offered to the Company's employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees, consultants and shareholders by providing employees and consultants of the Company with the opportunity to participate in the equity of the Company as an incentive to achieve greater success and profitability for the Company and to maximise the long-term performance.

The employment conditions of the Chief Executive Officer are formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Chief Executive Officer's contract may be terminated at any time by mutual agreement. The Company may terminate the contract without notice in instances of serious misconduct.

The employment conditions of the Managing Director were formalised in a contract of employment. The base salary was set out in the employment contract and reviewed annually. The Managing Director retired effective 10 February 2024.

Mr Ridge is not employed by the Company. His services are provided in his capacity as a consultant to act as Company Secretary of, and provide accounting services to, Iondrive.

During the financial year there were no remuneration consultants engaged by the Company.

Chief Executive Officer's Remuneration
The Chief Executive Officer has an annual salary of $350,000, inclusive of superannuation. Following the shareholder approval on 18 July 2024, the Company granted the Chief Executive Officer 24,500,000 non-transferrable performance rights and 24,500,000 options to vest in four tranches, subject to the satisfaction of both Service Conditions and Performance Conditions.

Managing Director's Remuneration
The former Managing Director had an annual salary of $320,000, inclusive of superannuation. Following the shareholder approval on 12 January 2023, the Company granted the then-Managing Director 5,000,000 non-

transferrable performance rights to vest and convert into fully paid ordinary shares in one tranche on 9 May 2025, subject to service and share price conditions. The performance rights forfeited upon retirement on 10 February 2024.

The Company provided accommodation in South Korea for the Managing Director, together with health insurance and two return flights to New Zealand per annum. There was no formal relationship between the board policy for remuneration of Key Management Personnel and the Company's performance for the last five years. The Managing Director retired effective 10 February 2024. Upon his retirement, the unvested performance rights lapsed in accordance with the terms of the incentive plan.

Shares issued on exercise of remuneration options
No shares were issued to Directors or other Key Management Personnel as a result of the exercise of remuneration options during the financial year.

Directors' and other Key Management Personnel interests in shares and options
Directors' and other Key Management Personnel relevant interests in shares and options of the Company are disclosed in section (d) of the Remuneration Report and in Note 4 of the Financial Report.

Options and performance rights granted as remuneration
There were 66,725,000 options and 30,625,000 performance rights granted, or agreed to be granted, to employees, consultants and directors during the year, summarised as follows:

- A total of 9,000,000 options to three newly appointed Directors;
- 17,100,000 options to consultants and employees (27,100,000 granted less 10,000,000 which subsequently lapsed);
- 30,625,000 options and 30,625,000 performance rights agreed with Executives in February 2024 as a long-term incentive. The securities were subsequently granted on 6 August 2024, following shareholder approval.
- 5,000,000 options agreed to be granted to the former Managing Director on 12 February 2024 to incentivise and retain his continuing engagement as a consultant. The options were subsequently granted on 6 August 2024, following shareholder approval. [5,000,000 previously granted performance rights were forfeited upon the Managing Director's retirement on 10 February 2024]

The above securities that were issued to key management personnel as remuneration in the year ended 30 June 2024 are detailed further in section (a) below.

All securities granted and held by Directors & Key Management Personnel are disclosed in section (c). No options were exercised by Directors & Key Management Personnel in the financial year.

Remuneration of Directors and Key Management Personnel
This report details the nature and amount of remuneration for each Key Management Person of Iondrive Limited.

(a) Directors and Key Management Personnel

The names and positions held by Directors and Key Management Personnel of the Group during or since the end of the financial year are:

Directors	Position
M McNeilly	Chairman – Non-Executive (appointed as Chair 31 July 2023)
J Rock	Director – Non-Executive (appointed 24 July 2023)
J Hamilton	Director – Non-Executive (appointed 9 November 2023)
A Slater	Director – Non-Executive (appointed 4 December 2023)
A Sissian	Director – Non-Executive (appointed 4 June 2024)
P Bamford	Director – Non-Executive (resigned 9 November 2023)
R Smillie	Managing Director – Executive (resigned 10 February 2024)
B Kim	Director – Non-Executive (resigned 1 June 2024)
D Kirwin	Director – Non-Executive (resigned 9 November 2023)
Key Management Personnel	**Position**
E Dommisse	Chief Executive Officer
R Ridge	Company Secretary & Chief Financial Officer

(b) Remuneration Directors and Key Management Personnel

2024	Short Term Benefits					Post Employment		
Primary Benefits	**Directors' Fees**	**Salary and Leave**	**Cash Bonus**	**Consulting fees**	**Share Based Payments[11]**	**Super Contribution**	**Total**	**Remuneration as share based**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Directors								
M McNeilly[1]	70,750	-	-	-	-	-	70,750	0%
J Rock[2]	45,032	-	-	-	11,269	-	56,301	20%
J Hamilton[3]	35,292	-	-	-	10,204	-	45,496	22%
A Slater[4]	32,083	-	-	3,361	10,204	-	45,648	22%
A Sissian[5]	2,750	-	-	-	-	-	2,750	0%
R Smillie[6]	-	189,235	-	-	(2,252)	2,354	189,337	-1%
P Bamford[7]	18,018	-	-	-	-	1,982	20,000	0%
D Kirwin[8]	20,000	-	-	-	-	-	20,000	0%
B Kim[9]	44,000	-	-	-	-	-	44,000	0%
Other KMP					-			
E Dommisse[10]	-	124,975	-	102,424	37,111	10,539	275,049	13%
R Ridge	-	-	-	173,377	9,278	-	182,655	5%
	267,925	**314,210**	**-**	**279,162**	**75,814**	**14,875**	**951,986**	**8%**

[1] Appointed Chair 31 July 2023, [2] Appointed 24 July 2023, [3] Appointed 9 November 2023, [4] Appointed as a consultant to the Board on 9 November 2023 and as a Director on 4 December 2023, [5] Appointed 12 June 2024, [6] Retired 10 February 2024; [7] Retired as Chair on 31 July 2023 and retired as a Director on 9 November 2023, [8] Retired 9 November 2023. [9] Retired 1 June 2024, [10] Appointed CEO 12 February 2024.

[11] Share based payments comprised:

- 3,000,000 unlisted options issued to Mr John Rock on 24 July 2023, following shareholder approval. The options have an exercise price of $0.04, vest after a one-year minimum service period to 24 July 2024 and expire on 23 July 2026. The fair value of the options was calculated as $12,060 using the Black-Scholes method with volatility of 62% and an interest rate of 3.9% (based on the Commonwealth bond rate) and an underlying share price of $0.018 being the closing price the day prior to shareholder approval. The fair value of the options is expensed over the one-year vesting period to 24 July 2024.
- 3,000,000 unlisted options issued to Dr John Hamilton on 9 November 2023. The options have an exercise price of $0.025, vest in upon his re-election at the Company's 2024 AGM and expire on 9 November 2027. The fair value of the options was calculated as $15,960 using the Black-Scholes method with volatility of 71% and an interest rate of 4.3% (based on the Commonwealth bond rate) and an underlying share price of $0.013 being the closing price the day prior to execution of his contract of appointment as a director on 7 November 2023. The fair value of the options is expensed over the estimated one-year vesting period to November 2024.
- 3,000,000 unlisted options issued to Mr Adam Slater on 9 November 2023. The options have an exercise price of $0.025, vest in upon his re-election at the Company's 2024 AGM and expire on 9 November 2027. The fair value of the options was calculated as $15,960 using the Black-Scholes method with volatility of 71% and an interest rate of 4.3% (based on the Commonwealth bond rate) and an underlying share price of $0.013 being the closing price the day prior to execution of his contract of appointment as a director on 7 November 2023. The fair value of the options is expensed over the estimated one-year vesting period to November 2024.
- 5,000,000 performance shares lapsed when Mr Smillie resigned as Managing Director on 10 February 2024. As the performance shares were forfeited prior to their vesting date, the fair value of the options previously expensed was reversed in the current financial year ended 30 June 2024.
- A long-term incentive plan comprising 24,500,000 unlisted options and 24,500,000 performance rights was agreed with the Company's incoming Chief Executive Officer on 12 April 2024, subject to shareholder approval. The options and performance shares vest, after a minimum service period to 12 August 2025, in four tranches dependent on share price performance hurdles (refer section (c) of the remuneration report). The fair value of these securities was calculated using the Monte Carlo method as $103,775 for the options and $125,000 for the performance rights. The total fair value of $228,775 is being expensed over the minimum service period between 12 April 2024 and 12 August 2025. The options and performance shares were granted on 6 August 2024, following shareholder approval on 18 July 2024.
- A long-term incentive plan comprising 6,125,000 unlisted options and 6,125,000 performance rights was agreed with the Company's Chief Financial Officer on the same basis as the long-term incentive agreed with Company's Chief Executive Officer as noted above (refer section (c) of the remuneration report). The fair value of these securities was calculated using the Monte Carlo method as $25,944 for the options and $31,250 for the performance rights. The total fair value of $57,194 is being expensed over the minimum service period between 12 April 2024 and 12 August 2025. The options and performance shares were granted on 6 August 2024, following shareholder approval on 18 July 2024.

Remuneration Directors and Key Management Personnel

2023	Short Term Benefits					Post Employment		
Primary Benefits	Directors' Fees	Salary and Leave	Cash Bonus[1]	Consulting fees	Share Based Payments[3]	Super Contribution	Total	Remuneration as share based
	$	$	$	$	$	$	$	%
Directors								
M McNeilly	48,000	-	-	-	-	-	48,000	0%
G C Boulton[1]	32,000	-	-	-	-	-	32,000	0%
R Smillie	-	320,000	-	-	2,252	2,562	324,814	1%
P Bamford[2]	43,439	-	-	-	-	4,561	48,000	0%
D Kirwin	48,000	-	-	-	-	-	48,000	0%
B Kim	48,000	-	-	-	-	-	48,000	0%
Other KMP								
R Ridge	-	-	-	133,573	-	-	133,573	0%
	219,439	**320,000**	**-**	**133,573**	**2,252**	**7,123**	**682,387**	**0%**

[1] Retired 27 October 2022.

[2] Appointed Chair 27 October 2022.

[3] Following the shareholder approval on 12 January 2023, 5,000,000 non-transferrable performance rights were granted to Mr Smillie under the Board proposed long term incentive that aligns with shareholder interest, in respect to growth in share price, to incentivise/retain the Managing Director. These performance rights convert into ordinary shares for nil consideration in one tranche based on the 20-day weighted average ION share price prior to 9 May 2025, subject to continued employment. Where that weighted average share price is greater than $0.10, then the performance rights convert into 1,000,000 shares plus 400,000 shares for each cent that the weighted average share price exceeds $0.10, up to a maximum of 5,000,000 shares. Any unvested performance rights expire 9 May 2025. The performance rights were valued at $0.027 per right using the Monte Carlo method and are being expensed over the vesting period to 9 May 2025, with. $2,252 expensed 30 June 2023, and $4,877 and $4,171 to be expensed 30 June 2024 and 30 June 2025 respectively.

(c) Securities Held by Directors and Key Management Personnel

The number of ordinary shares held by Directors and Key Management Personnel in Iondrive Limited during the financial year is as follows:

30 June 2024	Balance at beginning of year (or at appointment)	Acquired/ (disposed) on market	Participation in Placement	Balance at end of year (or at retirement)
M McNeilly[1]	-	-	-	-
R Smillie[2]	2,000,000	-	-	2,000,000
P Bamford[3]	2,501,171	-	-	2,501,171
D Kirwin[4]	3,333,334	-	-	3,333,334
B Kim[5]	800,000	-	-	800,000
J Rock[6]	5,916,667	-	-	5,916,667
A Slater[7]	-	-	-	-
J Hamilton[8]	-	-	-	-
A Sissian[9]	-	-	-	-
E Dommisse[10]	-	-	-	-
R Ridge	1,000,000	-	-	1,000,000
	15,551,172	**-**	**-**	**15,551,172**

[1] Appointed Chair 31 July 2023, [2] Retired 10 February 2024, [3] Retired 9 November 2023, [4] Retired 9 November 2023, [5] Retired 1 June 2024; [6] Appointed 24 July 2024, [7] Appointed 4 December 2023, [8] Appointed 9 November 2023. [9] Appointed 12 June 2024, [10] Appointed CEO 12 February 2024.

The number of unlisted options over ordinary shares held by Directors and Key Management Personnel in Iondrive Limited during the year is as follows:

30 June 2024	Balance at beginning of year (or date of appointment)	Options granted	Balance at end of year (or at date of retirement)	Disposed (other)	Vested and exercisable
M McNeilly[1]	600,000	-	600,000	-	600,000
R Smillie[2]	1,000,000	-	1,000,000	(750,000)	250,000
P Bamford[3]	1,350,000	-	1,350,000	-	1,350,000
D Kirwin[4]	600,000	-	600,000	-	600,000
B Kim[5]	1,000,000	-	1,000,000	-	1,000,000
J Rock[6]	375,000	3,000,000	3,375,000	-	3,375,000
A Slater[7]	3,000,000	-	3,000,000	-	-
J Hamilton[8]	-	3,000,000	3,000,000	-	-
A Sissian[9]	-	-	-	-	-
E Dommisse[10]	-	-	-	-	-
R Ridge[11]	600,000	-	600,000	-	600,000
	8,525,000	**6,000,000**	**14,525,000**	**(750,000)**	**7,775,000**

[1] Appointed Chair 31 July 2023, [2] Retired 10 February 2024, [3] Retired 9 November 2023, [4] Retired 9 November 2023, [5] Retired 1 June 2024; [6] Appointed 24 July 2024, [7] Appointed 4 December 2023, [8] Appointed 9 November 2023. [9] Appointed 12 June 2024, [10] Appointed CEO 12 February 2024. Mr Dommisse was granted 24,500,000 options on 6 August 2024 as part of a long-term Incentive, following shareholder approval on 18 July 2024 – this is not included above as this occurred after the end of the financial year. However, as the options were agreed on 12 April 2024 (subject to shareholder approval) the options were valued and are being expensed between 12 April 2024 and 12 August 2025. The long-term incentive plan is explained further below. [11] Mr Ridge was granted 6,125,000 options on 6 August 2024 as part of a long-term Incentive, following shareholder approval on 18 July 2024 – this is not included above as this occurred after the end of the financial year. However, as the options were agreed on 12 April 2024 (subject to shareholder approval) the options were valued and are being expensed between 12 April 2024 and 12 August 2025. The long-term incentive plan is explained further below.

Performance Rights: Mr Smillie held 5,000,000 performance rights, which were forfeited on the date of his retirement as Managing Director on 12 May 2024.

Long-term incentive plan: A long-term incentive plan was agreed with the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on 12 April 2024 (subject to shareholder approval), comprising a total of 30,625,000 performance rights and 30,625,000 unlisted options. The options and performance shares vest, after a minimum service period to 12 August 2025, in four tranches when the 30-day volume weighted average price of the Company's ordinary shares exceeds the following price hurdles at any time prior to 12 February 2027:

	Price Hurdles	Fair Value per Option	Fair Value per Performance Right	CEO Number of Options to Vest	CEO Number of Performance Rights to Vest	CFO Number of Options to Vest	CFO Number of Performance Rights to Vest
Tranche 1	$0.017	$0.0063	$0.0087	2,250,000	2,250,000	562,500	562,500
Tranche 2	$0.025	$0.0056	$0.0073	2,250,000	2,250,000	562,500	562,500
Tranche 3	$0.050	$0.0044	$0.0052	10,000,000	10,000,000	2,500,000	2,500,000
Tranche 4	$0.075	$0.0033	$0.0037	10,000,000	10,000,000	2,500,000	2,500,000
				24,500,000	**24,500,000**	**6,125,000**	**6,125,000**

None of the performance rights or options have vested. The performance rights convert into one fully paid ordinary share upon vesting. The options have an exercise price of $0.012 and lapse 6 August 2029.

The fair value of these long-term incentive securities of $285,969 was calculated using the Monte Carlo method. The fair value is being expensed over the minimum service period between 12 April 2024 and 12 August 2024. The options and performance shares were granted on 6 August 2024, following shareholder approval on 18 July 2024.

The above number of securities as at 30 June 2024, may differ from the number of holdings disclosed in the Directors Report, as the Directors Report provides each Directors' security holdings as at the date of the Directors report.

(d) Service agreements

Remuneration and other items of employment for the Managing Director, Mr Robert Smillie, were formalised in a service agreement approved by the Board. Mr Smillie retired from his position effective 10 February 2024. The major provisions of his agreement were as follows:

- As Managing Director, Mr Smillie received an annual salary of $320,000, inclusive of any superannuation.
- A long-term incentive consisting of 5,000,000 non-transferrable performance rights were to vest in one tranche on 9 May 2025 depending on service and share price conditions. The performance rights were forfeited on the date of Mr Smillie's retirement on 10 February 2024.
- Termination without notice in the event that Mr Smillie:
  - was guilty of serious or wilful misconduct; or
  - failed to remedy a breach of the Agreement within 14 days of receipt of notice to do so.
- Termination without cause by either party with the provision of maximum three calendar months' notice or by agreement in writing by the parties.

Remuneration and other items of employment for the Chief Executive Officer, Mr Ebbe Dommisse (appointed 12 February 2024) are formalised in a service agreement approved by the Board. The major provisions are as follows:

- As Chief Executive Officer, Mr Dommisse receives an annual salary of $350,000, inclusive of any superannuation.
- A long-term incentive consisting of 24,500,000 performance rights and 24,500,000 options. The terms of these securities are summarised on the previous page.
- Termination without notice in the event that Mr Dommisse engages in misconduct or refuses lawful and reasonable directions.
- Termination without cause by either party with the provision of maximum three calendar months' notice or by agreement in writing by the parties.

The Company entered into a new service agreement with an entity associated with Mr Ridge on 6 March 2024 to provide financial services. The contract is subject to a three-month termination without cause.

(e) Post-employment/retirement and termination benefits

There were no post-employment retirement and termination benefits paid or payable to Directors or Key Management Personnel, other than as disclosed elsewhere in the Remuneration Report.

(f) Amounts payable to Directors and Key Management related entities

	2024 $	2023 $
Payable to Michael McNeilly – Director Fees	7,250	4,000
Payable to Adam Slater – Director Fees	9,167	-
Payable to Andrew Sissian – Director Fees	2,750	-
Payable to Douglas Kirwin – Director Fees	-	4,000
Payable to Beejay Kim – Director Fees	-	4,000
Payable to Ebbe Dommisse – Salary	1,534	-
Payable to Ray Ridge – Consultancy Fees	44,715	39,010
	65,416	**51,010**

(g) Voting at 2023 AGM

Iondrive Limited received 95.77% of ‘yes’ votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

End of Remuneration Report

Meetings of Directors

The Company held 8 meetings of Directors (including committees of Directors) during the financial year. Attendances by each Director during the year were as follows:

	Director Meetings		Audit Committee Meetings	
	Number of Meetings Eligible to Attend	Number of Meetings Attended	Number of Meetings Eligible to Attend	Number of Meetings Attended
M McNeilly[1]	6	6	-	-
J Rock[2]	6	6	-	-
J Hamilton[3]	4	4	1	1
A Slater[4]	4	4	-	-
A Sissian[5]	1	1	-	-
R Smillie[6]	3	3	-	-
P Bamford[7]	2	2	1	1
B Kim[8]	5	5	2	2
D Kirwin[9]	2	2	-	-

[1] Appointed Chair 31 July 2023. [2] Appointed 24 July 2023. [3] Appointed 9 November 2023, [4] Appointed 4 December 2023, [5] Appointed 12 June 2024, [6] Resigned 10 February 2024; [7] Resigned 9 November 2023, [8] Resigned 1 June 2024, [9] Resigned 9 November 2023.

Non-audit services

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

All non-audit services have been reviewed by the Board to ensure they do not adversely affect the integrity and objectivity of the auditor.

The nature of the services provided do not compromise the general principle relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants (including independence standards) set by the Accounting Professional and Ethical Standards Board.

Non-audit services paid and/or payable to the external auditors during the year ended 30 June 2024 were Nil (2023: $2,500).

Indemnification and insurance of officers

The Company is required to indemnify the Directors and other officers of the Group against any liabilities incurred by the Directors and officers that may arise from their position as Directors and officers of the Group. No costs were incurred during the year pursuant to this indemnity.

The Group has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Group agreed to indemnify each Director against loss and liability as an officer of the Group, including all liability in defending any relevant proceedings.

Insurance Premiums

Since the end of the previous year the Group has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts.

The terms of the policies prohibit disclosure of details of the amount of insurance cover, the nature thereof and the premium paid.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Group 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. The Group was not a party to any such proceedings during the year.

Auditor of the Company

The auditor of the Group for the financial year was Grant Thornton Audit Pty Ltd.

Auditor's Independence Declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 for the year ended 30 June 2024 is set out immediately following the end of the Directors' report.

The report of Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors:

M McNeilly	J Hamilton
Chairman	Non-Executive Director

Dated at Adelaide, this 5th day of September 2024.

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Iondrive Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Iondrive Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner – Audit & Assurance

Adelaide, 5 September 2024

Statement of Profit or Loss and Other Comprehensive Income
for the Year ended 30 June 2024

		Consolidated	
	Note	2024 $	2023 $
Interest income		40,440	30,390
R&D Tax Incentive		436,692	-
Other income	2a	401,829	16,289
Loss on sale of BMV shares	2b	(66,463)	(11,349)
Loss on discount to fair value	2b	(182,360)	-
Equity accounted share of loss	2b	-	(287,162)
Impairment expense	2b	-	(3,479,343)
Exploration expenditure written off	10	(1,797,339)	-
Exploration expenses		(982,057)	(2,341,186)
R&D expenditure		(1,824,901)	-
Salaries and wages		(617,119)	(676,107)
Directors fees		(267,925)	(219,439)
Interest expense		(1,731)	(1,950)
Shareholder relations		(179,620)	(212,555)
Other consulting expenses		(387,118)	(207,172)
Other administrative expenses		(489,461)	(511,857)
Depreciation		(67,310)	(119,654)
Loss on sale of plant and equipment		(9,074)	(1,995)
Realised foreign exchange loss		(2,183)	(12,836)
Share based payments - options	22	(100,335)	(6,672)
Share based payments – performance rights	22	(23,095)	(2,252)
Profit/(Loss) before income tax		**(6,119,130)**	**(8,044,850)**
Income tax (expense)/benefit attributable to profit/(loss) from ordinary activities	3	-	-
Net Profit/(Loss) for the year		(6,119,130)	(8,044,850)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation		(479)	13,035
Total comprehensive income		**(6,119,609)**	**(8,031,815)**
Earnings Per Share			
Basic (cents per share) – Profit/(Loss)	24	(1.24)	(3.08)
Diluted (cents per share) – Profit/(Loss)	24	(1.24)	(3.08)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2024

	Note	Consolidated 2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents	5	2,759,282	4,212,502
Receivables	6	639,535	668,216
Other assets	7	71,648	95,551
Held for sale assets	8	-	1,756,071
TOTAL CURRENT ASSETS		**3,470,465**	**6,732,340**
NON-CURRENT ASSETS			
Right of use asset	9	19,311	33,130
Exploration and evaluation expenditure	10	-	1,694,804
Plant and equipment	11	54,677	145,000
Intangible assets	12	1,449,856	-
TOTAL NON-CURRENT ASSETS		**1,523,844**	**1,872,934**
TOTAL ASSETS		**4,994,309**	**8,605,274**
CURRENT LIABILITIES			
Trade and other payables	13	722,915	627,666
Provisions	14	215,086	274,946
Lease liability	15	19,816	23,376
Liability directly associated with held for sale assets	8	-	-
TOTAL CURRENT LIABILITIES		**957,817**	**925,988**
NON-CURRENT LIABILITIES			
Provisions	14	412	8,197
Lease liability	15	-	10,147
TOTAL NON-CURRENT LIABILITIES		**412**	**18,344**
TOTAL LIABILITIES		**958,229**	**944,332**
NET ASSETS		**4,036,080**	**7,660,942**
EQUITY			
Issued capital	16	64,582,718	62,211,401
Reserves	29	75,021	(7,550)
Retained losses		(60,621,659)	(54,542,909)
TOTAL EQUITY		**4,036,080**	**7,660,942**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the Year ended 30 June 2024

	Issued Capital $	Retained Losses $	Share-Based Payment Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 30 June 2022	58,011,777	(46,676,553)	355,771	(206,786)	11,484,209
Profit or loss	-	(8,044,850)	-	-	(8,044,850)
Other comprehensive income	-	-	-	13,035	13,035
Total comprehensive income	-	(8,044,850)	-	13,035	(8,031,815)
Issue of share capital	4,520,000	-	-	-	4,520,000
Options lapsed	-	178,494	(178,494)	-	-
Fair value of securities issued	-	-	6,672	-	6,672
Share based expense related to performance rights	-	-	2,252	-	2,252
Costs associated with the issue of shares	(320,376)	-	-	-	(320,376)
Total transactions with owners	4,199,624	178,494	(169,570)	-	4,208,548
Balance at 30 June 2023	62,211,401	(54,542,909)	186,201	(193,751)	7,660,942
Profit or loss	-	(6,119,130)	-	-	(6,119,130)
Other comprehensive income	-	-	-	(479)	(479)
Total comprehensive income	-	(6,119,130)	-	(479)	(6,119,609)
Issue of share capital	2,447,142	-	-	-	2,447,142
Options & performance rights lapsed	-	40,380	(40,380)	-	-
Fair value of securities issued	-	-	100,335	-	100,335
Share based expense related to performance rights	-	-	23,095	-	23,095
Costs associated with the issue of shares	(75,825)	-	-	-	(75,825)
Total transactions with owners	2,371,317	40,380	83,050	-	2,494,747
Balance at 30 June 2024	**64,582,718**	**(60,621,659)**	**269,251**	**(194,230)**	**4,036,080**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the Year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Cash flows relating to operating activities			
Interest received		40,440	30,390
R&D Tax offset received		584,419	-
Other income		222,095	16,289
Payments to suppliers and employees		(2,747,137)	(4,182,303)
R&D expenditure		(1,545,165)	-
Interest paid		(1,731)	(1,950)
Net operating cash inflows/(outflows) (Note (a))		**(3,447,079)**	**(4,137,574)**
Cash flows relating to investing activities			
Payments for mining tenements, exploration and evaluation expenditure		(181,150)	(576,729)
Proceeds from sale of investments		1,505,277	448,654
Payments to acquire other non-current assets		-	(318,103)
Payments for plant and equipment		(20,222)	(86,459)
Proceeds from the sale of plant and equipment		62,863	1,545
Cash held by acquired entity		16,799	-
Net investing cash inflows/(outflows)		**1,383,567**	**(531,092)**
Cash flows relating to financing activities			
Proceeds from share issues		1,067,143	4,520,000
Payments for share issue costs		(244,336)	(143,168)
Repayment of lease liability	9(iii)	(27,681)	(63,739)
Repayment of borrowings		(171,362)	-
Net financing cash inflows/(outflows)		**623,764**	**4,313,093**
Net increase/(decrease) in cash		(1,439,748)	(355,573)
Net foreign exchange difference		(13,472)	7,453
Cash at beginning of financial year	5	4,212,502	4,560,622
Cash at end of financial year	5	**2,759,282**	**4,212,502**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Cash Flows (Continued)
for the Year ended 30 June 2024

	Consolidated 2024 $	2023 $
Note (a): Reconciliation of net loss from ordinary activities to net cash flow from operating activities		
Profit/(Loss) from ordinary activities after income tax	**(6,119,130)**	**(8,044,850)**
Adjustments to reconcile profit before tax to net cash flows		
Share based payments	123,430	8,924
Depreciation	67,310	119,654
Unrealised foreign exchange gain	-	-
Exploration written off	1,797,339	-
Loss on sale of plant & equipment	9,074	1,995
Fair value adjustment on financial assets FVTPL	182,360	-
Loss on sale of BMV shares	66,463	-
BMV share transactions net loss (Note 2)	-	3,777,854
Realised foreign exchange loss on sale of BMV shares	2,183	12,836
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	235,294	(153,446)
(Increase)/decrease in other financial assets	877,376	1,710
Increase/(decrease) in trade and other payables	(631,012)	45,904
Increase/(decrease) in provisions	(57,766)	91,845
Net operating cash flows	**(3,447,079)**	**(4,137,574)**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the
Financial Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Iondrive Limited and controlled entities ('Consolidated Group' or 'Group').

Iondrive Limited (ASX: ION), previously Southern Gold Limited (ASX: SAU), changed its name effective 15 November 2023 following overwhelming shareholder approval at its AGM on 9 November 2023. The name change reflects the continued strategic shift towards advanced battery technology and exploration focused on minerals critical to the renewable energy transition.

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report has been prepared under the assumption that the Group operates on a going concern basis.

The financial report covers the Consolidated Group of Iondrive Limited, a listed public company incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards. Iondrive Limited is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the Consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on the historical cost convention where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been consistently applied to all years presented.

Two comparative periods are presented for the statement of financial position when the Group:

- Applies an accounting policy retrospectively,
- Makes a retrospective restatement of items in its financial statements, or
- Reclassifies items in the financial statements

The Group has determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

Changes in accounting policies and accounting policies applied for the first time

The accounting policies adopted by the Group are consistent with those of the previous financial year.

Adoption of New and Revised Accounting Standards (issued but not yet effective)

At the date of authorisation of the financial statements, the Group has not applied any new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective, as they will not have a material impact on the financial statements of the Group.

a. Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2024. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

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

b. Income Tax

The income tax expense / (benefit) for the year comprises current income tax expense / (income) and deferred income tax expense / (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted at reporting date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit and loss when the tax relates to items that are credited or charged directly to equity.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

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

Iondrive Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2006. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Plant and equipment 10–33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

d. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided from when exploration commences and are included in the costs of that stage.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset. All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other

financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

f. Impairment of Non-Financial Assets

Intangible and tangible assets are tested at each reporting period 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

g. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

Where there has been a change recognised directly in an associate's equity, the Group recognises its share of any changes and discloses this in the statement of profit of loss and other comprehensive income. The reporting dates and the associates accounting policies in the associated companies are amended as necessary to conform with the Group.

h. Held for Sale Assets

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell.

However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

i. Intangible Assets

Intangible assets are initially measured at the cost of acquisition. Following initial recognition, intangible assets are carried at historical cost, less any accumulated amortisation and impairment losses.

The useful lives of intangible assets that are available for use are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication of impairment. Amortisation methods and periods for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation method and/or period, as appropriate, which is a change in accounting estimate and applied prospectively. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. At 30 June 2024, the Group's Intangible Assets are assessed as not yet being available for use.

Research and development Expenditure on research activities, undertaken with the prospect of obtaining new or extending existing scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. As at 30 June 2024, the Group is not yet at this stage of development for its battery related technologies., therefore all such development expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

j. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to report date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Share based payments

The Group has an Employee Incentive Plan where employees may be provided with options and performance rights to acquire shares in the Company. The fair value of the options and performance rights are measured at grant date and recognised as an expense over the vesting period, with a corresponding increase in equity. Where market based vesting conditions are present, a Monte Carlo pricing model was used to calculate the fair value of options and performance rights granted. The Black Scholes pricing model is used in all other instances.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Onerous provisions are recognised by the Group for its obligation to deliver goods and services under an existing contract and measuring that obligation to reflect the cost of the goods or services it must deliver.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

m. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

n. Comparative Figures

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

o. Critical Accounting Estimates and Judgements

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

Estimates and judgements – Intangible Asset Acquisition

IDT was acquired on 4 July 2023. Management assessed at the date of acquisition whether the acquisition represented a business combination under AASB 3 - Business Combinations. On the basis that IDT did not have outputs and the processes acquired were not substantive in nature, management concluded that a business was not acquired, consequently accounting for the acquisition as an asset acquisition. Following the identification of acquired tangible assets and liabilities of IDT upon acquisition, valued at ($69,856), the fair value of consideration paid was allocated to acquired assets on a relative fair value basis. Refer Note 12.

Estimates and judgements – Impairment of Intangible Assets

The Group's intangible assets are assessed for impairment at each reporting period. Management has considered the following potential indicators:

- The market capitalisation of Iondrive Limited on the Australian Securities Exchange on the impairment testing date of 30 June 2024 in excess of the net book value of assets;
- The scientific results and progress of the battery technology research;
- The emergence of competing technologies; and
- Changes in growth and dynamics of the renewable energy sector.

At this stage of commercialisation there are no known impairment indicators.

In determining whether the Intangible assets are ready for use, Management has assessed the technology readiness and the remaining research and development required to bring the battery technologies to market. Management evaluates the development path of these battery assets at each reporting period to determine if they are ready for use. Management have determined that none of the Intangible assets are ready for use.

As the Intangible Assets are not ready for use, Management have completed an assessment to identify the recoverable amount under the replacement cost approach. The assessment took into consideration internal and external costs incurred, wastage or inefficiency costs, obsolescence and disposal costs. It was identified for all Intangible Assets that the recoverable amount under this assessment was higher than the carrying amount of the assets thus no impairment was required.

Estimates and judgements – Valuation of unlisted options & performance rights

A key area of judgement, for the year ended 30 June 2024, relates to the calculation of the market value of the options and performance rights granted to Directors, employee and consultants. The fair value of the options and performance rights are measured at grant date and recognised as an expense over the vesting period, with a corresponding increase in equity. Where market based vesting conditions are present, a Monte Carlo pricing model was used to calculate the fair value of options and performance rights granted. The Black Scholes pricing model is used in all other instances. A key assumption in these calculations is the Company’s future share price volatility. Future volatility was based on the historic daily price movements of the Company’s ASX listed shares immediately prior to the relevant valuation date for each of the option series. For further information in relation to the performance rights and options issued, refer to Note 22.

p. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

q. Parent Entity

The financial information of the parent entity, Iondrive Limited, disclosed at note 26, has been prepared on the same basis, using the same accounting policies as the consolidated financial statements, other than investments in controlled entities which are carried at cost, less any provision for impairment.

r. Foreign Currency Transactions and Balances

i) **Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

ii) **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise, the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

s. Leases

The Company as Lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a term of 12 months or less) and leases of low-value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as Lessor

As the Company has no contracts as a lessor, the provisions of AASB 16 relating accounting for lease contracts as a lessor are not applicable.

The financial report was authorised for issue on 5th September 2024 by the Board of Directors.

	2024 $	2023 $

2a OTHER INCOME

	2024 $	2023 $
KoBold JV reimbursement	401,829	-
Other income	-	16,289
	401,829	**16,289**

In November 2023, the Group entered into an Earn-In and Joint Venture Agreement with a subsidiary of KoBold Metals Company for lithium projects in South Korea. KoBold can earn up to 75% interest through a two-stage earn-in of up to $7 million over 5 years.

As part of this agreement, Iondrive's subsidiary, Korea Metals Resources (KMR), was engaged as Field Operator during the earn-in period, for a minimum of 18 months until May 2025. Under this arrangement, KoBold reimburses KMR monthly for costs incurred in providing field operator services. These reimbursements cover the full-time costs of three South Korean field staff, utilisation costs of any other staff, and direct support costs.

In the 2024 financial year, Iondrive received a total of $401,829 from KoBold under this arrangement.

2b BMV SHARE TRANSACTIONS NET LOSS

	2024 $	2023 $
Loss on sale of BMV shares	(66,463)	(11,349)
Loss on discount to fair value	(182,360)	-
Equity accounted share of loss	-	(287,162)
Impairment expense	-	(3,479,343)
	(248,823)	**(3,777,854)**

BMV Background
Iondrive Ltd, through its wholly owned Singaporean subsidiary, International Gold Private Limited (IGPL), held a 50% equity interest in two incorporated joint ventures, Gubong Project Chusik Hoesa and Kochang Project Chusik Hoesa, in the Republic of Korea. The other 50% was held by London Stock Exchange (LSE) listed BMV, (ticker BMV:LN). On 28 June 2021, following a disagreement regarding BMV's decision to mine for each project, Iondrive and BMV executed a definitive agreement (Completion Agreement) to settle the matter through the sale of IGPL's 50% interest in the two joint ventures to BMV for consideration of US$10,000,000 (AU$13,870,947). This consideration was to be settled through 50 million BMV shares and a further 150,000,000 BMV shares or US$7,500,000 cash (at BMV's option). Iondrive received 50,000,000 BMV shares on 29 June 2021.

BMV chose to issue Iondrive with 150,000,000 BMV shares on 22 December 2021. With the resulting balance of 200,000,000 BMV Ordinary Shares at that time representing 32% of the issued capital of BMV, the financial asset was reclassified to an investment in an associate, subject to equity accounting, from 22 December 2021.

On 13 April 2022, Iondrive agreed to sell 50,000,000 BMV shares at a discounted rate of £0.01 per share, to assist in BMV negotiating a funding package to accelerate its move to production. The sale occurred in two instalments of 25,000,000 BMV Shares each. As part of the transaction, the Group agreed to a twelve-month standstill clause on the remaining 150,000,000 shares, which ceased on 11 April 2023.

Transactions in the year ended 30 June 2023
As at 30 June 2022, Iondrive held 150,000,000 BMV shares, representing a significant investment in the company. During the 2023 financial year, following the completion of Iondrive's escrow conditions on 11 April 2023, the company sold 1,000,000 BMV shares on market. This sale reduced the total number of BMV shares held to 149,000,000 as at 30 June 2023. The consideration received was $21,091, resulting in a loss on sale of $11,349.

Iondrive's equity accounted share of BMV's loss for the year ended 30 June 2023 was $287,162, based on Iondrive's average ownership interest of 22.8% during that year. This was calculated using BMV's reported loss of US$848,113, converted at the USD:AUD average exchange rate of 0.6734 for that year.

The carrying value of the remaining 149,000,000 BMV shares as at 30 June 2023 was determined to be $1,756,071. This valuation was based on 75% of the market traded value of BMV shares, using the LSE closing price of £0.00825 and the GBP:AUD exchange rate of 0.5250 on that date. As a result, an impairment expense of

$3,479,343 was recognized. The 25% discount applied to the market traded value reflects the company's assessment of the discount required to sell such a large proportion of BMV's issued capital in a reasonable timeframe.

Transaction in the year ended 30 June 2024
During July and August 2023, Iondrive sold 26,250,000 BMV shares on the London Stock Exchange. Between 28 August 2023 and 6 February 2024, Iondrive progressively sold the remaining 122,750,000 BMV shares under an agreement with UK-based Catalyse Capital Ltd (ASX Announcement 22 August 2023). Iondrive achieved an average price per BMV share of £0.005243 for the 149,000,000 BMV shares, resulting in total proceeds of £781,272 ($1,505,277) and a net of foreign exchange loss of ($2,183).

The disposal of the 149,000,000 BMV shares in the 2024 financial year resulted in a loss of $66,463, together with a loss on revaluation of $182,360 that was recognised as a fair value adjustment through the Group's Profit or Loss (FVTPL) on the 50,250,000 BMV Shares that had remained outstanding at 31 December 2023.

3. INCOME TAX EXPENSE

		2024 $	2023 $
a)	The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax attributable to operating loss as follows:		
	Income tax (expense)/benefit at 30% (2023: 25%) of operating loss	1,835,739	2,011,213
	Tax effect of capital raising costs	22,748	-
	Tax effect of Share-based payments expensed	(37,029)	(2,231)
	Tax effect of non-assessable income (R&D Tax Incentive)	131,008	-
	Tax effect of non-deductible expenses	(236,464)	(1,767,611)
	Timing differences and tax losses not brought to account	(1,716,002)	(321,465)
	Income tax (expense)/ benefit attributable to loss from ordinary activities	**-**	-
b)	Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur		
	Operating Losses	**-**	-
c)	Income tax losses		
	Total deferred tax asset arising from carried forward tax losses not recognised as meeting probable criteria		
	Gross income tax losses	28,390,791	25,683,357
	Capital tax losses	11,404,135	11,404,135
	Total tax losses	39,794,926	37,087,492
	Tax Benefit of Losses at 30% (2023: 25%)	**11,938,478**	**9,271,873**

A deferred tax asset is only recognised for the carry forward of unused tax losses to the extent that it is considered probable that future taxable profit will be available against which the unused tax losses can be utilised.

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

- assessable income is derived of a nature and amount sufficient to enable the benefit from the deductions to be realised;
- conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

	2024	2023
	$	$

4. KEY MANAGEMENT PERSONNEL REMUNERATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2024. The totals of remuneration paid to key management personnel during the year are as follows:

	2024	2023
Short term employee benefits	861,297	673,012
Post-employment benefits	14,875	7,123
Termination benefits	-	-
Share-based payments	75,814	2,252
	951,986	**682,387**

5. CASH AND CASH EQUIVALENTS

	2024	2023
Cash at bank and in hand	2,759,282	4,212,502
	2,759,282	**4,212,502**

6. RECEIVABLES

	2024	2023
Current		
Trade and other receivables	193,274	-
R&D Tax Incentive	342,534	-
GST receivable	20,058	95,631
Lease and credit card bonds	83,669	254,483
Loans receivable [1]	-	318,102
Current receivables	**639,535**	**668,216**

[1] Short-term 3-month interest free loan provided to Iondrive Technologies Pty Ltd (IDT) in June 2023 prior to the acquisition of IDT. Following the acquisition of IDT on 3 July 2023, the loan is now eliminated upon preparation of the consolidated financial statements. Refer Note 12.

7. OTHER ASSETS

	2024	2023
Current		
Prepayments	71,648	95,551
	71,648	**95,551**

8. HELD FOR SALE ASSETS

	2024	2023
Shares held in BMV		
Fair value of asset	-	1,756,071
Provision for discount to fair value	-	-
Total closing balance	**-**	**1,756,071**

In the prior year ended 30 June 2023, the Board made the decision to sell the remaining 149,000,000 BMV shares within 12 months, therefore the carrying value was classified as a Held for Sale Asset. The carrying value at that time was assessed as $1,756,071 based on the London Stock Exchange traded value of the BMV shares. All BMV shares were sold in the year ended 30 June 2024 (refer Note 2).

9. RIGHT OF USE ASSET

The Group's Right of use assets comprise the leased office in Korea, a building to house exploration equipment in Korea and accommodation for staff in Korea where this is provided as part of their remuneration package.

Options to extend or terminate

One of the Group's leases contains an option to extend. The extension option is only exercisable by the Group. The extension option is included in the calculation of the lease liability and right to use asset only to the extent management are reasonably certain to exercise that option.

Variable lease payments

The Group does not have any variable lease payments.

	2024 $	2023 $
(i) AASB 16 related amounts recognised in the Statement of Financial Position		
Leased buildings	59,741	46,772
Less: accumulated depreciation	(40,430)	(13,642)
Right of Use Asset	19,311	33,130
Movements in the Carrying Amount		
Opening balance	33,130	49,350
New operating leases	14,977	46,593
Depreciation expense	(28,604)	(62,902)
FX on opening balance	(192)	89
	19,311	33,130
(ii) AASB 16 related amounts recognised in the Statement of Comprehensive Income/(Loss)		
Depreciation charge related to right of use asset	(28,604)	(62,902)
Interest expense on lease liabilities	(1,731)	(1,950)
Short term lease expense (included in Other administration expenses)	(30,200)	(27,170)
(iii) Total Full Year cash out flows for leases	(27,681)	(63,739)

	2024 $	2023 $

10. EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest:

Exploration and evaluation phase	**-**	**1,694,804**
The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of respective areas.		
(i) Reconciliation		
A reconciliation of the carrying amount of exploration and evaluation phase expenditure is set out below:		
Costs brought forward	1,694,804	993,973
Net foreign exchange translation differences	31,557	23,775
Expenditure incurred during the year	70,978	677,056
Impairment expense	(1,797,339)	-
	-	**1,694,804**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an area are derecognised when no future economic benefits are expected from its use or disposal. In the year ended 30 June 2024, the Group has written off the $1,797,339 balance of the exploration asset as the total balance related to deferred exploration costs associated with the Group's precious metals tenements and the Group has decided to cease further exploration work on precious metals. This was part of the Company's strategic shift to focus exploration on minerals critical to the growing renewable energy sector. Whilst the Group is progressing opportunities for divestment, as a area of key judgement the Group has determined there is no reasonable and supportable basis to reliably estimate the amount that may be recovered for these tenements given their early stage of exploration and the under-developed exploration industry in South Korea.

11. PLANT AND EQUIPMENT

Plant and equipment at cost	339,631	456,007
Less: Accumulated depreciation	(284,954)	(311,007)
	54,677	**145,000**
Opening written down value	145,000	188,044
Additions	22,326	13,969
Net foreign currency exchange differences	(3,776)	3,279
Disposals	(70,167)	(3,541)
Depreciation	(38,706)	(56,751)
Closing written down value	**54,677**	**145,000**

12. INTANGIBLE ASSETS

Iondrive Limited completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd (IDT) on 4 July 2023. The transaction was finalised for a total consideration of $1.38 million, which was settled through the issue of 60 million Iondrive fully paid ordinary shares, valued at a price of $0.023 per share, being the ASX closing price of Iondrive's shares on 3 July 2023.

The Group has determined that IDT did not meet the definition of a business as defined under Australian Accounting Standard AASB3, and there is not a business combination, rather an acquisition of assets and liabilities. At the time of acquisition, IDT had not yet generated any revenue. The primary objective of the acquisition was to procure the intellectual property rights associated with the exclusive right to commercialise relevant battery technologies.

Following the identification of acquired tangible assets and liabilities of IDT upon acquisition, valued at ($69,856), the fair value of consideration paid was allocated to acquired assets on a relative fair value basis.

Purchase consideration and fair value of net assets of Iondrive Technologies acquired as at the date of acquisition are as follows:

	$'000
Purchase consideration	1,380,000
Less cash held by IDT	(16,799)
Net purchase consideration	**1,363,201**

Fair value of the assets and liabilities of Iondrive Technologies	**Fair value $'000**
Intangible asset	1,449,856
Cash	16,799
Receivables (R&D Tax Incentive accrued and GST)	524,478
Property, plant and equipment	2,490
Trade and other payables	(124,159)
Short term loan	(171,362)
Payable to Iondrive	(318,102)
Net identifiable assets/liabilities acquired	**1,380,000**

The acquisition of IDT represents the acquisition of an intangible asset comprising three exclusively licensed technologies, with provisional patents:

- **Lithium-ion Battery Recycling:** A process for extracting critical minerals from end-of-life Lithium-ion batteries, in a more environmentally friendly manner compared to the incumbent technologies.
- **Safer Lithium Metal Batteries:** This includes innovative technologies relating to the cathode, anode and electrolyte components of lithium-ion batteries. Together, these components create an improved battery system that has a very high energy density, long cycle life, and is non-flammable therefore safer, making it a significant advancement in battery technology with potential applications across multiple industries.
- **Aqueous Sodium Batteries:** A water-based battery that uses technology involving the application of a patented novel layer on the cathode, a titanium compound-based anode, and a sodium chloride-based electrolyte.

	2024 $	2023 $

13. TRADE AND OTHER PAYABLES

	2024 $	2023 $
Trade payables	144,233	344,768
Sundry payables and accruals	513,266	231,888
Amount payable to Directors and Key Management related entities[1]	65,416	51,010
	722,915	**627,666**

[1] Payable to Adam Slater $9,167 (2023: $Nil)
Payable to Andrew Sissian $2,750 (2023: $Nil)
Payable to Ebbe Dommisse $1,534 (2023: $Nil)
Payable to Douglas Kirwin $Nil (2023: $4,000)
Payable to Michael McNeilly $7,250 (2023: $4,000)
Payable to Beejay Kim $Nil ($2023: $4,000)
Payable to Ray Ridge $44,715 ($2023: $39,010)

14. PROVISIONS

The aggregate provisions recognised in and included in the financial statements is as follows:

	2024 $	2023 $
Current Employee entitlements provision	215,086	274,946
Non-Current Employee entitlements provision	412	8,197
Total Employee entitlement provisions	**215,498**	**283,143**

15. LEASE LIABILITY

	2024 $	2023 $
Current Lease liability	19,816	23,376
Non-Current Lease liability	-	10,147
	19,816	**33,523**

16. ISSUED CAPITAL

(a) Ordinary Shares

	2024 $	2023 $
Issued share capital:	**64,582,718**	**62,211,401**
604,856,599 fully paid ordinary shares (2023: 426,285,279)		

Movement in issued shares for the year:	**No.**	**2024 $**	**No.**	**2023 $**
Balance at beginning of 2020 financial year	426,285,279	62,211,401	213,328,756	58,011,777
Placement of shares (21 Nov 2022)	-	-	53,332,120	1,226,639
Placement of shares (12 Jan 2023)	-	-	33,624,403	773,361
Placement of shares (30 Jun 2023)	-	-	126,000,000	2,520,000
Issue of acquisition shares (3 Jul 2023)	60,000,000	1,380,000	-	-
Placement of shares (11 Jun 2024)	118,571,320	1,067,142	-	-
Net costs associated with the issue of shares	-	(75,825)	-	(320,376)
Balance at end of financial year	604,856,599	64,582,718	426,285,279	62,211,401

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

The Group completed its acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd (IDT) on 4 July 2023. The transaction was finalised for a total consideration of $1,380,000, which was settled through the issue of 60,000,000 fully paid ordinary shares, valued at a price of $0.023 per share, being the ASX closing price of ION's shares on 3 July 2023. Refer Note 12.

On 3 June 2024, the Iondrive announced that it had received binding commitments from sophisticated and institutional investors in respect of a placement of 222,222,222 ordinary shares in the Company at $0.009 per share to raise $2 million. The placement was conducted in two tranches:

- Tranche 1 being 118,571,320 shares, pursuant to available share placement capacity, issued 11 June 2024, raising $1,067,142 before costs; and
- Subsequent to 30 June 2024, tranche 2 was completed on 29 July 2024, following shareholder approval, being the issuance of 103,650,902 shares, raising $932,858 (refer to note 28).

The net costs associated with the issue of shares in the year ended 30 June 2023 were $75,825.

(b) Options on Issue

At 30 June 2024, there were 93,780,000 unlisted options outstanding (30 June 2023: 69,280,000), comprising:

- 30,780,000 options held by employees, directors and service providers. Refer Note 22 for further detail and;
- 63,000,000 options held by participants in the $2.5m placement completed on 30 June 2023. These options were issued following shareholder approval, on the basis of 1 option for every 2 shares subscribed and expire 30 December 2024.

Refer to Notes 22 and 28 for further details.

(c) Capital Management

The capital of the Group is managed by assessing the financial risks and adjusting the capital structure in response to changes in these risks and in the market. The responses include the management of dividends to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital during the year.

The amounts managed as capital by the Group for the reporting periods under review are as follows:

	2024 $	**2023 $**
Debt	-	-
Cash	2,759,282	4,212,502
Net cash	2,759,282	4,212,502
Equity	4,036,080	7,660,942
Net debt to equity ratio	0%	0%

17. REMUNERATION OF AUDITORS

The auditor of Iondrive Limited is Grant Thornton Audit Pty Ltd.

	2024 $	**2023 $**
Amounts received or due and receivable by Grant Thornton for:		
An audit or review of the financial report of the entity and any other entity of the Group	50,000	47,819
Taxation and other services	-	2,500
	50,000	**50,319**

18. RELATED PARTY AND KEY MANAGEMENT DISCLOSURES

The terms and conditions of the transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a) Equity Interests

Equity Interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 25.

b) Transactions within wholly owned group

The wholly owned group includes:

- The ultimate parent entity in the wholly-owned group; and
- The wholly-owned controlled entities.

The ultimate parent entity in the wholly owned group is Iondrive Limited.

During the financial year, Iondrive Limited provided accounting and administrative services at no cost to the controlled entities and the advancement of interest free loans.

c) Related party balances

Amounts receivable from and payable to Directors and Key Management Personnel and their related entities at report date arising from these transactions were as follows:

	2024 $	2023 $
Current payables		
Amounts payable to Directors and Key Management Personnel related entities (refer Note 13 for further detail).	65,416	51,010
	65,416	**51,010**

There were no amounts receivable from related parties.

d) Remuneration of Key Management Personnel (Refer Note 4)

19. JOINT OPERATIONS

The consolidated entity had interests in unincorporated joint operations at 30 June as follows:

	Interest 2024	Interest 2023
Southern Gold (Asia) Joint Venture (SG Asia)	15%	15%

Under the terms of the sale of Iondrive's former subsidiary, SG Asia, Iondrive retains a 15% free carried interest in an unincorporated Joint venture with SG Asia based on selected tenements held by SG Asia that were re-granted by the Cambodian authorities until the completion of a positive definitive feasibility study, together with a 2% gross sales royalty on all products sold from the tenements until US$11 million is received, then reverting to a 1% gross sales royalty. The Cambodian tenements were relinquished by the Joint Venture during the year ended 30 June 2024.

20. COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES

a) Exploration Expenditure Commitments

The South Korean tenements have minimum exploration activity requirements, rather than minimum expenditure requirements, and includes metrics such as meters drilled and number of assays undertaken.

b) Technology Research Expenditure Commitments

Through the acquisition of IDT, the Group has commitments to provide research funding of $2,500,000 to the University of Adelaide over a two-and-a-half-year period. To date the Group has provided funding of $1,244,828, leaving the remaining commitments as at 30 June 2024:

	$
Not later than one year	755,172
Later than one year but not later than two years	500,000
Later than two years but not later than five years	-
Greater than five years	-
Total	**1,255,172**

21. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in Note 1, are as follows:

	2024 $	2023 $
Financial Assets		
Cash and cash equivalents	2,759,282	4,212,502
Current receivables	276,943	572,585
	3,036,225	**4,785,087**
Financial Liabilities		
Trade and other payables	689,483	578,951
	689,483	**578,951**

(i) *Treasury Risk Management*

The Board of the Consolidated Group meets on a regular basis. Matters considered at the Board meetings include material currency and interest rate exposure, and treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) *Financial Risks*

The main risks that the Group is exposed to through its financial instruments are liquidity risk, credit risk, exchange rate risk and interest rate risk.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Consolidated Group manages liquidity risk by monitoring forecast cash flows.

As at 30 June 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

30 June 2024	Rate	Current		Non-current	
		Within 6 months	6 to 12 months	1 to 5 years	Later than 5years
Borrowings		-	-	-	-
Trade and other payables		689,483	-	-	-
Leases	6.6%	14,671	5,145	-	-
Total		**704,154**	**5,145**	**-**	**-**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

30 June 2023	Rate	Current		Non-current	
		Within 6 months	6 to 12 months	1 to 5 years	Later than 5years
Borrowings		-	-	-	-
Trade and other payables		578,951	-	-	-
Leases	5.8%	11,519	11,857	10,147	-
Total		**590,470**	**11,857**	**10,147**	**-**

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

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

Refer Note 6 for further detail.

No receivables are considered past due and/or impaired at report date.

Exchange rate risk - KRW

The Group incurs expenditure in Korean Won (KRW) in relation to its activities in the Republic of South Korea, while it raises capital, and holds cash, predominantly in AUD to fund those activities. The KRW denominated cash expenditure in the year ended 30 June 2024 was KRW 1,217,212,485 or AU $1,392,437 translated at the average KRW:AUD exchange for the year of 874.16. A 10% increase in the KRW:AUD exchange rate from 874.16 would decrease the AUD required to fund that same KRW denominated expenditure by $126,585. Conversely, a 10% decrease in the KRW:AUD exchange rate would increase the AUD required to fund that same KRW denominated expenditure by $154,715.

The Group expects this level of exploration expenditure to reduce significantly in the next financial year ending 30 June 2025.

Interest rate risk

The Group's exposure to interest rate risk, being the risk, that a financial instrument's value will fluctuate as a result of changes in market interest rates, is contained in the following table which details the exposure to interest rate risk at the reporting date. All other financial assets and liabilities are non-interest bearing.

2024	Interest Bearing	Non-interest Bearing	Total	Floating interest rate	Fixed interest rate
Financial assets					
Cash and deposits	2,364,575	394,707	2,759,282	1.4%	-
Receivables	-	276,943	276,943	-	-
Less: Payables	-	(689,483)	(689,483)	-	-
Less: Leases	(19,816)	-	(19,816)	6.6%	-
Less: Borrowings	-	-	-	-	-
Net financial assets	**2,344,759**	**(17,833)**	**2,326,926**		

2023	Interest Bearing	Non-interest Bearing	Total	Floating interest rate	Fixed interest rate
Financial assets					
Cash and deposits	4,212,502	-	4,212,502	1.9%	-
Receivables	-	572,585	572,585	-	-
Less: Payables	-	(578,951)	(578,951)	-	-
Less: Leases	(33,523)	-	(33,523)	5.8%	-
Less: Borrowings	-	-	-	-	-
Net financial assets	**4,178,979**	**(6,366)**	**4,172,613**		

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2024, none of Group's cash deposits are fixed (2023: Nil).

The Group has not performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date as a change in interest rates by 10% is not considered to have a material impact on profit and equity.

(iii) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

22. SHARE BASED PAYMENTS

Shares

No costs have been recognised as a share-based payments expense, relating to shares issued to directors, employees or service providers, in the year ended 30 June 2024 (2023: Nil).

Options – Directors and Employees

The Group has an ownership-based compensation plan for employees and key consultants. In accordance with the provisions of the Employee Incentive Plan, as approved by shareholders at an Annual General Meeting, Directors may issue options or performance rights to acquire shares in the Company to employees and consultants. No Directors participate in the Employee Incentive Plan as securities issued to Directors must be separately approved by shareholders.

Share options and performance rights are not listed, carry no rights to dividends and no voting rights.

A total of $123,430 was recognised as a share-based payments expense, $100,335 relating to options, and $23,095 relating to performance rights, issued to directors, employees and consultants, in the year ended 30 June 2024 (2023: $6,672). For further details refer to the table below.

The following share-based payment arrangements were in existence at 30 June 2024:

Options – Series	No.	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Expensed In 2024
Employee & Consultants						
Sep-2021[1]	680,000	17/09/2021	16/09/2025	$0.100	$0.02850	-
Dec-2022[2]	300,000	22/02/2023	22/02/2027	$0.050	$0.01213	-
Jul-2023[3]	7,000,000	04/07/2023	03/07/2026	$0.040	$0.00402	$28,140
Nov-2023[4]	10,000,000	09/11/2023	09/11/2026	$0.040	$0.00181	$12,921
Jan-2024[5]	100,000	22/01/2024	22/01/2028	$0.025	$0.00404	$404
Aug-2024[6]	5,000,000	06/08/2024	12/02/2026	$0.025	$0.00123	$6,150
LTI-2024[7]	30,625,000	06/08/2024	06/08/2029	$0.012	$0.00424	$21,043
Director Held						
Oct-2021[8]	3,700,000	02/11/2021	31/10/2025	$0.120	$0.03260	-
Jul-2023[9]	3,000,000	24/07/2023	23/07/2026	$0.040	$0.00402	$11,269
Nov-2023[10]	6,000,000	09/11/2023	09/11/2027	$0.025	$0.00181	$20,408
Share based payments - options						$100,335
Performance rights lapsed						($2,252)
LTI Performance rights granted						$25,347
Share based payments – performance rights						$23,095
Total share based payments						**$123,430**

1. 1,890,000 unlisted options were granted to employees on 17 September 2021, under the Company's shareholder approved Employee Incentive Plan. 750,000 of the options were granted to Mr Smillie as Exploration Manager (prior to his appointment as Managing Director on 9 May 2022). All options vested immediately and are exercisable at $0.10 at any time through to the expiry date of 16 September 2025. The $53,771 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 74% and an interest rate of 0.43% (the five-year Australian Government bond rate). 260,000 options lapsed due to cessation of employment prior to 30 June 2023. A further 950,000 options lapsed due to cessation of employment in the financial year ended 30 June 2024.
2. 550,000 unlisted options were granted to employees on 22 February 2023, under the Company's shareholder approved Employee Incentive Plan. The options vested immediately and are exercisable at $0.05 at any time through to the expiry date of 22 February 2027. The $6,672 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 74%, an interest rate of 3.13% (the five-year Australian Government bond rate) and an underlying share price the day prior to Board approval of $0.025. 250,000 options lapsed due to cessation of employment in the financial year ended 30 June 2024.
3. 17,000,000 unlisted options were granted to two consultants on 4 July 2023, following shareholder approval. 10,000,000 subsequently lapsed prior to vesting. The remaining 7,000,000 options vested after 6 months service and are exercisable at $0.04 at any time through to the expiry date of 3 July 2026. The $28,140 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 62%, an interest rate of 3.912% (the three-year Australian Government bond rate) and an underlying share price the day prior to shareholder approval of $0.018. The options were fully expensed in the year ended 30 June 2024.
4. 10,000,000 unlisted options were granted to a consultant on 9 November 2023, following shareholder approval. A total of 5,000,000 options vest monthly over an 18 month period from the issue date (approximately 277,777 per month) and 5,000,000 options vest on the basis of agreements executed with industry or collaboration partners. All options are exercisable at $0.04 at any time after vesting through to the expiry date of 9 November 2026. The $18,100 fair value of the options was calculated using the Black Scholes valuation method, using a volatility of 64%, an interest rate of 4.156% (the three-year Australian Government bond rate) and an underlying share price the day prior to shareholder approval of $0.012. The fair value is being expensed over the vesting period to 9 May 2025.
5. 100,000 unlisted options were granted to an employee on 22 January 2024, under the Company's shareholder approved Employee Incentive Plan. The options vested immediately and are exercisable at $0.025 at any time through to the expiry date of 22 January 2028. The $404 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 71%, an interest rate of 3.89% (an average between the three-year and five-year Australian Government bond rates) and an underlying share price the day prior to Board approval of $0.011. The options were fully expensed in the year ended 30 June 2024.
6. 5,000,000 unlisted options were granted to a consultant (being the former Managing Director, Mr Smillie) on 6 August 2024, following shareholder approval. A total of 2,000,000 options vest upon KoBold Metals electing to enter into the second phase of the Earn-in and joint venture agreement, 1,000,000 vest with the sale or joint venture of the South Korean exploration business or any of its exploration projects and a further 2,000,000 vest upon the sale or joint venture of the South Korean exploration business. All options are exercisable at $0.025 at any time after vesting through to the expiry date of 12 February 2026. The $6,150 fair value of the options was calculated using the Black Scholes valuation method, using a volatility of 71%, an interest rate of 3.763% (the two-year Australian Government bond rate) and an underlying share price the day prior to shareholder approval of $0.009. The fair value was expensed in full in the financial year ended 30 June 2024.

7. 30,625,000 unlisted options were granted on 6 August 2024 as part of an Executive long-term incentive plan – further details are provided below.
8. 3,700,000 options were issued to the Directors on 2 November 2021, following shareholder approval on 29 October 2021. The options vested immediately, and are exercisable at $0.12 at any time through to the expiry date of 31 October 2025. The $120,583 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 74%, an interest rate of 1.26% (the five-year Australian Government bond rate) and an underlying share price the day prior to shareholder approval of $0.074.
9. 3,000,000 unlisted options were granted a newly appointed director on 24 July 2023, following shareholder approval. The options vest after 12 months service and are exercisable at $0.04 at any time through to the expiry date of 23 July 2026. The $12,060 fair value of the options was calculated, using the Black Scholes valuation method, using a volatility of 62%, an interest rate of 3.912% (the three-year Australian Government bond rate) and an underlying share price the day prior to shareholder approval of $0.018. The fair value of the options is being expensed over the 12 month vesting period.
10. 6,000,000 unlisted options were granted to newly appointed Directors on 9 November 2023, being 3,000,000 options to Dr Hamilton and 3,000,000 to Mr Slater. The options vest upon their re-election at the Company's 2024 AGM. The options are exercisable at $0.025 at any time after vesting through to the expiry date of 9 November 2027. The $31,920 fair value of the options was calculated using the Black Scholes valuation method, using a volatility of 71%, an interest rate of 4.316% (the three-year Australian Government bond rate) and an underlying share price the day prior to execution of their director services contracts of $0.013. The fair value is being expensed over the estimated vesting period of 12 months.

Historical volatility has been used as the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Other than the above, there were no other options granted to Key Management Personnel.

The following reconciles the outstanding share options granted as share based payments at the beginning and end of the financial year:

Options granted as share based payments	**2024**		**2023**	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Balance at beginning of financial year	6,280,000	$0.107	9,544,100	$0.134
Granted during the financial year *(i)*	71,725,000	$0.026	550,000	$0.050
Exercised during the financial year	-	-	-	-
Lapsed/forfeited during the financial year *(ii)*	(11,600,000)	$0.047	(3,814,100)	$0.167
Balance at end of the financial year *(iii)*	66,405,000	$0.030	6,280,000	$0.107

(i) Options granted

71,725,000 options, relating to share-based payments, were granted in the year ended 30 June 2024 (2023: 550,000), including the 30,625,000 options granted after the end of the financial year that were accounted for as a share-based payment in during the financial year ended 30 June 2024 (refer Executive long-term incentive detailed below).

(ii) Options lapsed/forfeited

Share based payments relating to 11,600,000 options lapsed or forfeited during the year ended 30 June 2024 (2023: 3,814,100).

(iii) Options outstanding at end of the financial year

66,405,000 options, relating to share-based payments, are outstanding at the end of the financial year, including the 30,625,000 options granted as an Executive long-term incentive (detailed below). The 66,405,000 options had an average exercise price of $0.030 (2023: $0.107) and a weighted average remaining contractual life of 1,294 days (2023: 891 days).

Executive long-term incentive (Performance Rights and Options)

A long-term incentive plan was agreed with the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on 12 April 2024 (subject to shareholder approval), comprising a total of 30,625,000 performance rights and 30,625,000 unlisted options. The options and performance shares vest, after a minimum service period to 12 August 2025, in four tranches when the 30-day volume weighted average price of the Company's ordinary shares exceeds the following price hurdles at any time prior to 12 February 2027:

	Price Hurdles	Fair Value per Option	Fair Value per Performance Right	CEO Number of Options to Vest	CEO Number of Performance Rights to Vest	CFO Number of Options to Vest	CFO Number of Performance Rights to Vest
Tranche 1	$0.017	$0.0063	$0.0087	2,250,000	2,250,000	562,500	562,500
Tranche 2	$0.025	$0.0056	$0.0073	2,250,000	2,250,000	562,500	562,500
Tranche 3	$0.050	$0.0044	$0.0052	10,000,000	10,000,000	2,500,000	2,500,000
Tranche 4	$0.075	$0.0033	$0.0037	10,000,000	10,000,000	2,500,000	2,500,000
				24,500,000	**24,500,000**	**6,125,000**	**6,125,000**

The performance rights convert into one fully paid ordinary share upon vesting. The options have an exercise price of $0.012 and lapse 6 August 2029.

The fair value of these long-term incentive securities of $285,969 was calculated using the Monte Carlo method. The fair value is being expensed over the minimum service period between 12 April 2024 and 12 August 2024, with $46,389 expensed to share based payments in the year ended 30 June 2024. Relevant input to the Monte Carlo model:

- Consideration: nil.
- Exercise price: $0.012 for the options and nil for the performance shares
- Grant date for the purposes of the valuation (agreement date): 12 February 2024
- Share price at grant date: $0.010
- Expiry date for options: 6 August 2029
- Expected volatility of the Company's shares: 81.3%
- Risk free rate: 3.911%

The options and performance shares were granted on 6 August 2024, following shareholder approval on 18 July 2024.

Performance Rights – Service Provider

Ausino Drilling Services Pty Ltd (ADS) holds 10 million performance rights at US$0.11 per right for US$1.1 million. The performance rights will vest if, and when, ADS provide drilling services, with 25% of the invoices for drilling services to be paid in Iondrive shares. These performance rights are expected to lapse on 31 December 2024. No drilling services were rendered under this arrangement, and such services are not anticipated to be provided prior to the expiration date.

23. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Board have concluded that at this time, there are two separately identifiable operating segments, being exploration and battery technology. The battery technology business commenced on 4 July 2023 with the acquisition of IDT. Prior to that date, the Group operated in only one industry segment being the exploration for precious metals and operates in one geographic segment being the Republic of Korea (South Korea) – therefore there is no prior period comparative information presented for this segment note.

Year Ended 30 June 2024	Unallocated $	Exploration $	Battery Technology $	Consolidated $
Segment Revenue				
Revenue from Joint Operations	-	-	-	-
(Loss)/Profit on sale of investments	(248,823)	-	-	(248,823)
Other Income	33,271	401,971	443,719	878,961
Total Segment Income	(215,552)	401,971	443,719	630,138
Segment Expenses				
Exploration expenditure written off	-	(1,797,339)	-	(1,797,339)
Exploration expenses	-	(982,057)	-	(982,057)
Technology expenditure	-	-	(1,824,901)	(1,824,901)
Other expenditure	(1,160,539)	(813,673)	(170,759)	(2,144,971)
Total Segment Expenditure	(1,160,539)	(3,593,069)	(1,995,660)	(6,749,268)
Segment Profit/(Loss) before income tax	**(1,376,091)**	**(3,191,098)**	**(1,551,941)**	**(6,119,130)**
Income Tax Benefit	-	-	-	-
(Loss)/Profit	**(1,376,091)**	**(3,191,098)**	**(1,551,941)**	**(6,119,130)**

As at 30 June 2024	Unallocated $	Exploration $	Battery Technology $	Consolidated $
Assets and Liabilities				
Intangible assets	-	-	1,449,857	1,449,857
Other segment assets	2,830,861	341,395	372,196	3,544,452
Segment Assets	2,830,861	341,395	1,822,053	4,994,309
Other Segment Liabilities	(269,753)	(251,160)	(437,316)	(958,229)
Segment Liabilities	(269,753)	(251,160)	(437,316)	(958,229)
Net Segment Assets	**2,561,108**	**90,235**	**1,384,737**	**4,036,080**

24. EARNINGS PER SHARE

	2024 Cents per share	2023 Cents per share
Basic (cents per share) – Profit/(Loss)	(1.24)	(3.08)

Basic and Dilutive Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	$	$
Net Profit / (Loss) for the year	(6,119,130)	(8,044,850)
Earnings used in the calculation of basic and diluted earnings per share agrees directly to net profit/(loss) in the statement of financial performance.		
	No.	No.
Weighted average number of ordinary shares – for Basic EPS	491,948,817	261,188,818
Weighted average number of ordinary shares – for Diluted EPS	491,948,817	261,188,818

25. CONTROLLED ENTITIES CONSOLIDATED

Entity name	Country of Incorporation	% of share capital held 2024	% of share capital held 2023
Parent Entity			
Iondrive Limited	Australia		
Controlled Entities			
Challenger West Holdings Pty Ltd	Australia	100%	100%
CMH Resources Pty Ltd	Australia	100%	100%
Gawler Arc Holdings Pty Ltd	Australia	100%	100%
Southern Mining Pty Ltd	Australia	100%	100%
Inferus Resources Pty Ltd [1]	Australia	100%	100%
New Southern Mining Pty Ltd	Australia	100%	100%
Iondrive Technologies Pty Ltd	Australia	100%	-
International Gold Private Limited	Singapore	100%	100%
Korea Metal Resources Ltd.[2]	South Korea	100%	100%

[1] All shares in Inferus Resources Pty Ltd are held by Southern Mining Pty Ltd.

[2] All shares in Korea Metal Resources Ltd are held by International Gold Private Limited.

26. IONDRIVE LIMITED COMPANY INFORMATION

	2024 $	2023 $
Assets		
Current assets	2,625,322	4,033,877
Non-current assets	230,654	4,860,007
Total assets	**2,855,976**	**8,893,884**
Liabilities		
Current liabilities	269,341	1,224,744
Non-current liabilities	412	8,197
Total liabilities	**269,753**	**1,232,941**
Net Assets	**2,586,223**	**7,660,943**
Equity		
Issued capital	64,582,718	62,211,401
Retained earnings	(62,265,746)	(54,736,658)
Share based payments reserve	269,251	186,200
	2,586,223	**7,660,943**
Financial Performance		
Profit/(loss) for the year	(7,569,468)	(8,031,811)
Other comprehensive income	-	-
Total comprehensive income	**(7,569,468)**	**(8,031,811)**
Guarantees in relation to the debts of subsidiaries	-	-

27. GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern.

The Consolidated Group incurred a net loss after tax from continuing operations of $6,119,130 for the year ended 30 June 2024, and a net cash outflow of $3,447,079 from operating activities. As at 30 June 2024, the Consolidated Group has a cash position of $2,759,282. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors believe that it is appropriate to prepare the financial statements on the going concern basis. The Group raised sufficient capital during the year to progress the commercialisation of its battery technologies and its exploration activities. The Group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development.

If additional capital is not obtained or successful exploration performed, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the financial report.

28. EVENTS SUBSEQUENT TO REPORTING DATE

a) Tranche 2 share placement

Following shareholder approval, the Company completed Tranche 2 of a share placement on 29 July 2024 by issuing 103,650,902 shares at $0.009 per share, raising approximately $0.93 million.

b) Completion of large-scale bench trials

On 30 July 2024, Iondrive announced the successful completion of its large-scale bench trials for its DES battery recycling technology. The trials, representing a 1,000x scale-up, demonstrated high metal recoveries and minimal solvent losses, with results from testing at the University of Adelaide and independently verified by Independent Metallurgical Operations (IMO) in Perth. These outcomes validate the scalability and economic potential of Iondrive's recycling technology, with further process optimisation trials currently underway.

c) Issue of unlisted options

On 6 August 2024, the Company granted 5,000,000 unlisted options to the Company's former Chief Executive Officer who has been retained as a consultant. The granting of the options had been approved by shareholders on 18 July 2024. The options vest subject to the satisfaction of performance conditions relating to the continuation of the Earn-in and Joint Venture activities with KoBold Metals and the monetisation of non-core exploration assets in South Korea (refer Note 22).

d) Issue of securities as a long-term incentive

On 6 August 2024, the Company granted 30,625,000 unlisted options and 30,625,000 performance rights to the Company's Chief Executive Officer and Chief Financial Officer as a long-term incentive. The granting of the options had been approved by shareholders on 18 July 2024. The options and the performance rights vest in four tranches, subject to the satisfaction of both service conditions and performance conditions (Refer note 22).

e) EU Collaboration Agreement

On 12 August 2024, Iondrive announced the signing of a collaboration agreement with the Production Engineering of E-Mobility Components at RWTH Aachen University (PEM) and PEM Motion GmbH (PEM Motion). This collaboration aims to attract investment to validate the Iondrive DES recycling technology at pilot plant scale and to form a consortium of strategic industry partners to solve a pressing industry need, being the establishment of a robust and scalable process for recycling lithium-ion batteries within the EU, with a focus on converting recycled materials into high-quality precursors for battery active materials for the expanding EV market. The pilot plant, as part of the proposed consortium, utilising Iondrive's battery recycling technology, is likely to be located at PEM's facilities in Germany.

Iondrive's early invitation to participate in the formation of this consortium, formalises a strategic industry partnership in Europe, a key target market, and underscores the value proposition of its unique sustainable battery recycling process.

Other than the above, there has not arisen any other matters or circumstances, since the end of the financial year which significantly affected or could affect the operations of the Group, the results of those operations, or the state of the Group in future years.

29. RESERVES

The share-based payments reserve records items recognised as expenses on valuation of options issued to employees or other service providers (refer Note 22).

The foreign currency translation reserve records foreign currency exchange differences arising on translation of a foreign controlled subsidiary.

30. REGISTERED OFFICE AND PRINCIPAL OFFICE

The registered and principal office of the Company and its controlled entities is:

6 The Parade, Norwood, South Australia, 5067

ABN 30 107 424 519

Consolidated Entity Disclosure Statement

			Bodies corporate		Tax Residency	
Entity name	**Entity type**	**Trustee, partner or participant in Joint Venture**	**Country of Incorporation**	**% of share capital held**	**Australian or foreign**	**Foreign Jurisdiction**
Parent Entity						
Iondrive Limited	Body Corporate	N/A	Australia	N/A	Australian	N/A
Controlled Entities						
Challenger West Holdings Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
CMH Resources Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
Gawler Arc Holdings Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
Southern Mining Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
Inferus Resources Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
New Southern Mining Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
Iondrive Technologies Pty Ltd	Body Corporate	N/A	Australia	100%	Australian	N/A
International Gold Private Limited	Body Corporate	N/A	Singapore	100%	Foreign	Singapore
Korea Metal Resources Ltd	Body Corporate	N/A	South Korea	100%	Foreign	South Korea

Consolidated Entity Disclosure Statement – Basis of preparation

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

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

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where necessary, the consolidated entity 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.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' Declaration

The Directors of Iondrive Limited declare that:

a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:

   i.) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Consolidated Group; and

   ii.) comply with Accounting Standards; and

   iii.) Iondrive Limited complies with International Financial Reporting Standards as described in Note 1; and

b) the Chief Executive Officer and Chief Financial Officer have declared that:

   i) The financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;

   ii) The financial statements and notes for the financial year comply with the Accounting Standards; and

   iii) The financial statements and notes for the financial year give a true and fair view;

c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

d) With regard to the Consolidated entity disclosure statement, the statement is true and correct and complies with the requirements of Section 295 of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors

Dated at Adelaide this 5th day of September 2024.

M McNeilly
Chairman

J Hamilton
Non-Executive Director

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Independent Auditor's Report

To the Members of Iondrive Limited

Report on the audit of the financial report

Qualified Opinion

We have audited the financial report of Iondrive Limited (the Company) and its subsidiaries (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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

In our opinion, except for the effects of the matters described below in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

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

Basis for qualified opinion

We draw attention to the impairment expenses of $3,479,343 and equity accounted share of loss of $287,162 included in the comparative information in the Consolidated Statement of Profit or Loss and other Comprehensive Income. The disclosures in Note 2b are based on publicly available unaudited financial information of Bluebird Merchant Ventures Limited. In the prior year we were unable to obtain appropriate audit evidence to support the accuracy of these disclosures. As such in the comparative period's disclosures the allocation between "Equity accounted share of loss" of $287,162 and the impairment expense of $3,479,343 (Note 2b) may not be accurate. Our audit report has been qualified as a result of this limitation of scope in the prior year.

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

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

Material uncertainty related to going concern

We draw attention to Note 27 in the financial statements, which indicates that the Group incurred a loss of $6,119,130 for the year ended 30 June 2024 and net cash outflows from operating and investing activities of $2,063,512. As stated in Note 27, these events or conditions, along with other matters as set forth in Note 27, indicate that a material uncertainty exists that may cast 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 as a whole, 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.

Key audit matter	How our audit addressed the key audit matter
Intangibles impairment (Note 12)	
The Group completed the acquisition of 100% of the issued capital of battery technology company Iondrive Technologies Pty Ltd (IDT) on 4 July 2023. It was concluded that IDT did not meet the definition of a business as defined by AASB 3 *Business Combinations*, consequently the acquisition was accounted for as an asset acquisition. Following the identification of acquired net tangible assets and liabilities of IDT, valued at ($69,856), the $1,449,856 excess of the consideration paid represents the value of the intangible assets, representing intellectual property rights associated with the exclusive right to commercialise relevant battery technologies.	Our procedures included, amongst others: • Obtaining an understanding of the acquisition of IDT and identification of the assets and liabilities acquired. • Obtaining an understanding of the underlying processes for the intangible asset impairment process, through discussion with management and review of relevant documentation; • Documenting the processes and assessing the internal controls relating to impairment considerations; • Obtaining Management's impairment model and testing the mathematical accuracy;

Key audit matter	How our audit addressed the key audit matter
AASB 136 *Impairment of Assets* requires that an entity shall assess, at least annually, whether there is any indication that its finite life assets may be impaired. If impairment indicators are present, the entity is required to undertake impairment testing to determine whether the relevant carrying amount is in excess of the recoverable amount. For indefinite life intangible assets or for intangible assets that are not yet available for use, an annual impairment test is required. The Group's assets are not yet available for use. This area is a key audit matter due to the inherent subjectivity involved in Management's judgements in estimating the recoverable amount as part of evaluating potential impairment.	• Assessing the methodology used by Management against the requirements of AASB 136; • Assessing Management's determination of the Group's CGUs based on our understanding of the business and the requirements of AASB 136; • Evaluating the appropriateness of key assumptions and inputs used in the calculations, by obtaining corroborating evidence; • Performing an assessment of replacement cost in relation to the intangible asset in considering if the current carrying value is reasonable and supportable; • Considering if there are any other indicators of impairment (such as results of recent trials or changes in factors that underpinned the initial valuation of the assets) and other qualitative considerations (e.g. market valuation of the Group compared to its net assets, subsequent events, other public information available or press releases); and • Assessing the adequacy of the Group's disclosures within the financial statements

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 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 we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

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

b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

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

i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii 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 Group's ability 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: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

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

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

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.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner – Audit & Assurance

Adelaide, 5 September 2024