



**Parkway**  
CORPORATE LIMITED

# ANNUAL REPORT



## **PARKWAY CORPORATE LIMITED**

(Previously known as Parkway Minerals NL)

ACN 147 346 334

For the year ended 30 June 2022

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## Corporate Directory

### Directors:

Bahay Ozcakmak  
Penelope Creswell  
Stephen van der Sluys

### Joint Company Secretary:

Amanda Wilton-Heald  
Alexander Cook

### Auditor:

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Perth WA 6000  
Telephone (+61 8) 9463 2463  
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Advanced Share Registry  
160 Stirling Highway  
Nedlands WA 6009 AUSTRALIA  
Telephone (+61 8) 9389 8033  
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### Registered and Principal Office

5/45 Bunnett Street  
Sunshine North VIC 3020  
Telephone (+61 3) 9069 3200  
Website: www.pwnps.com  
Email: solutions@pwnps.com

### Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX: PWN).

### Bankers

National Australia Bank  
Ground Floor  
100 St Georges Terrace  
Perth WA 6000 AUSTRALIA  
Telephone: (+61 8) 9441 9313

## GROUP MANAGING DIRECTOR & CEO MESSAGE

Dear Shareholder,

Welcome to Parkway. As you are aware, financial year 2022 (FY22) presented a range of challenges for communities and economies around the world. As a junior exploration company, many of these operational challenges impacted our ability to grow the company, particularly in international markets, as quickly as we would have liked. Notwithstanding the pandemic related headwinds, we entered FY22 with a strong balance sheet, which allowed us to invest in building strong foundations for our company, and to transition from a mineral exploration focused company, into a more technology leveraged, industrial water treatment company.

### **Building strategic capabilities**

In many respects, FY22 was a transformational year for Parkway. We continued to invest heavily in our technology portfolio, as well as growing the size of our dedicated team, investments which have enabled us to expand the scale and nature of our operations. During the year, we acquired a small water related company, which enabled us to further expand our footprint in Australia, as well as gain access to a portfolio of established client relationships, particularly in the mining sector. Our team which consisted of only a handful of employees up until recently, now incorporates a diverse range of experienced professionals, from technicians, mechanical fitters, engineers and other specialists, through to corporate team members.

### **Landmark technology milestone**

Developing and commercialising innovative technologies is at the core of our purpose as a company. For strategic and commercial reasons, we generally don't publicise specific technology related achievements, however, Parkway continues to make significant progress with a range of technologies. In April this year, following an extensive technology development and evaluation process, we announced that Parkway had been awarded a material contract to perform a feasibility study, for global energy company, Shell. In addition to highlighting the commercial potential of Parkway's patented iBC® technology, the award of the contract also highlights and validates the calibre of capabilities developed by Parkway, in recent times.

### **Generating traction**

In addition to achieving significant milestones for our core technologies, FY22 was also a watershed year for Parkway as the company generated initial revenues from underlying activities. Whilst these revenues for FY22 were relatively modest at ~\$3.4 million, significantly, the majority of these revenues were generated from major energy and mining companies, both strategically important industrial market segments for Parkway.

### **Outlook**

As we look to the future, we are excited by the opportunities in front of us. With a growing portfolio of both conventional and more innovative industrial process technologies, and a particular focus on the increasingly challenged energy and mining sectors, Parkway is well placed to take advantage of the sustainability related tailwinds affecting these sectors. On the corporate front, Parkway remains well funded, debt free and will continue to execute its strategy of becoming a leading provider of innovative water treatment related products, services, solutions and technology. At the beginning of FY22, we launched Parkway Process Solutions (PPS) to assist us execute on this strategy. In a relatively short period of time, PPS has generated significant traction in the market, creating a range of strategic opportunities, but most importantly, is providing Parkway with a launchpad, for its range of innovative process technologies.

Finally, I'd like to express my thanks and appreciation to our team for their hard work and dedication throughout the year. On behalf of Parkway, I'd also like to extend my thanks to all our shareholders, partners, clients and other valued stakeholders, that have contributed to our success during the year.

Yours Sincerely,



**Bahay Ozcakmak**  
Group Managing Director & CEO

30 September 2022

## Directors' Report

The Directors present their report on Parkway Corporate Limited (ACN 147 346 334) and its controlled entities (“**Parkway**”, the “**Company**”, “**Group**” or “**PWN**”), for the Company’s financial year ended 30 June 2022 (“**FY22**”).

### Directors

The names and details of the Company’s directors in office, for some or all of the financial year, are set out below.

Name	Tenure During Financial Year
Adrian Griffin (Non-executive Chairman)	1 July 2021 to 30 June 2022
Bahay Ozcakmak (Managing Director)	1 July 2021 to 25 October 2021
Bahay Ozcakmak (Group Managing Director & CEO)	26 October 2021 to 30 June 2022
Patrick Power (Non-executive Director)	1 July 2021 to 26 October 2021
Richard Beresford (Non-executive Director)	1 July 2021 to 16 December 2021
Alexander Cook (Executive Director)	26 October 2021 to 30 June 2022
Penelope Creswell (Non-executive Director)	26 October 2021 to 30 June 2022

### Names, qualifications, experience and special responsibilities

#### **Adrian Griffin – Non-executive Chairman (appointed 12 November 2010 and resigned 12 September 2022)**

##### Qualifications

Bsc(Honours),GSA,MAusIMM

Mr Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He is a former Chief Executive Officer of Dwyka Diamonds Limited, an AIM- and ASX-listed diamond producer, was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited, Ferrum Crescent Limited and Reedy Lagoon Corporation Limited. Moreover, Mr Griffin was a founding director of ASX-listed Northern Minerals, of which company he is currently a non-executive director. Most recently, Mr Griffin was managing director of ASX-listed Lithium Australia Limited, a role which he retired from on 31 May 2022.

##### *Other listed company directorships during the last 3 years:*

Northern Minerals Ltd (Director June 2006 – present), Reedy Lagoon Corporation Ltd (Director June 2014 – present), Lithium Australia Limited (Director February 2011 – May 2022) and Charger Metals NL (May 2022 – present).

Adrian Griffin was also a member of the Audit & Risk Committee, Remuneration Committee (Chairman) and the Nomination Committee.

#### **Bahay Ozcakmak – Group Managing Director & CEO (appointed 28 November 2019 until 25 October 2021 as Managing Director, and on 26 October as Group Managing Director & CEO)**

##### Qualifications

BSc, MABus, DipFin(Inv.), MAICD

## Directors' Report (continued)

Mr Bahay Ozcakmak is the founder of several successful companies, including Activated Water Technologies Pty Ltd (“**AWT**”) and was the CEO of AWT’s parent company, Consolidated Potash Corporation Ltd (“**CPC**”), up until its acquisition by Parkway. In addition to two decades of successful technology commercialisation experience, Mr Ozcakmak has extensive corporate development expertise, including M&A in the energy and mining sectors, where he has led the successful acquisition of several flagship projects and major corporate transactions, particularly with listed companies. Mr Ozcakmak has broad corporate experience ranging from equity capital markets, business and corporate strategy development through to CEO and director level roles in the energy and mining sectors, including companies focused on gold, copper, nickel, cobalt, lithium and potash. In recognition of highly successful collaboration and significant contributions made to Victoria University over a number of years, in May 2020 the honorary title of Adjunct Associate Professor was conferred upon Mr. Ozcakmak.

*Other listed company directorships during the last 3 years:*

TSX Venture exchange listed: Lions Bay Capital Inc. (Director May 2018 – October 2019), Fidelity Minerals Corp. (Director June 2018 – March 2021).

### **Patrick Power – Non-executive Director (appointed 17 September 2019 and resigned 26 October 2021)**

Mr Patrick Power is the founder of Western Potash Corp, and was instrumental in securing substantial investment for the company and advancing the Milestone (under construction) project in Saskatchewan, Canada. Mr Power brings over 25 years' experience in mining finance, management and venture capital. Mr Power is currently a director of Western Potash and President and CEO of Arctic Star Exploration, a diamond exploration company. He has served as a director of other mineral exploration companies including Amarillo Gold Corp., First Narrows Resources Corp., and Goldtex Resources Ltd.

*Other listed Company directorships during the last 3 years:*

Western Potash Corp. (Director April 2007 – April 2017), Arctic Star Exploration Corp. (Director June 2003 – Present).

### **Richard Beresford – Non-executive Director (appointed 12 March 2020 and resigned 16 December 2021)**

Qualifications

BSc (Mechanical Engineering), MSc (Technology and Development), and is a member of FAIE and FAICD

Mr. Beresford has over 30 years' experience in the international energy natural gas and renewable energy industries. Mr. Beresford served as a director of Eden Energy Limited. Mr. Beresford held the position of Executive Chairman of Green Rock Energy Limited (ASX: BKT), a Perth based energy explorer and developer from 2012 to 2015. Prior to his appointment as Executive Chairman he was the Managing Director and a non-executive director from 2008 to 2012. Mr. Beresford was Head of Gas Strategy and Development of CLP Power Hong Kong Limited from 2005 to 2007. Mr. Beresford spent five years with Woodside Petroleum Limited and 12 years with British Gas Plc.

*Other listed company directorships during the last 3 years:*

Liquefied Natural Gas Limited (Feb 2004 – 30 April 2020).

### **Alexander Cook – Executive Director (appointed 26 October 2021 and resigned 27 September 2022)**

Qualifications

BCom & LLB (1st Hons), GDLP, CertGovPrac

Mr Alexander Cook is an experienced commercial lawyer, with both top tier law firm and in-house legal experience. Alexander started his legal career at King & Wood Mallesons and since that time has held various senior in-house legal roles at ASX-listed companies in the mining & resources and industrial services industries. Alexander was first admitted to practice as a Solicitor of the Supreme Court of Victoria and High Court of Australia on 14 October 2014.

*Other listed company directorships during the last 3 years:*

None

## Directors' Report (continued)

### **Penelope Creswell – Non-executive Director (appointed 26 October 2021)**

#### Qualifications

BA & LLB (Hons) MAICD

Ms Creswell is a highly experienced lawyer, with 25+ years of professional experience, including ~10 years at Allens (one of Australia's most prestigious top-tier law firms) and most recently ~7 years as the leading in-house legal counsel for all planning and environmental legal matters at Cleanaway Waste Management Limited (ASX:CWY), Australia's largest waste management company. Ms Creswell also brings ~4 years of experience at the Northern Land Council in the Northern Territory, as well as experience as a secondee General Counsel at Melbourne Water, to her role with the Company. While her professional career has spanned diverse areas of law, her key focus over the last 15 years has been infrastructure projects, planning and environmental law, including in the waste and water sectors.

*Other listed company directorships during the last 3 years:*

None

### **Stephen van der Sluys – Non-executive Director (appointed 01 September 2022)**

#### Qualifications

BBuild, MAusIMM, MAICD

Mr van der Sluys is a highly credentialed investment banker and business executive, with extensive international experience in capital markets and strategic transactions, including mergers & acquisitions. Mr van der Sluys has held a number of senior investment banking roles (predominantly in Australia and the United States of America), including with Citibank, JP Morgan Chase & Co, Bank of New Zealand and as CEO of CIBC Wood Gundy Australia. In addition to his investment banking experience, Mr van der Sluys has also held various senior executive roles, at a range of large companies which operate in the mining and resources industry, including as executive director of Queensland Nickel during the period which the company successfully listed as an ASX100 company. More recently, Mr van der Sluys has assisted a number of junior resources companies achieve corporate success. In particular, Mr van der Sluys was executive chairman and subsequently managing director of Jervois Mining Limited (now Jervois Global Limited, ASX: JRV), having played a pivotal role in a successful transformation of the company.

*Other listed company directorships during the last 3 years:*

None

### **Joint Company Secretaries**

#### **Amanda Wilton-Heald (appointed 7 March 2018)**

Amanda is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience within Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

#### **Alexander Cook (appointed 26 October 2021)**

Please refer to Mr Cook's biography on page 6 of this Report above.

## Directors' Report (continued)

### Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors (including related parties) in the shares and options of the company were:

	Number of ordinary shares	Number of options over ordinary shares
Adrian Griffin	21,112,665	13,783,550
Bahay Ozcakmak	219,737,201	87,257,393
Patrick Power	1,308,009	5,000,000
Richard Beresford	622,610	5,000,000
Alexander Cook	-	5,000,000
Penelope Creswell	-	-
Stephen Van der Sluys	-	-

### Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

## OPERATING AND FINANCIAL REVIEW

### Principal activities

The principal activities of the Group during its FY22 include:

- the commercialisation of proprietary brine processing technologies, with applications in the energy and mining sectors ("**Technology Commercialisation Business**"); and
- the development of an integrated water treatment products and services business, to complement and support the entity's Technology Commercialisation Business.

### Operating results for the year

The Group's loss after income tax expense for its FY22 were \$ 2,332,196 (2021: \$923,715).

### Financial Performance

	2022 \$	2021 \$	% Increase/ (Decrease)
Total income	3,710,531	1,568,480	136.57%
Loss before tax	(2,332,196)	(923,715)	152.48%
Loss after income tax expense	(2,332,196)	(923,715)	152.48%
Loss per share (cents)	(0.11)	(0.04)	164.33%

The financial position of the Group is presented in the attached Consolidated Statement of Financial Position.

As of 30 June 2022, the Group had a net asset balance of \$9,692,516 which is a decrease of \$2,176,072 from 30 June 2021. The cash balance decreased from \$7,452,866 to \$4,003,404 as of 30 June 2022. For further details, refer to the consolidated statement of financial position.



## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY VENTURES: SUMMARY OF PROJECT PORTFOLIO

Parkway Ventures (Parkway Ventures Pty Ltd, "PV") is a wholly owned subsidiary of the Company and holds all resource project and royalty related interests owned by the Company.

#### **Karinga Lakes Potash Project (KLPP)**

As of 30 June 2022, the Company held an equity interest in the Karinga Lakes Potash Project ("KLPP"), through PV. The KLPP is a joint venture between Verdant Minerals Pty Ltd and Consolidated Potash Corporation Pty Ltd (a wholly owned subsidiary of the Company), which is administered through Territory Potash Pty Ltd ("JV Operator").

On 5 November 2020, the Company announced completion of the KLPP Pre-Feasibility Study ("KLPP-PFS"), a pre-feasibility study based on the strategic application of the Company's aMES<sup>®</sup> technology. The Company notes the recent strength in agricultural commodity markets, is supporting elevated fertiliser prices, with the primary target product from the KLPP, sulphate of potash ("SOP"), trading significantly higher than the prices assumed by the Company in the KLPP-PFS.

#### Key Findings of the KLPP-PFS

- The KLPP-PFS confirmed the KLPP as a potentially attractive producer of high-quality, soluble grade, SOP targeting key horticulture markets.
- Innovative aMES<sup>®</sup> based flow sheet demonstrates potential (major improvement over scoping study), even for a relatively small-scale operation targeting annual SOP production of 40,000 tonnes, over an initial mine life of 20 years.
- aMES<sup>®</sup> based development concept demonstrates highly efficient use of water.
- Mineral Resource Estimate
  - Reporting Indicated Mineral Resource of 1,000,000 tonnes of potassium, with 580,000 tonnes of potassium hosted within eight lakes that are incorporated into the mine plan.
  - The mine plan includes production of 430,000 tonnes of potassium, which is sufficient to underpin an initial mine life of 20 years, based on a scheduled production rate of 40,000 tonnes per annum of SOP.
- Key Financial Metrics
  - Initial capital cost (CAPEX) of \$80.0 million, inclusive of all non-process infrastructure and indirect costs (which includes a contingency of \$6.7 million).
  - Production cost (OPEX) of \$293/tonne of SOP, ex-mine gate.
  - Strong cash generation potential, with estimated EBITDA margin of 54.4%, resulting in annual EBITDA of \$18.6 million.
  - Ungeared development of the KLPP would result in:
    - Project payback in approximately 5.5 years from first SOP production.
    - Post-Tax NPV<sub>8%</sub> of \$80.15 million with an IRR of 20.4%.

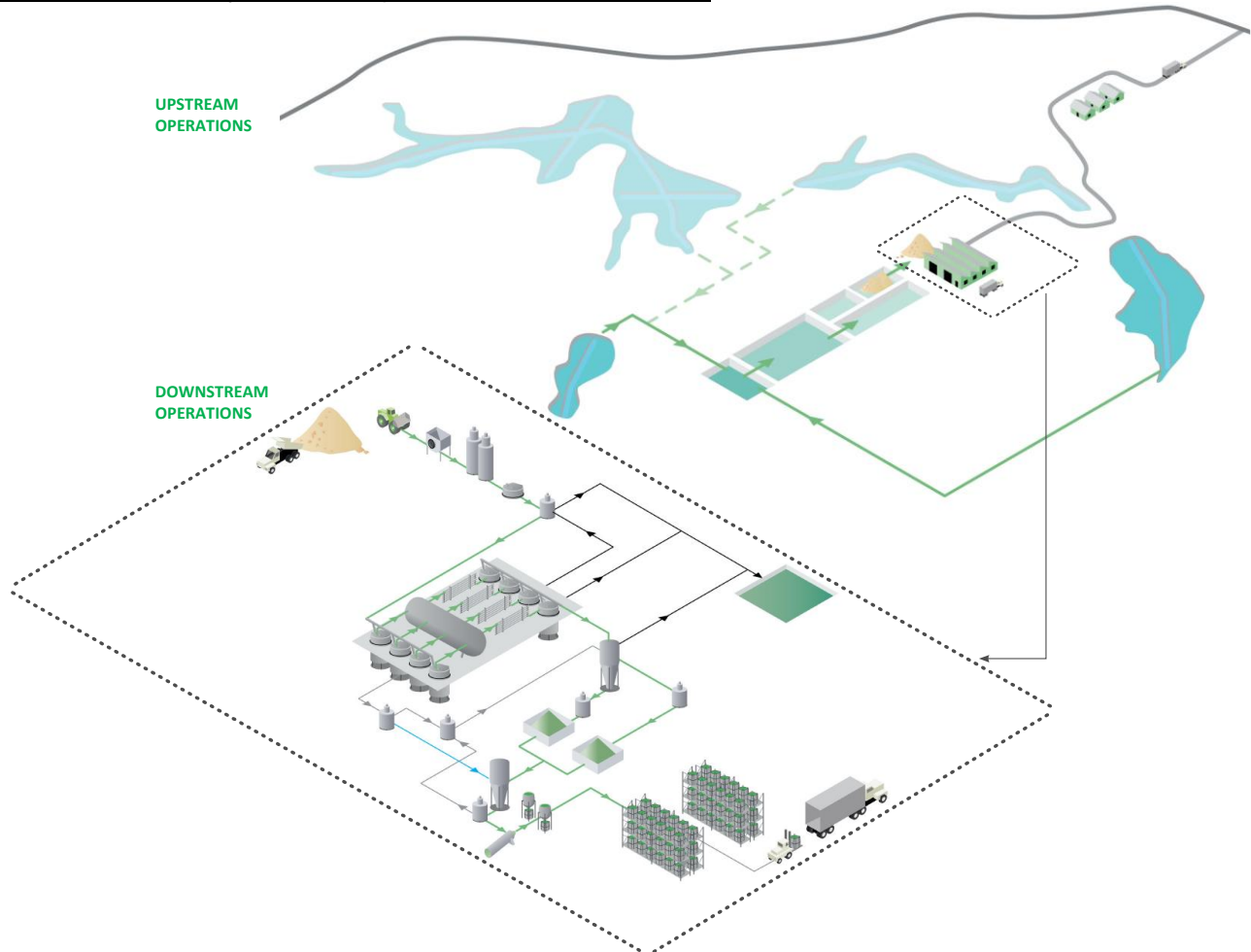
## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY VENTURES: SUMMARY OF PROJECT PORTOLIO (continued)

- Significant additional opportunities to improve the financial performance of the project were identified, particularly in relation to non-process infrastructure.
- KLPP-PFS prepared by owners' team, supported by leading industry consultants, with Worley as study manager, through existing Global Strategic Cooperation Agreement.

#### Generalised Development Concept Outlined in the KLPP-PFS



#### Mineral Resources

As outlined in the Group's ASX announcement from 5 November 2020, the Mineral Resources Estimate underpinning the KLPP-PFS is summarised as follows:

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY VENTURES: SUMMARY OF PROJECT PORTOLIO (continued)

Lake	Mineralisation Contained in Drainable Porosity	Indicated Mineral Resources Contained in Total Porosity that meets reasonable prospects of economic extraction	Production
	Potassium Tonnage	Potassium Tonnage	Potassium Tonnage
	(kt)	(kt)	(kt)
<b>Lakes included in the mine plan (x8)</b>			
Sub Total	300	580	430
<b>Remaining lakes (x16)</b>			
Sub Total	220	430	-
<b>Total</b>	<b>520</b>	<b>1,000</b>	<b>430</b>

#### Current Status

Following completion of the KLPP-PFS, a previously disclosed tenement rationalisation process, and the recent finalisation of joint venture accounting processes, on 24 June 2022, the Group announced it had satisfied the requisite earn-in requirements, resulting in the Group increasing its interest in the KLPP from 15% to 40%.

As of 30 June 2022, exploration tenure for the KLPP project area was held in the following three exploration licences:

Tenement ID	Location	State	Interest <sup>1</sup>
EL32249	Karinga Lakes	NT	40%
EL32250	Karinga Lakes	NT	40%
EL32251	Karinga Lakes	NT	40%

As a result of a joint venture administration related procedures and for various other reasons, during FY22, no substantive mineral exploration activities occurred in relation to the KLPP exploration project.

#### COMPETENT PERSON'S STATEMENT

Parkway reported the Mineral Resource estimate for the Karinga Lakes Potash Project in accordance with Listing Rule 5.8 in its ASX announcement dated 5 November 2020. Parkway confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement of 5 November 2020 and that all material assumptions and technical parameters underpinning the estimates in the ASX announcement of 5 November 2020 continue to apply and have not materially changed.

<sup>1</sup> Following recent satisfaction of the earn-in requirements, as announced on 24 June 2022, the KLPP-JV parties are working collaboratively to assign the Company's interest in the KLPP tenements and undertake the administrative process to register the Company's interest in a timely manner.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY VENTURES: SUMMARY OF PROJECT PORTOLIO (continued)

##### Other Resources Projects

During FY22, the Group continued to consider potential involvement in a number of additional resource projects, whereby the Group may contribute its proprietary process technologies related capabilities, in exchange for the Group receiving agreed equity interests in (and/or royalties from) the respective project/s. In the event the Group is successful in adopting this strategy, the Group intends to leverage its technology portfolio to gain economic exposure to additional resources project/s (including, amongst others, lithium brine projects), without necessarily incurring material balance sheet exposure. For the avoidance of doubt, this technology commercialisation strategy is consistent with the previously disclosed innovative business model, being pursued by the Group.

#### PARKWAY PROCESS TECHNOLOGIES: SUMMARY OF TECHNOLOGY PORTFOLIO

Parkway Process Technologies (Parkway Process Technologies Pty Ltd, "PPT") is a wholly owned subsidiary of the Company and is used to own and develop the Company's proprietary technology portfolio.

During FY22, the Company continued to make encouraging progress in the development and commercialisation of its world-class wastewater processing technology portfolio. The Company continued to perform a range of piloting, scoping and technoeconomic related evaluations for several projects, which highlighted significant opportunities for the application of the Company's suite of technologies to address a range of wastewater related challenges.

Further details regarding the core technology portfolio owned by the Company, are outlined below.

##### aMES® Technology

The aMES® technology enables the processing of concentrated industrial process and wastewater streams including brine solutions, to recover a range of valuable compounds, reagents, and fresh water.

As already noted above, in late 2020, the Company finalised the KLPP-PFS, which assisted the Company to demonstrate the significant advantages of the aMES® technology in an SOP related application. In conjunction with the KLPP-PFS, a new state-of-the-art aMES® pilot plant was commissioned, providing the Company with an important process demonstration, optimisation and validation capability, an essential requirement for successful commercialisation of the aMES® technology.

The performance data generated by the aMES® pilot plant, is providing important information that will impact the engineering design of a commercial-scale modularised aMES® plant.

An important advantage of the aMES® technology that is of increasing interest in SOP production, is that the aMES® technology incorporates a direct induced crystallisation approach, which avoids the requirement for flotation-based processing. Recent experiences with flotation by various SOP projects under development in Australia, highlight the challenges associated with flotation-based flow sheets, particularly when processing feed salts of varying quality, which invariably occurs, when dealing with natural evaporation derived mixed (KTMS type) salts.

During FY22, the Company continued to perform a range of technoeconomic evaluations in relation to the aMES® technology, as well as engage in discussions with several parties, to further advance a range of prospective commercial arrangements.

##### iBC® Technology

The Company's Integrated Brine Causticisation or iBC® ("iBC®") technology involves the pre-treatment of complex brines, particularly from the energy, mining and other industrial sectors, enabling further downstream processing, to reduce wastewater volumes and potentially recover a range of valuable chemical products.

The Company's evaluations during FY22 continued to provide encouragement that in addition to achieving significant wastewater volume reductions, the application of the iBC® technology is likely to be able to achieve a highly desirable zero-liquid discharge (ZLD) solution for certain applications. The advantages of a ZLD approach, incorporating an iBC® based processing route, also has the potential to create a valuable revenue stream, through the sale of industrial chemicals, particularly sodium hydroxide.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY PROCESS TECHNOLOGIES: SUMMARY OF TECHNOLOGY PORTFOLIO (continued)

Following recent agreements centred on the iBC<sup>®</sup> technology with global engineering company Worley (10 February 2022) and QGC (a Shell Group company) (7 April 2022), during FY22, the Company also explored several other large-scale and high-value applications of the iBC<sup>®</sup> technology, with a range of industrial companies. Discussions with a major global chemical company, have identified a significant opportunity for the iBC<sup>®</sup> technology to treat various complex wastewater streams generated from an industrial process, at operations in North America.

#### ***New iBC<sup>®</sup> Pilot Plant***

During FY22, to support the ongoing commercialisation of the iBC<sup>®</sup> technology, the Company finalised the design and fabrication of a New iBC<sup>®</sup> Pilot Plant, which recently achieved mechanical completion. The New iBC<sup>®</sup> Pilot Plant will assist the Group to perform larger scale test work, further optimise process conditions, and produce product samples, for industry evaluation. The New iBC<sup>®</sup> Pilot Plant is also supporting a range of ongoing commercial discussions with a range of key stakeholders, including prospective clients and partners.

The feasibility study contract which was awarded to the Group by QGC (a Shell Group company) during FY22 will incorporate a range of process piloting related activities, including with the New iBC<sup>®</sup> Pilot Plant, as shown below (*Figure 1*).



*Figure 1: New iBC<sup>®</sup> Pilot Plant, installed at Victoria University, Institute for Sustainable Industries & Liveable Cities (ISILC)*

In addition, the Company continued to develop new technologies, as well as identify additional applications for its portfolio of proprietary process technologies, to solve high-value problems facing industry.

#### **Third-Party Technologies – Various**

As part of the Group's efforts to further expand the coverage of its cutting-edge technology portfolio, the Group is continually (including during the course of FY22) evaluating a range of prospective technology platforms. The most attractive technology platforms are those that not only provide substantial efficiency, financial and sustainability related advantages over conventional processes, but are also highly complementary with Parkway's existing (core) technologies.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY PROCESS TECHNOLOGIES: SUMMARY OF TECHNOLOGY PORTFOLIO (continued)

During FY22, the Group continued to develop and assess the feasibility of a variety of innovative industrial water treatment related technologies. This process incorporated a range of desktop, experimental and piloting related activities. Results from the Group's investigations during FY22 demonstrated improvements in the treatment of complex wastewater streams containing both organic and inorganic substances, including the removal of emerging and highly problematic contaminants, such as PFAS (per-and polyfluoroalkyl substances).

The Group made strong progress during FY22, in building a portfolio of technologies, capable of providing a highly integrated process solution, for a range of wastewater and process streams traditionally considered difficult to treat. Potential applications for these emerging technologies include, but are not limited to, the treatment of a range of complex industrial wastewater streams, acid and metalliferous drainage (AMD), municipal waste streams including landfill leachate.

As part of the Group's growing modular product development capabilities, the Group continued to invest in developing capabilities during FY22, to build modular systems based on commercial scale equipment, including incorporation of a range of technologies, an innovative membrane-based technology as well as advanced oxidation technology.

#### PARKWAY PROCESS SOLUTIONS: INTEGRATED WATER TREATMENT BUSINESS

Parkway Process Solutions (Parkway Process Solutions Pty Ltd, "PPS") is a wholly owned subsidiary (and the primary operating division) of the Group.

During FY22, in parallel with the Group's ongoing technology development and commercialisation activities (which are described in detail above), the Company also continued to establish its industrial water treatment products and services offering through PPS, to address broader opportunities in the water treatment sector.

Parkway launched PPS on 8 July 2021, and strategically expanded the operations of PPS during FY22, pursuing a range of commercial opportunities relating to industrial water treatment, predominantly in Australia. With growing inhouse engineering and technical services capabilities, an innovative product and services offering, and established operations in Perth, Melbourne and Darwin, PPS is increasingly well placed to secure larger industrial water treatment related opportunities moving forward. To support the ongoing growth of PPS, particularly the planned expansion of fabrication, assembly and testing related capabilities, during FY22, the Company secured leases for two additional warehouse facilities. Further information about these additional warehouse facilities is outlined in the "Significant Events After The Reporting Date", section of this Report.

In addition to generating growing revenues through the provision of conventional water treatment solutions, PPS is increasingly supporting the commercialisation of the Group's next-generation technology portfolio, including the delivery of highly differentiated integrated water treatment and industrial process solutions.

#### Business Development

During FY22, PPS continued to improve its market penetration, by securing new business from a diverse range of companies, for the provision of industrial water treatment related products, services, and solutions. Following the preliminary launch of PPS, PPS has rapidly established a substantial client base, which includes large mining and energy companies, a diverse range of industrial companies, as well as engineering services, government and municipal clients.

In support of these new and existing business development activities, PPS continued to progress the development of modular water treatment capabilities during FY22, specifically designed for rapid deployment in a range of high value applications. PPS continues to receive encouraging feedback regarding the advantages of a modular system, including in relation to PPS's design and post-sales support (service and consumables) related capabilities, which is increasingly important for customers, particularly given the global supply chain challenges which are currently being experienced.

Importantly, the Company's growing inhouse product development capabilities are also assisting in the Company's design, fabrication and delivery of modular water treatment (and related process) plants, incorporating technologies being commercialised by PPT.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY PROCESS SOLUTIONS: INTEGRATED WATER TREATMENT BUSINESS (continued)

In addition to the specific projects outlined below, during FY22, PPS continued to progress a broad range of business development opportunities, including collaborations with several previously foreshadowed companies.

#### Acquisition of Mawpump Pty Ltd

On 3 September 2021, the Group announced that PPS had acquired 100% of all shares in the capital of Mawpump Pty Ltd ("**Mawpump**"), for up to \$1.3 million (before agreed adjustments).

#### About Mawpump

Mawpump is an established Darwin based supplier of pumping related products, services and packaged solutions, with a primary focus on the mining industry in Northern Australia. Mawpump has been successfully operating since 1996, during which time it has provided various products and/or services, to most of the major mining operations in the Northern Territory of Australia. Mawpump operates a fabrication and maintenance workshop, as well as a large product inventory (together with associated plant and equipment), enabling Mawpump to provide a fast and reliable service and maintain its position as a preferred vendor for various mining operations predominantly in the Northern Territory of Australia.

#### Acquisition Rationale

- Parkway had previously identified several major industrial wastewater related challenges in Northern Australia, which potentially represented attractive opportunities for the Group.
- The acquisition of Mawpump was considered by the Group to:
  - Support Parkway's evaluation and potential participation in its previously identified project opportunities and other opportunities elsewhere in Australia;
  - Immediately integrate into the PPS products and services offering, with several operational and strategic synergies between the two businesses;
  - Provide PPS with a client base, particularly in the large-scale mining sector;
  - Assist PPS in developing and offering integrated end-to-end mine dewatering solutions, incorporating Mawpump derived and/or supported solutions;
  - Provide PPS with operational critical mass, as well as an incremental source of revenue, with numerous growth opportunities;
  - Provide PPS with a platform for introducing additional solutions, including next-generation technologies, to Mawpump's established client base; and
  - Provide Mawpump's clients with a broader range of products, services, and solutions, available through PPS.
- As part of the acquisition of Mawpump, Parkway acquired all of Mawpump's assets, including (amongst others) plant & equipment, inventory, work in progress, intellectual property and all associated goodwill.

#### Integration

During the remainder of FY22, the Company successfully integrated the Mawpump business into PPS. This integration period included (amongst other things) Mawpump's adoption of improved processes (including group-wide accounting and inventory management systems), to support the growth of operations through scalable infrastructure.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### PARKWAY PROCESS SOLUTIONS: INTEGRATED WATER TREATMENT BUSINESS (continued)

##### Mine Pit Water Treatment Plant

During FY22, the Company was awarded a project to design, build and supply an integrated water treatment plant and related infrastructure (mine pit pump, mine pit hoses, tanks and pipework) for a major global mining company. The integrated membrane-based water treatment plant was designed to use mine pit water as the feedwater and produce treated water for a critical downstream industrial process. During the final quarter of FY22, the Company finalised the design, procurement, fabrication, transport, installation, and commissioning of the mine pit water treatment plant, achieving an extremely tight project delivery schedule, demonstrating the rapidly growing capabilities of the Company. The extensive water treatment related product inventory held in stock by PPS, was pivotal to the award and being able to deliver the project, in a timeframe which would ordinarily be considered unachievable, particularly given current supply chain related challenges. This project is a good illustration of how PPS is making solid progress in becoming a preferred water treatment related solution provider, for key industrial customers that are strategically important to the Company.

Based on the successful delivery of the mine pit water treatment plant, after the reporting date for FY22, the parties have been separately exploring the scope for a second containerised water treatment plant, which the Company anticipates will be awarded during FY23.

In a separate scope of work during FY22, in relation to the operations of the same major global mining company, the Company also completed a preliminary water treatment plant design on behalf of an engineering contractor, supporting a proposed expansion of the existing mine.

##### Wastewater Treatment Plant Study

PPS performed a range of piloting related activities during FY22, associated with an early-stage preliminary engineering study, intended to assist a government entity to treat a problematic wastewater stream, onsite. Based on the encouraging results from the piloting activities, the Company intends to use the findings of the study during FY23, to potentially provide a toll treatment solution for the customer, in partnership with an established collaboration partner specialised in the sector.

##### Integrated Management System & ISO Accreditation

The Company is committed to achieving high quality environmental, social & governance (ESG) outcomes, including achieving and maintaining high levels of compliance. As part of the Company's commitment to industry best practices and continuous improvement, during FY22, the Company developed an Integrated Management System, to facilitate certification and ongoing compliance in relation to:

- ISO9001:2015, Quality Management System;
- ISO14001:2015, Environmental Management System; and
- ISO 45001:2018, Occupational Health & Safety Management System.

Based on an independent audit and site evaluation performed in January 2022, on 4 February 2022, the Company announced that it had achieved certifications for all the relevant standards.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except for the matters disclosed in this Operating and Financial Review, there were no other significant changes in the state of affairs of the Group during its FY22. A number of significant events occurred between 30 June 2022 and the date of this Annual Report, further details of which are outlined below.



## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

##### Research Grant Funding

After the reporting date, the Group entered into a contract with Victoria University and the University of Technology Sydney, to facilitate the Group's receipt of grant funding as part of a circular economy focused research hub which is being supported by the Australian Research Council ("ARC"), for usage in supporting the Group's innovative research and development ("R&D") and associated commercialisation related activities.

The Group has developed a project titled, "*An integrated water treatment process for valuable nutrient recovery and purification from industrial waste streams*", to pursue with the application of the grant funds. The overall budget for the project developed by the Group is in the order of \$1,140,000 (excluding in-kind contributions), over a period of 4 years, whereby the Group will be required to make an annual contribution in the order of \$125,000, for the duration of the project. The balance of project funding (\$640,000) will be provided by the ARC and the Group's longstanding research partner Victoria University, leveraging Parkway's contribution to provide a larger project budget.

##### iBC<sup>®</sup> Feasibility Study Related Experimentation

The production of caustic soda (sodium hydroxide) is a key component of the iBC<sup>®</sup> based flow sheet being evaluated by the Group, for the purposes of the feasibility study awarded by QGC (a Shell group company). As part of the iBC<sup>®</sup> based experimentation and desktop piloting related activities, in late July 2022, the Group successfully produced the first ultrahigh concentration (52.6%) sodium hydroxide solution, from a concentrated waste brine derived from one of QGC's CSG wastewater treatment plants. Whilst the sodium hydroxide production is yet to be fully optimised, this is the highest concentration of sodium hydroxide produced to date through the application of the iBC<sup>®</sup> technology. Encouragingly, the concentration of the produced sodium hydroxide, is well above the highest concentration of sodium hydroxide commercially available as a liquid product (50% w/w).

During Q1 of FY23, the Group has continued to perform extensive experimentation and piloting, in order to establish a range of optimal process conditions for the iBC<sup>®</sup> based flow sheet. These activities have been performed on concentrated brines (~6,000 L) sourced from two of QGC's largest CSG wastewater treatment plants. Once the optimal process conditions have been established at bench scale, the preferred iBC<sup>®</sup> based flow sheet will be further optimised by performing larger scale piloting, on the New iBC<sup>®</sup> Pilot Plant (as shown in Figure 1 on page 13 of this Report).

##### Expanded Operations

In order to support ongoing growth, particularly the planned expansion of fabrication, assembly and testing related capabilities, during May and June 2022, the Group secured leases to two additional warehouse (with integrated office) facilities.

In late July 2022:

- **PPS-Perth:** the West Australian operations of the Group relocated to a new and much larger (~2,500 m<sup>2</sup>) warehouse complex in Bayswater (Perth), incorporating a large warehouse area, office facilities, store, and a range of laydown areas suitable for the planned expansion of operations; and
- **PPS-Melbourne:** the Group also took possession of a second warehouse (664 m<sup>2</sup>) in the Bunnett Business Park, which given the proximity to the existing PPS warehouse, will enable office and warehouse operations to be segregated from a range of workshop related activities.

The enlarged footprint will enable the Group to significantly expand both the scale and nature of operations, which will further support the Group's aspirations of becoming a leading technology leveraged industrial water treatment company.

## Directors' Report (continued)

### OPERATING AND FINANCIAL REVIEW (continued)

#### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities are subject to Australian legislation relating to the protection of the environment. The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. During the Group's FY22, the Group's operations did not result in any known breaches of relevant Australian environmental legislation and/or regulations.

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into deeds of access and indemnity with the directors and officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, each deed of access and indemnity does not extend to a liability that is:

- (a) owed to the Company or a related body corporate of the Company;
- (b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001*; or

Similarly, the indemnity does not extend to liability for legal costs and expense:

- (c) owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith;
- (d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);
- (e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

in connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During and/or since the Group's FY22, the Group has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

## Directors' Report (continued)

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the Group's FY22.

### SHARE OPTIONS

As at the date of this Annual Report, there were 748,857,222 unissued ordinary shares under options, the details of the issued options are as follows:

Expiry Date	Exercise price	Number of Options
16 December 2022	\$0.02	310,666,664
03 February 2023	\$0.03	177,277,773
28 July 2024	\$0.019	245,912,785
16 December 2024	\$0.02	15,000,000

During the Group's FY22, the Group issued the following unlisted share options, which are included in the numbers of options referred to in the table above:

- The Group issued 189,226,366 unlisted options, exercisable at \$0.019 and expiring 28 July 2024, to former holders of partly paid shares, in exchange for the Group's cancellation of such partly paid shares, as approved by the Group's shareholders on 5 July 2021;
- The Group issued 57,374,277 unlisted options, exercisable at \$0.019 and expiring 28 July 2024, to the Group's Managing Director and Chairman, in exchange for the Group's cancellation of partly paid shares which were previously held by (or on behalf of) the Group's Managing Director and Chairman, as approved by the Group's shareholders on 5 July 2021;
- The Group issued 2,000,000 unlisted options, exercisable at \$0.03 and expiring 3 February 2023, to four of the Group's employees, pursuant to the Employee Securities Incentive Plan which was approved by the Group's shareholders on 5 July 2021. 1,000,000 of these unlisted options have since been cancelled, following the departure of two of the relevant employees from their roles at the Group;
- The Group issued 500,000 unlisted options, exercisable at \$0.02 and expiring 16 December 2022, to one of the Group's employees, pursuant to the Employee Securities Incentive Plan which was approved by the Group's shareholders on 5 July 2021. All 500,000 of these unlisted options have since been cancelled, following the departure of the relevant employee from his role at the Group; and
- The Group issued 15,000,000 unlisted options, exercisable at \$0.02 and expiring 16 December 2024, to its Group Managing Director & CEO and Executive Director, following receipt of shareholder approval to do so at its Annual General Meeting on 16 December 2021.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Group or any related body corporate.

### NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provide means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for non-audit services provided during FY22 are set out below.

## Directors' Report (continued)

### NON-AUDIT SERVICES (continued)

	2022	2021
	\$	\$
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- None applicable	-	-
	-	-
	-	-

Details of the amounts paid or payable to the Group's former auditor, Ernst & Young (which resigned as the Group's auditor, with prior written approval from ASIC, on 1 August 2022), for non-audit services provided during FY22 are set out below.

	2022	2021
	\$	\$
Remuneration of Ernst & Young for:		
- research & development tax concession	24,364	22,889
- tax compliance	12,360	31,930
	<b>36,724</b>	<b>54,819</b>
	<b>36,724</b>	<b>54,819</b>

### DIRECTORS' MEETINGS

Meetings of Directors held during the Company's FY22 (and the Directors' attendance at such meetings) were as follows:

Name of Director:	Directors' meeting held whilst in office	Directors' meetings attended	Audit and Risk Committee meetings held	Audit and Risk Committee meetings attended	Remuneration Committee meetings held	Remuneration Committee meetings attended	Nomination committee meetings held	Nomination committee meetings attended
Adrian Griffin	6	6	4	4	3	3	2	2
Patrick Power	2	2	4	-	3	2	2	1
Bahay Ozcakmak	6	6	-	-	-	-	-	-
Richard Beresford	3	2	-	-	3	2	2	1
Alexander Cook	4	6	-	-	-	-	-	-
Penelope Creswell	4	4	4	3	3	1	2	1
Stephen van der Sluys	-	-	-	-	-	-	-	-

### REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Company's Director and Executive remuneration arrangements, in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this Report, Key Management Personnel ("KMP") of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, and includes Executives of the Company. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

The Company's remuneration report for its financial year ended 30 June 2021 was adopted at the Company's 2021 Annual General Meeting on 16 December 2021. 315,410,887 (2020: 388,756,662) votes were in favour of the report and 8,347,584 (2020: 2,380,215) were against. No questions or comments were raised relating to the FY21 remuneration report.

No remuneration consultants were used during the Company's FY22.

## Directors' Report (continued)

### REMUNERATION REPORT (AUDITED)

#### Details of Key Management Personnel

##### (i) Directors:

Bahay Ozcakmak	Group Managing Director & CEO
Penelope Creswell	Non-Executive Director
Stephen van der Sluys	Non-Executive Director

##### (ii) Executives:

Robert Van Der Laan	Chief Financial Officer
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##### (iii) Resigned:

Adrian Griffin	Non-Executive Chairman
Patrick Power	Non-Executive Director
Richard Beresford	Non-Executive Director
Alexander Cook	General Counsel, Joint Company Secretary & Executive Director

#### Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives; and
- Link Executive rewards to shareholder value.

Shares and options issued under the incentive plans provide an incentive to stay with the Company. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

The Company does not have a policy which precludes Directors and Executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Company also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the Directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its Directors and Executives, whether they are employees of/or consultants to the Company.

#### Remuneration Committee Responsibilities

The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and Senior Executives on a periodic basis, by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high quality Board of Directors and Executive Team.

#### Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate and distinct.

## Directors' Report (continued)

### REMUNERATION REPORT (AUDITED)

#### Non-Executive Director Remuneration

##### *Objective*

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

##### *Structure*

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors. As at the date of this Annual Report, the aggregate directors' fees for Non-Executive Directors has been set at an amount not exceeding \$200,000 per annum (2021: \$200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Non-Executive Directors is reviewed annually. The Board may consider advice from external consultants (none were used during the Company's FY22), as well as the fees paid to Non-Executive Directors of comparable companies, when undertaking the annual review process. The remuneration report has been approved by shareholders at the annual general meeting.

#### Agreements with non-executive directors

Director's fees of \$90,000 per annum (inclusive of superannuation requirements) were paid, or due and payable to Mr Adrian Griffin. In the event of termination, there is no notice period required.

Director's fees of \$48,000 per annum (inclusive of superannuation requirements) were paid, or due and payable to each of the Company's Non-Executive Directors during FY22, being Mr Patrick Power (retired on 26 October 2021), Mr Richard Beresford (retired on 16 December 2021) and Penelope Creswell (appointed on 26 October 2021). In circumstances where a Non-Executive Director was in office for only part of FY22, their director's fees were pro-rated, to reflect their tenure in office during FY22. In the event of termination, there is no notice period required.

As outlined above, each of the Company's Non-Executive Directors receives a fee for being a Director of the Company. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-Executive Directors are encouraged by the Board to hold shares in the Company (purchased on-market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Non-Executive Directors of the Company may also participate in the Company's share and option plans, as described in this Annual Report.

As an incentive to employees, Directors, executive officers and consultants, the Company has adopted a scheme called the Parkway Corporate Limited Employee Securities Incentive Plan (**'the ESIP'**). The purpose of the ESIP is to give employees, Directors, executive officers and consultants of the Company an opportunity to subscribe for shares and/or options in the Company. The Directors consider that the ESIP will enable the Company to retain and attract skilled and experienced employees, Board members and executive officers and provide them with the motivation to participate in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and development.

## Directors' Report (continued)

### REMUNERATION REPORT (AUDITED)

#### Executive Director and Senior Management Remuneration

##### *Objective*

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for Company, business team and individual performance;
- align the interests of Executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

##### *Structure*

- At this time, the cash component of remuneration paid to the Executive Directors, and other senior managers is not dependent upon the satisfaction of performance conditions.
- It is current policy that some Executives are engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.
- Executive Directors are encouraged by the Board to hold shares in the Company (purchased on-market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Executive Directors of the Company may also participate in the share and option plans as described in this report.

##### *Performance table*

The following table details the loss of the Company from continuing operations after income tax, together with the basic loss per share for last 5 financial years:

	2022	2021	2020	2019	2018	2017
	\$	\$	\$	\$	\$	\$
Net loss from continuing operations after income tax	(2,332,196)	(923,715)	(2,421,674)	(2,009,060)	(4,817,991)	(1,784,884)
Basic loss per share in cents	(0.11)	(0.04)	(0.15)	(0.28)	(0.81)	(0.43)
Share Price in Cents	1.0	1.0	0.72	0.4	1.0	1.0

No dividends were paid in any of these years.

#### Executive director and senior management remuneration

Long-Term Incentive ("LTI") awards to executives are made under the ESIP and are delivered in the form of shares. The Company issued employee incentive options as part of LTI during this financial year.

##### *Agreement with Managing Director*

On 28 November 2019, the Company announced the appointment of Mr Bahay Ozcakmak as the Company's new managing director. Mr Bahay Ozcakmak's annual remuneration was originally set at \$251,141 (exclusive of superannuation) ("**Original MD Agreement**").

## Directors' Report (continued)

### REMUNERATION REPORT (AUDITED)

On 26 October 2021, the Company entered into a new Executive Services Agreement with Mr Ozcakmak ("**New MD Agreement**"). Pursuant to the terms of the New MD Agreement:

- Mr Ozcakmak was engaged with the Company on a full-time and permanent basis, with no fixed term included in the New MD Agreement;
- Mr Ozcakmak's annual salary was revised to \$275,000 (exclusive of superannuation); and
- either party may terminate the New MD Agreement on providing six months' prior written notice to the other party.

#### *Agreement with Chief Financial Officer*

Mr Robert Van der Laan was originally appointed as Chief Financial Officer of the Company on 13 May 2011. On 5 August 2011, the Company entered into an agreement containing the terms and conditions under which the services of Chief Financial Officer would be provided by Mr Robert Van der Laan, by way of a consultancy arrangement.

The agreement initially involved the payment of an hourly fee of \$130 (and reimbursement of expenses) to the company associated with Mr Van der Laan. This transaction was considered to be on normal commercial terms and conditions, no more favourable than those available to other parties.

On 1 April 2021, the above-mentioned services agreement with Mr Van der Laan was terminated, as Mr Van der Laan was employed by the Company as a full-time employee, with annual remuneration of \$150,000 (exclusive of superannuation requirement). During the current financial year, Mr Van der Laan's remuneration was revised to \$155,000 (exclusive of superannuation requirement). The employment agreement between the Company and Mr Robert Van der Laan can be terminated by either party giving the other party 4 weeks' notice.

#### *Agreement with General Counsel, Joint Company Secretary & Executive Director*

Mr Alexander Cook, who originally commenced with the Company as General Counsel on 5 July 2021, entered into a new Executive Services Agreement with the Company on 26 October 2021, to coincide with a revision of his responsibilities and position title to General Counsel, Joint Company Secretary & Executive Director ("**ED Agreement**").

Pursuant to the terms of the ED Agreement:

- Mr Cook was engaged with the Company on a full-time and permanent basis, with no fixed term included in the ED Agreement;
- Mr Cook's annual salary was revised to \$180,000 (exclusive of superannuation); and
- either party may terminate the ED Agreement on providing two months' prior written notice to the other party.

#### Directors' Remuneration 2022

Director	Short-term		Post-employment benefits		Share and Option Based Payments		Total
	Directors' Fees	Salary and Consulting Fees	Superannuation Contribution	Termination Benefits	Shares	Options	
	\$	\$	\$	\$	\$	\$	\$
A Griffin	81,818	-	8,182	-	-	-	90,000
B Ozcakmak	-	267,415	26,741	-	-	31,675	325,831
R Beresford**	20,000	-	-	-	-	-	20,000
P Power*	16,000	-	-	-	-	-	16,000
A Cook****	-	169,946	16,995	-	-	15,838	202,779
P Creswell***	29,762	-	2,976	-	-	-	32,738
<b>Total</b>	<b>147,580</b>	<b>437,361</b>	<b>54,894</b>	<b>-</b>	<b>-</b>	<b>47,513</b>	<b>687,348</b>



## Directors' Report (continued)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Executives' Remuneration 2022

Executive	Salary \$	Short-term	Post-employment benefits		Share and Option		Total \$
		Consulting Fees \$	Superannuation Contribution \$	Termination Benefits \$	Based Payments Shares \$	Options \$	
R Van der Laan	150,000	-	15,000	-	-	-	165,000
<b>Total</b>	<b>150,000</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,000</b>
<b>Total Directors' and Executives' Remuneration</b>	<b>297,580</b>	<b>437,361</b>	<b>69,894</b>	<b>-</b>	<b>-</b>	<b>47,513</b>	<b>852,348</b>

\* Retired 26 October 2021

\*\* Retired 16 December 2021

\*\*\* Appointed 26 October 2021

\*\*\*\* Appointed 26 October 2021 and resigned 27 September 2022

#### Directors' Remuneration 2021

Director	Short-term		Post-employment benefits		Share and Option		Total \$
	Directors' Fees \$	Salary and Consulting Fees \$	Superannuation Contribution \$	Termination Benefits \$	Based Payments Shares \$	Options \$	
A Griffin	82,192	-	7,808	-	-	-	90,000
B Ozcakmak	-	251,142	23,858	-	-	-	275,000
R Beresford	48,000	-	-	-	-	-	48,000
P Power	48,000	-	-	-	-	-	48,000
<b>Total</b>	<b>178,192</b>	<b>251,142</b>	<b>31,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,000</b>

#### Executives' Remuneration 2021

Executive	Salary \$	Short-term	Post-employment benefits		Share and Option		Total \$
		Consulting Fees \$	Superannuation Contribution \$	Termination Benefits \$	Based Payments Shares \$	Options \$	
R Van der Laan	37,500	46,410	3,563	-	-	-	87,473
<b>Total</b>	<b>37,500</b>	<b>46,410</b>	<b>3,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,473</b>
<b>Total Directors' and Executives' Remuneration</b>	<b>215,692</b>	<b>297,552</b>	<b>35,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,473</b>

## Directors' Report (continued)

### Remuneration Report (audited) (continued)

#### Incentive shares and options: Granted and vested during the year

##### Shares

There were no shares issued to key management personnel as part of the incentive plan during the Company's FY22 (2021: nil). The shares issued to key management personnel as disclosed in the table above were in lieu of Directors' fees and consulting fees.

##### Options

The Company has issued 15,000,000 options to key management personnel during its FY22. (2021:nil).

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel, including the directors and executives.

#### (a) Share holdings of Key Management Personnel

<b>2022</b>	<b>Balance at 1 July 2021 Ordinary</b>	<b>Granted as remuneration Ordinary*</b>	<b>On Exercise of Options Ordinary</b>	<b>Net change other Ordinary</b>	<b>Balance at 30 June 2022 Ordinary</b>
<b>Directors</b>					
A Griffin	21,112,665	-	-	-	21,112,665
B Ozcakmak	217,853,184	-	-	1,884,017	219,737,201
P Power	1,308,009	-	-	-	1,308,009
R Beresford	622,610	-	-	-	622,610
A Cook	-	-	-	-	-
P Creswell	-	-	-	-	-
S van der Sluys	-	-	-	-	-
<b>Total</b>	<b>240,896,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,780,485</b>
<b>Executives</b>					
R Van der Laan	63,207,744	273,095	-	-	63,480,839
<b>Total</b>	<b>63,207,744</b>	<b>273,095</b>	<b>-</b>	<b>-</b>	<b>63,480,839</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>304,104,212</b>	<b>273,095</b>	<b>-</b>	<b>-</b>	<b>306,261,324</b>

## Directors' Report (continued)

### Remuneration Report (audited) (continued)

#### (b) Partly Paid Contributing Shares of Key Management Personnel

<u>2022</u>	Balance at 1 July 2021	Granted as remuneration	Cancelled on issue of Options, in lieu of	Bonus issue received	Net change other	Balance at 30 June 2022
	Partly Paid	Partly Paid	Partly Paid	Partly Paid	Partly Paid	Partly Paid
<b>Directors</b>						
A Griffin	4,950,217	-	(4,950,217)	-	-	-
B Ozcakmak	52,424,060	-	(52,424,060)	-	-	-
P Power	-	-	-	-	-	-
R Beresford	-	-	-	-	-	-
A Cook	-	-	-	-	-	-
P Creswell	-	-	-	-	-	-
S van der Sluys	-	-	-	-	-	-
<b>Total</b>	<b>57,374,277</b>	<b>-</b>	<b>(57,374,277)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Executives</b>						
R Van der Laan	3,178,610	-	(3,178,610)	-	-	-
<b>Total</b>	<b>3,178,610</b>	<b>-</b>	<b>(3,178,610)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>60,552,887</b>	<b>-</b>	<b>(60,552,887)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The partly paid contributing share were previously issued with outstanding calls of 1.9 cents each. The partly paid contributing share carried a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carried the right to vote in proportion which the amount paid (not credited) bearing to the total amounts paid and payable (excluding amounts credited). The company had the power to forfeit any shares where the call remained unpaid 14 days after the call was payable. In such circumstances, the company was required to then offer the shares forfeited for public auction within six weeks of the call becoming payable. All partly paid shares were cancelled by the company in July 2021, following receipt of shareholder approval to proceed with such cancellation (and associated capital reduction) at general meetings of the Company's shareholders held on 5 July 2021, and with holders of partly paid shares receiving allocations of unlisted options on equivalent terms.

## Directors' Report (continued)

### Remuneration Report (audited) (continued)

#### (c) Options holdings of Key Management Personnel

**2022**

	Balance at 1 July 2021	Granted as remuneration	Issued in lieu of Partly Paid, cancelled in July 2021	Bonus issue received	Net change other	Balance at 30 June 2022
	Options	Options(**)	Options	Options	Options	Options
<b>Directors</b>						
A Griffin	8,833,333	-	4,950,217	-	-	13,783,550
B Ozcakmak	24,833,333	10,000,000	52,424,060	-	-	87,257,393
P Power	5,000,000	-	-	-	-	5,000,000
R Beresford	5,000,000	-	-	-	-	5,000,000
A Cook	-	5,000,000	-	-	-	5,000,000
P Creswell	-	-	-	-	-	-
S van der Sluys	-	-	-	-	-	-
<b>Total</b>	<b>43,666,666</b>	<b>15,000,000</b>	<b>57,374,277</b>	-	-	<b>116,040,943</b>
<b>Executives</b>						
R Van der Laan	2,500,000	-	3,178,610	-	-	5,678,610
<b>Total</b>	<b>2,500,000</b>	-	<b>3,178,610</b>	-	-	<b>5,678,610</b>
<b>Total Directors' and Executives' Share holdings</b>	<b>46,166,666</b>	-	<b>60,552,887</b>	-	-	<b>121,719,553</b>

\*\* 15,000,000 employee incentive options were issued with exercise price of \$0.02 on or before 16 December 2024, the value of the options was calculated by using Black-Scholes model to be \$47,513 (refer to note 21). These options have no vesting condition and were vested on issue.

## Directors' Report (continued)

### Remuneration Report (audited) (continued)

#### (d) Other Transactions with Key Management Personnel

Other transactions with key management personnel are set out below:

	30-Jun-22	30-Jun-21
	\$	\$
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder.		
Fees included investor relations, corporate advisory, accounting staff (excluding fees directly related to Robert Van der Laan) and exploration staff.		
Service fees paid are considered to be on normal commercial terms and conditions.	-	53,941
	-	<b>53,941</b>

Trade and other payables to related parties as at 30 June 2022 amounted to nil (30 June 2021: nil).

All related party transactions are considered to be on an arms' length basis.

#### End of Remuneration Report (audited).

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30 and forms part of this report.

This report is made in accordance with a resolution of directors.



Bahay Ozcakmak  
Group Managing Director & CEO  
Melbourne  
Dated: 30 September 2022

## **Auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Parkway Corporate Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 there have been:

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



**Nexia Perth Audit Services Pty Ltd**



**Muranda Janse Van Nieuwenhuizen  
Director**

Perth  
30 September 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	For the year ended 30 June 2022 \$	For the year ended 30 June 2021 \$
<b>INCOME FROM CONTINUING ACTIVITIES</b>			
Sales revenue	13	3,375,619	327,299
Other income		108,182	5,927
Interest		927	740
Government Grant	14	225,802	383,968
Fair value gain of financial assets		-	850,546
<b>TOTAL INCOME</b>		<b>3,710,531</b>	<b>1,568,480</b>
<b>EXPENSES</b>			
Cost of goods sold		1,497,157	88,776
Loss from the disposal of depreciated assets		9,852	2,842
General and Administration expenses		1,082,512	999,847
Depreciation and Amortisation		267,756	58,633
Share based payments	21	93,254	34,551
Exploration		-	51,081
Legal		24,440	53,972
Occupancy		98,666	36,016
Employee benefit expense		2,711,148	1,157,424
Impairment expense		100,000	-
Interest Expense		21,938	9,053
<b>TOTAL EXPENSES</b>		<b>6,042,727</b>	<b>2,492,195</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(2,332,196)</b>	<b>(923,715)</b>
Income Tax Expense		-	-
<b>NET LOSS FOR THE YEAR</b>		<b>(2,332,196)</b>	<b>(923,715)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Equity accounted investments - share of comprehensive income		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(2,332,196)</b>	<b>(923,715)</b>
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>			
Basic and diluted loss per share (cents per share)	7	(0.11)	(0.04)

*The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

		As at 30 June 2022	As at 30 June 2021
	Note	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	4,003,404	7,452,866
Trade and other receivables	9	615,266	209,344
Other assets		89,652	59,106
Inventory	10	1,518,088	671,732
<b>Total Current Assets</b>		<b>6,226,409</b>	<b>8,393,048</b>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	9	89,847	45,000
Plant and equipment	11	265,305	286,614
Intangible assets	15	4,899,486	3,749,706
Right of use assets	12	1,192,095	490,947
<b>Total Non Current Assets</b>		<b>6,446,734</b>	<b>4,572,267</b>
<b>TOTAL ASSETS</b>		<b>12,673,143</b>	<b>12,965,315</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	1,121,749	328,086
Provisions	18	185,888	100,886
Lease liability		173,046	-
Deferred payment	17	455,000	150,000
<b>Total Current Liabilities</b>		<b>1,935,683</b>	<b>578,972</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	18	-	22,767
Lease liability	12	1,044,944	494,988
<b>Total Non Current Liabilities</b>		<b>1,044,944</b>	<b>517,755</b>
<b>TOTAL LIABILITIES</b>		<b>2,980,627</b>	<b>1,096,727</b>
<b>NET ASSETS</b>		<b>9,692,516</b>	<b>11,868,588</b>
<b>EQUITY</b>			
Contributed Equity	19	35,475,444	35,383,574
Reserves	20	1,178,047	1,113,793
Accumulated losses		(26,960,975)	(24,628,779)
<b>TOTAL EQUITY</b>		<b>9,692,516</b>	<b>11,868,588</b>

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



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Partly Paid Shares Reserve	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	28,867,382	(24,741,810)	862,161	1,036,746	123,300	6,147,779
Loss for the year	-	(923,715)	-	-	-	(923,715)
<b>Other comprehensive income (net of tax)</b>						
Equity accounted investments - share of other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	(923,715)	-	-	-	(923,715)
<b>Transactions with owners in their capacity as owners:</b>						
Shares issued	7,046,280	-	-	-	-	7,046,280
Share issue transaction costs	(615,988)	-	125,281	-	-	(490,707)
Share and option based payments (Note 21)	85,900	-	3,051	-	-	88,951
<b>Balance at 30 June 2021</b>	<b>35,383,574</b>	<b>(25,665,525)</b>	<b>990,493</b>	<b>1,036,746</b>	<b>123,300</b>	<b>11,868,588</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Partly Paid Shares Reserve	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>35,383,574</b>	<b>(25,665,525)</b>	<b>990,493</b>	<b>1,036,746</b>	<b>123,300</b>	<b>11,868,588</b>
Re-allocation of the FAR	-	1,036,746		(1,036,746)		
<b>Restated Balance at 1 July 2021</b>	<b>35,383,574</b>	<b>(24,628,779)</b>	<b>990,493</b>	<b>-</b>	<b>123,300</b>	<b>11,868,588</b>
Loss for the year	-	(2,332,196)	-	-	-	(2,332,196)
<b>Other comprehensive income (net of tax)</b>						
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(2,332,196)</b>	<b>-</b>	<b>-</b>		<b>(2,332,196)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Shares issued	12,870	-	123,300	-	(123,300)	12,870
Share issue transaction costs (Note 20)	-	-	-	-	-	-
Share and option based payments (Note 21)	79,000	-	64,254	-	-	143,254
<b>Balance at 30 June 2022</b>	<b>35,475,444</b>	<b>(26,960,975)</b>	<b>1,178,047</b>	<b>-</b>	<b>-</b>	<b>9,692,516</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	For the year ended 30 June 2022 \$	For the year ended 30 June 2021 \$
<b>OPERATING ACTIVITIES</b>			
Payments from customers		2,384,791	143,788
Other Receipts		-	11,576
Payments to suppliers and employees		(4,730,545)	(2,985,677)
Government grant		225,803	383,968
Interest received		927	741
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>25</b>	<b>(2,119,024)</b>	<b>(2,445,604)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(78,219)	(283,192)
Proceeds from sale of financial assets		-	2,049,916
Proceeds from sale of plant and equipment		8,181	6,800
Payments for acquisition of Multi-wet	15	-	(446,407)
Payments for acquisition of Mawpump	15	(1,228,423)	-
Rental bond paid		(44,847)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1,343,308)</b>	<b>1,327,117</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		12,870	6,852,280
Proceeds from the sale of shares		-	194,000
Share issue costs		-	(476,307)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>12,870</b>	<b>6,569,973</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS		(3,449,462)	5,451,486
Cash and cash equivalents at the beginning of the year		7,452,866	2,001,380
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>8</b>	<b>4,003,404</b>	<b>7,452,866</b>

*The consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to Financial Statements

### Note 1: Corporate information

The financial report of Parkway Corporate Limited (the “Company” or “Parkway”) and its controlled entity (the “consolidated entity” or the “Group”) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of Directors on 29 September 2022.

Parkway Corporate Limited is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange (ASX: PWN).

The nature of operations and principal activities of the Consolidated Entity are described in the directors’ report.

### Note 2: Statement of significant accounting policies

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. Parkway is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently applied throughout the year presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis with the exception of equity instrument at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The company’s principal activities include:

- the commercialisation of proprietary brine processing technologies, with applications in the energy and mining sectors (“**Technology Commercialisation Business**”); and
- the development of an integrated water treatment products and services business, to complement and support the entity’s Technology Commercialisation Business.

The main activities of the Company in FY22 is developing brine treatment related technologies, as well as delivering water treatment related products and services. The Group also has an interest in a potash exploration joint venture, KLPP. As a result of joint venture administration related procedures and for various other reasons, during FY22, no substantive mineral exploration activities occurred in relation to the KLPP exploration project.

The consolidated financial statements provide comparative information in respect of the previous period.

#### (b) Adoption of new revised or amending accounting standards and interpretations

In June 2021, IFRIC published an agenda decision in relation to the accounting treatment when determining net realisable value (NRV) of inventories, in particular what costs are necessary to sell inventories under IAS 2 Inventories. The Group is currently assessing the impact the agenda decision will have on its current accounting policy and whether an adjustment to inventory may be necessary. Accordingly, a reliable estimate of the impact of the IFRIC agenda decision on the Group cannot be made at the date of this report. The Group expects to complete the implementation of the above IFRIC agenda decision as part of its 31 December 2022 reporting.

## Notes to Financial Statements

### Note 2: Statement of significant accounting policies (continued)

Aside from the above, the Group has where applicable, adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the year ended 30 June 2022.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

As at the date of the authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective and have not been adopted by the Group for the annual reporting year ending 30 June 2022:

Standard	Effective date for annual reporting periods beginning on or after	Application date for the Company
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	1 July 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 July 2023
AASB 2020-3 Annual Improvements to IFRS Standards 2018–2020 and Other Amendments	1 January 2022	1 July 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2023	1 July 2023

The Company has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Company's assessment of those new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below. The Group has not yet determined the impact of these pronouncements on its financial statements.

*AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

This Standard amends:

1. AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entities financial statements;
2. AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
3. AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
4. AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
5. AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

## Notes to Financial Statements

### Note 2: Statement of significant accounting policies (continued)

#### *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendment narrowed the scope of the recognition exemption in paragraphs 15 and 24 of AASB 112 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment applies to transactions that occur on or after the beginning of the earliest comparative period presented.

#### *AASB 2020-3 Annual Improvements to IFRS Standards 2018–2020 and Other Amendments*

This Standard amends:

- (a) the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- (b) AASB 3 to update references to the Conceptual Framework for Financial Reporting;
- (c) AASB 9 to clarify when the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and
- (f) AASB 141 to align the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

#### *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

Amends AASB 101 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver, a breach of covenant, or settlement of the liability).

Management is currently assessing the effects of applying the new standards on the Group's financial statements. The Group will make more detailed assessments over the next 12 months.

### **(c) Statement of compliance**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

## Notes to Financial Statements

### Note 2: Statement of significant accounting policies (continued)

#### (d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

##### *Share-based payment transactions*

The Company measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

##### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

##### *Intangible assets and goodwill*

The Company assesses impairment for intangible assets at each reporting date or when an impairment indicator exists, by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include product, technology, economic and political environments and future expectations. If an impairment indicator exists, the recoverable amount of the asset is determined.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For further information on intangible assets and goodwill, refer to Note 16.

##### *Research and development rebate*

Research and development rebates are recognised as income when there is reasonable assurance that the rebate will be received and the entity will comply with the conditions attached to it. Management judgement is required to assess that the rebate meets the recognition criteria and in determining the measurement of the rebate including the assessment of the eligibility and appropriateness of the apportionment of eligible expenses based on research and development activities undertaken by the consolidated entity and taking into consideration relevant legislative requirements.

Further, the Research and Development Tax Incentive Offset program in Australia is a self-assessment regime and there is a four-year period from the date of lodgement where the claim may be subject to a review by the Australian Taxation Office or Ausindustry, with any amounts overclaimed being potentially subject to full repayment with interest and penalties.

## Notes to Financial Statements

### Note 2: Statement of significant accounting policies (continued)

#### (e) Share-based payment transactions

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense (Note 21).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted loss per share (further details are given in Note 7).

#### (f) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

##### *Impairment*

The carrying values of plant and equipment are reviewed for impairment when impairment indicators exist under the accounting standards.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (f) Plant & equipment (continued)

##### *Derecognition*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

#### (g) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

#### **Tax Consolidation**

Parkway Corporate Limited and its 100% owned subsidiaries have entered into tax consolidated group which takes effect from 1 July 2016. Parkway Corporate Limited is the head entity of the tax consolidated group.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

#### (i) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

##### *Employee leave benefits*

#### i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

#### ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (k) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### (l) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

#### (m) Inventory

Inventories are valued at the lower of cost and net realisable value.

The Group elected to use average cost method to value inventory. When the Group sells a product, the weighted average cost of all inventory produced or acquired in the accounting period is used to determine the cost of goods sold. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

#### (n) Revenue recognition

##### ***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of water treatment related products and rendering of services are recognised at the point in time based on the amount invoiced to the customer. The normal credit term is 30 days.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### **Other revenue**

##### *Interest Income*

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

##### *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

#### **(o) Contributed equity**

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

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### **(p) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

#### **(q) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (r) Investments and Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, at amortised cost, financial assets at fair value through profit or loss, fair value through other comprehensive income as appropriate. Other financial assets, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has not recognised any financial assets at fair value through other comprehensive income.

Subsequent measurement:

The subsequent measurement of other financial assets depends on their classification as described below:

##### a) Financial assets at fair value through profit or loss

Financial assets classified at “fair value through profit or loss” include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

##### b) Amortised cost

In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold the financial assets in order to collect contractual cash flows.

Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost using the effective interest rate method. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

#### (s) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired, excluding financial assets at fair value through profit or loss (FVTPL).

The Group assesses on a forward looking basis the expected credit loss associated with other financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets, the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (s) Impairment of financial assets (continued)

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

#### (t) Leases

##### (i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

##### (ii) *Lease Liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

##### (iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (u) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

#### (v) Treasury shares

Own equity instruments that are issued (treasury shares) are recognised nil value on the date of issue and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. The Group records treasury shares as a net of the shares issued under contributed equity in the consolidated statement of changes in equity.

#### (w) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the consolidated Statement of Comprehensive Income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually, or when indicators of impairment exist, to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## Notes to Financial Statements (continued)

### Note 2: Statement of significant accounting policies (continued)

#### (w) Intangible assets (continued)

##### *Goodwill*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

##### *Intellectual property*

The Group's intellectual property portfolio consists of trade secrets, know-how, trademark and patent. The Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use.

The Group tests the intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The estimated useful life will only be determined and the corresponding amortisation will be recognised when the corresponding asset is available for use.

#### (x) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.



## Notes to Financial Statements (continued)

### Note 3: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

As no substantial exploration related activities occurred during the financial year, exploration related expenditures were not deemed to be considered a separate segment for reporting purposes as a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 30 June 2022, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has one operating segment providing water treatment related products and services, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Group's results presented in this set of financial statements.

### Note 4: Income tax

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income tax (benefit)/expense</b>		
Current tax	-	-
Deferred tax	-	-
Total tax (benefit)/expense	-	-
<b>(b) Income tax recognised in equity</b>		
Deferred tax liability recognised	-	-
Total income tax recognised in equity	-	-
<b>(c) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit/(loss) from continuing operations before income tax expense	(2,332,196)	(923,715)
Prima facie tax benefit at the Australian tax rate of 25% (2021: 26%)	(583,049)	(240,166)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payment	30,536	(793)
Non-deductible expenses	171	60
Non-assessable income	(81,451)	(89,571)
Deferred tax assets not brought to account	633,793	330,470
Income tax (benefit)/expense	-	-

## Notes to Financial Statements (continued)

### Note 4: Income tax (continued)

#### (d) Deferred tax assets

Accrued expenses	87,337	11,440
Lease liability	311,442	128,697
Business related deduction	120,497	145,033
Employee entitlement provisions	46,472	43,660
Other items capitalised for tax purposes	-	52,849
Revenue losses	1,585,630	1,462,308
	<u>2,151,378</u>	<u>1,843,987</u>
Deferred tax asset not recognised	(1,830,941)	(1,700,974)
	<u>320,437</u>	<u>143,013</u>
Offset against deferred tax liabilities	(320,437)	(143,013)
Total deferred tax assets	<u>-</u>	<u>-</u>

#### (e) Deferred tax liabilities

ROU Assets	298,024	127,646
Prepayments	22,413	15,367
	<u>320,437</u>	<u>143,013</u>
Offset against deferred tax assets	(320,437)	(143,013)
Net deferred tax liabilities	<u>-</u>	<u>-</u>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised.

### Note 5: Key management personnel remuneration

	2022	2021
	\$	\$
Short-term employee benefits	734,941	513,244
Post-employment benefits	69,894	35,229
Termination benefits	-	-
Share-based payments	47,513	-
<b>Total compensation</b>	<b>852,348</b>	<b>548,473</b>

Refer to Note 24 for other related parties transactions.

### Note 6: Auditor's remuneration

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for audit services provided during FY22 are set out below;

## Notes to Financial Statements (continued)

### Note 6: Auditor's remuneration (continued)

	2022	2021
	\$	\$
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- Auditing the statutory financial report of the Parent company of the Group and its controlled entity	70,000	-
	<b>70,000</b>	<b>-</b>

Details of the amounts paid or payable to the Company's former auditor, Ernst & Young (which resigned as the Company's auditor, with prior written approval from ASIC, on 1 August 2022), remuneration during FY22 are set out below;

	2022	2021
	\$	\$
Remuneration of Ernst & Young for:		
- Auditing the statutory financial report of the Parent company of the Group and its controlled entity	213,839	47,570
- research & development tax concession	24,364	22,889
- tax compliance	12,360	31,930
	<b>250,563</b>	<b>102,388</b>

### Note 7: Loss per share

	2022	2021
	\$	\$
Basic loss per share (cents per share)	(0.11)	(0.04)
Diluted loss per share (cents per share)	(0.11)	(0.04)
Net loss	(2,332,196)	(923,715)
Loss used in calculating basic and diluted loss per share	(2,332,196)	(923,715)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	2,205,758,441	2,211,937,227

As of 30 June 2022, a total of 748,875,228 potential ordinary shares had been issued, including 748,875,228 (2021: 481,444,443) options and nil (2021: 246,600,643) partly paid shares respectively. As the Group incurred a loss for the year ended 30 June 2022 and 2021, the effect of options on issue is considered to be antidilutive and thus not factored in determining the diluted earnings per share.

### Note 8: Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and on hand	4,003,404	7,452,866
	<b>4,003,404</b>	<b>7,452,866</b>

## Notes to Financial Statements (continued)

### Note 9: Trade and other receivables

	2022	2021
	\$	\$
<b>Current</b>		
Trade debtors	570,911	196,210
GST Receivables	25,224	7,269
Other Receivables	19,132	5,865
	<u>615,266</u>	<u>209,344</u>
<b>Non-Current</b>		
Other receivables	89,847	45,000
	<u>89,847</u>	<u>45,000</u>

Trade debtors are non-interest bearing and are generally on 30-90 days terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. As at 30 June 2022, an ECL of \$170,761 was recognised (2021: \$17,977).

Other receivables – Non-Current relates to security bonds held with a reputable Australian bank and rental bond paid.

### Note 10: Inventories

	2022	2021
	\$	\$
Inventories	1,518,088	671,732
	<u>1,518,088</u>	<u>671,732</u>

### Note 11: Plant and equipment

	2022	2021
	\$	\$
Office equipment at cost	66,697	60,137
Less accumulated depreciation	(34,757)	(21,986)
	<u>31,939</u>	<u>38,151</u>
Plant and equipment at cost	117,248	117,248
Less accumulated depreciation	(87,918)	(76,255)
	<u>29,330</u>	<u>40,993</u>
Computers & software at cost	75,053	60,440
Less accumulated depreciation	(47,973)	(41,303)
	<u>27,080</u>	<u>19,137</u>
Furniture fixtures at cost	99,039	91,570
Less accumulated depreciation	(37,207)	(15,391)
	<u>61,832</u>	<u>76,179</u>
Motor vehicles at cost	162,894	121,287
Less accumulated depreciation	(47,770)	(9,133)
	<u>115,124</u>	<u>112,154</u>
Total plant, equipment & motor vehicles	<u>265,305</u>	<u>286,614</u>

## Notes to Financial Statements (continued)

### Note 11: Plant and equipment (continued)

	Office Equipment \$	Plant & Equipment \$	Computers & Software \$	Furniture Fixtures \$	Motor Vehicles	Total \$
<b>Year ended 30 June 2021</b>						
Opening net carrying value	20,272	6,209	-	-	-	26,481
Disposal	(9,131)	-	-	-	-	(9,131)
Additions	32,510	38,620	20,100	82,926	121,287	289,238
Depreciation charge for the year	(5,500)	(3,836)	(963)	(6,747)	(9,133)	(26,179)
<b>Closing net carrying value</b>	<b>38,151</b>	<b>40,993</b>	<b>19,137</b>	<b>76,179</b>	<b>112,154</b>	<b>286,614</b>
	Office Equipment \$	Plant & Equipment \$	Computers & Software \$	Furniture Fixtures \$	Motor Vehicles	Total \$
<b>Year ended 30 June 2022</b>						
Opening net carrying value	38,181	40,993	19,137	76,179	112,154	286,614
Disposal	-	-	-	-	(10,751)	(10,751)
Additions	6,559	-	14,613	7,469	42,357	70,998
Depreciation charge for the year	(12,771)	(11,663)	(6,670)	(21,816)	(28,636)	(81,556)
<b>Closing net carrying value</b>	<b>31,939</b>	<b>29,330</b>	<b>27,080</b>	<b>61,832</b>	<b>115,124</b>	<b>265,305</b>

### Note 12: Leases

	2022 \$	2021 \$
<b>Amounts recognised in the balance sheet relating to leases:</b>		
<b>Right of use assets</b>		
Buildings	1,192,095	490,947
<b>Opening net book amount</b>	490,947	517,740
Additions	851,558	-
Depreciation expense	(150,410)	(26,793)
<b>Closing net book amount</b>	<b>1,192,095</b>	<b>490,947</b>
Cost	1,369,298	517,740
Accumulated depreciation	(177,203)	(26,793)
<b>Net book amount</b>	<b>1,192,095</b>	<b>490,947</b>
<b>Lease Liabilities</b>		
Current	173,046	-
Non-current	1,044,944	494,988
	<b>1,217,990</b>	<b>494,988</b>

## Notes to Financial Statements (continued)

### Note 12: Leases (continued)

Location	Commencement Date	Term (Months)	Option (Months)	Expiry
Sunshine North, VIC	11/01/2021	60	36	11/01/2029

#### Right-of-use asset

	2022 \$	2021 \$
<b>Building and land</b>		
Cost	517,740	517,740
Adjustment for the initial cost recognition	8,721	-
Less accumulated depreciation	(85,895)	(26,793)
<b>Carrying amount</b>	<b>440,566</b>	<b>490,947</b>

#### Lease liabilities

	2022 \$	2021 \$
<b>Opening balance</b>	494,988	-
Additions	-	485,935
Accretion of interest	19,811	9,053
Payment	(57,835)	-
<b>As at 30 June</b>	<b>456,964</b>	<b>494,988</b>

In relation to the right-of-use assets and lease liabilities the following amounts were recognised in profit or loss:

	2022 \$	2021 \$
Depreciation expense	59,102	26,793
Interest expense	19,811	9,053
Expense relating to short-term and low value leases (included in General and Administration expenses)	93,661	36,016
<b>Total amount recognised in profit or loss</b>	<b>172,574</b>	<b>71,862</b>

Location	Commencement Date	Term (Months)	Option (Months)	Expiry
Yarrawonga, NT	14/09/2021	24	96	13/05/30

#### Right-of-use asset

	2022 \$	2021 \$
<b>Building and land</b>		
Cost	842,837	-
Less accumulated depreciation	(91,307)	-
<b>Carrying amount</b>	<b>751,530</b>	-

## Notes to Financial Statements (continued)

### Note 12: Leases (continued)

#### Lease liabilities

	2022	2021
	\$	\$
<b>Opening balance</b>	-	-
Additions	842,837	-
Accretion of interest	1,458	-
Payment	(83,269)	-
<b>As at 30 June</b>	<b>761,026</b>	-

In relation to the right-of-use assets and lease liabilities the following amounts were recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense	91,307	-
Interest expense	1,458	-
Expense relating to short-term and low value leases (included in General and Administration expenses)	5,005	-
<b>Total amount recognised in profit or loss</b>	<b>97,770</b>	-

### Note 13: Sales revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2022	2021
	\$	\$
<b>Type of goods or service</b>		
Sale of water treatment related products	1,045,571	63,360
Commercial water treatment solutions	517,571	263,939
Industrial water related solutions	1,812,477	-
<b>Total revenue from contracts with customers</b>	<b>3,375,619</b>	<b>327,299</b>
	2022	2021
	\$	\$
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	3,375,619	327,299
<b>Total revenue from contracts with customers</b>	<b>3,375,619</b>	<b>327,299</b>

At 30 June 2022, all revenue from contract with customers are considered to be derived and held in one geographical area being Australia.

### Note 14: Government Grant

During this financial year, the Consolidated entity received government grant due to Covid-19 and tax credits:

	2022	2021
	\$	\$
Cash flow boost payment	-	50,000
JobKeeper Payment	-	43,200
R&D incentives	225,802	290,768
<b>Total</b>	<b>225,802</b>	<b>383,968</b>

## Notes to Financial Statements (continued)

### Note 15: Intangible assets

	2022 \$	2021 \$
Intellectual property		
- aMES® technology	3,174,267	3,174,267
- iBC® technology	109,032	109,032
- IP Portfolio	40,000	40,000
Goodwill – Multi-wet	300,407	426,407
Goodwill - Mawpump	1,275,780	-
<b>Total intangible assets</b>	<b>4,899,486</b>	<b>3,749,706</b>

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks and patents. At 30 June 2022, the Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use, however is the subject of various technoeconomic evaluations.

At 30 June 2022, an annual impairment test was performed. The recoverable amount was assessed by reference to a 'value in use'. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount was in excess of the carrying value and no impairment was recognised.

The Group amortised the customer Goodwill of \$26,000 during the year as the estimated useful life of customer goodwill and the corresponding asset's value for available for use reduced.

### Acquisition of Mawpump

On 3 September 2021, the Group, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Mawpump, an established Darwin based pump supplies business, to acquire 100% of all shares in the capital of Mawpump. The acquisition of Mawpump will support the Group's evaluation and potential participation in the delivery of the project opportunities and other opportunities elsewhere in Australia.

The fair values of the identifiable assets as at the date of acquisition were:

	\$
Cash at bank	537,327
Trade Debtors	294,380
Liabilities	(318,284)
Total identifiable net assets at fair value	<u>513,423</u>
Goodwill arising on acquisition	<u>1,275,780</u>
Purchase consideration	<u>1,789,203</u>
Purchase consideration	\$
Cash consideration	1,228,423
Deferred Equity payment	105,780
Deferred Cash payment (Note 8)	<u>455,000</u>
Total purchase consideration	<u>1,789,203</u>

From the date of acquisition, Mawpump contributed \$1,929,647 of revenue and a loss of \$465,393 to the net loss before income tax of the Group. If the acquisition had taken place at the beginning of the year, the Group's revenue would have been \$2,679,087 and profit before tax for the Group would have been \$169,525. The contingent consideration consists of \$455,000 cash payable 12 months after acquisition date, provided that Mawpump meets and exceeds a baseline revenue threshold.



## Notes to Financial Statements (continued)

### Note 15: Intangible assets (continued)

Given the timing of the acquisition, the identification and valuation of the assets and liabilities acquired are provisional as management is currently in the process of completing the acquisition accounting.

Management has assessed that there were no impairment triggers in relation to the unallocated provisional goodwill as at 30 June 2022.

#### Acquisition of Multi-wet

On 1 March 2021, the Group, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into an agreement to acquire 100% of the business of Multi-Wet, a provider of industrial water treatment related products, chemicals, and services in Western Australia. This acquisition is generating revenue and support the Group's efforts to deliver highly differentiated and integrated water-treatment related solutions.

The fair values of the identifiable assets as at the date of acquisition were:

	2022 (final)	2021 (provisional)
	\$	\$
Stocks	50,000	50,000
Customer list	97,500	-
Plant and equipment	70,000	70,000
Deferred tax liability	(25,350)	-
Total identifiable net assets at fair value	<u>192,150</u>	<u>120,000</u>
Goodwill arising on acquisition on the acquisition date	<u>254,257</u>	<u>426,407</u>
Purchase consideration	<u>446,407</u>	<u>546,407</u>

The purchase consideration is comprised of:

	2022	2021
	\$	\$
Purchase consideration		
Cash consideration	446,407	446,407
Contingent consideration	-	100,000
Total purchase consideration	<u>446,407</u>	<u>546,407</u>

Management has assessed that there was an impairment trigger in relation to goodwill as at 30 June 2022, as contractually obligated sales target were not achieved resulting in contingent consideration being reduced by \$100,000, hence, an impairment amounting to \$100,000 was recognised.

### Note 16: Trade and other payables

	2022	2021
	\$	\$
<b>Current</b>		
<i>Unsecured liabilities</i>		
Trade payables	<u>1,121,749</u>	<u>328,086</u>
	<b><u>1,121,749</u></b>	<b><u>328,086</u></b>

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

- (a) Relates to the Tranche 2 consideration amounting to \$50,000 which is payable in shares as part of iBC® technology acquisition transaction. The Tranche 2 consideration 3,876,525 shares were issued on 8 July 2021 as announced to the market.

## Notes to Financial Statements (continued)

### Note 17: Deferred payments

	2022	2021
	\$	\$
<b>Current</b>		
Contingent consideration payable in shares	-	50,000
Contingent consideration on the acquisition of Multi-wet	-	100,000
Contingent consideration payable in cash on the acquisition of Mawpump	455,000	-
	<b>455,000</b>	<b>150,000</b>

### Note 18: Provisions

	2022	2021
	\$	\$
<b>Current</b>		
Employee benefits	185,888	100,886
	<b>185,888</b>	<b>100,886</b>
<b>Non Current</b>		
Employee benefits	-	22,767
	-	<b>22,767</b>

### Note 19: Contributed equity

	2021		2021	
	No.	\$	No.	\$
Ordinary shares - fully paid	2,213,262,446	35,475,444	2,196,309,541	35,383,574

When managing capital (which is defined as the Company's total equity amounting to \$9,654,125 (2021: \$11,868,588), the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future development activity. The Company is not subject to any externally imposed capital requirements.

#### Movements in fully paid ordinary shares on issue of the legal parent are:

	2022	2021	2022	2021
	Number	Number	\$	\$
At the beginning of reporting year	2,196,309,541	1,720,700,652	35,383,574	28,867,382
Issue of nil shares (2021: 469,808,889 shares) via share placements *	-	469,808,889	-	6,852,280
Sale of nil treasury shares (2021:24,000,000 shares)	-	-	-	194,000
Issue of 16,283,047 shares (2021: 5,800,000 shares) as share-based payments	16,283,047	5,800,000	79,000	85,900
Issue of 669,858 shares (2021: nil shares) for the exercised options	669,858	-	12,870	-
Equity Raising Costs	-	-	-	(615,988)
<b>At the end of the reporting year</b>	<b>2,213,262,446</b>	<b>2,196,309,541</b>	<b>35,475,444</b>	<b>35,383,574</b>

\*2021:Free attaching 145,777,779 options were issued to the shareholders who participated share placement.

## Notes to Financial Statements (continued)

### Note 20: Reserves

	Note	2022 \$	2021 \$
Equity based payment reserve	20A	1,178,047	990,493
Partly Paid Shares reserve	20B	-	123,300
		<b>1,178,047</b>	<b>1,113,793</b>

### Reconciliation of total options on issue:

	Options issued as share- based payments	Other options issued	Reserved shares issued	Total options on issue
<b>As at 30 June 2020</b>	<b>113,499,999</b>	<b>244,792,665</b>	<b>3,150,000</b>	<b>361,442,664</b>
Issued during the year	32,500,000*	145,777,779	-	178,277,779
Expired during the year	(5,000,000)	(50,126,000)	(3,150,000)	(58,276,000)
<b>As at 30 June 2021</b>	<b>140,999,999</b>	<b>340,444,444</b>	<b>-</b>	<b>481,444,443</b>
Issued during the year	22,000,000**	246,600,643	-	268,600,643
Expired during the year	(500,000)	(669,858)	-	(1,169,858)
<b>As at 30 June 2022</b>	<b>162,499,999</b>	<b>586,375,229</b>	<b>-</b>	<b>748,875,228</b>

Note 20A: Options	2022		2021	
	Number	WAEP	Number	WAEP
Outstanding at 1 July	481,444,443	\$0.0300	358,292,664	\$0.0200
Granted during the year	268,600,643	\$0.0200	178,277,779	\$0.0300
Expired during the year	(1,169,858)	\$0.0200	(55,126,000)	\$0.0200
Outstanding at 30 June	748,875,228	\$0.0200	481,444,443	\$0.0300
Exercisable at 30 June	748,875,228	\$0.0200	481,444,443	\$0.0300

\* Total of 32,500,000 options were issued to consultants 30,000,000 options and employee 2,500,000 options, please refer to note 19.1 and 19.2.

\*\* Options issued to the directors and employees

The weighted average remaining contractual life of share options outstanding as at 30 June 2022 was 2.004 years (2021: 1.53 years).

The average exercise price of options granted during the year was \$0.02 (2021: \$0.03).

The range of exercise prices for options outstanding at the end of the year was \$0.02 to \$0.03 (2021: \$0.02 to \$0.03).

## Notes to Financial Statements (continued)

### Note 20: Reserves (continued)

#### Reconciliation of value of equity-based payment reserve

	Note	2021 \$	2021 \$
At the beginning of reporting year		862,161	862,161
Capital raising costs for options issued to consultants. 30,000,000 options with exercise price of \$0.03.	19.1	-	125,281
Amount expensed for options issued to employees as part of employee incentive plan 20,000,000 options with exercise price of \$0.02 and 2,000,000 options with exercise price of \$0.03.	19.2	64,254	3,051
Partly paid shares converted to options	19.3	123,300	-
<b>At the end of the reporting year</b>		<b>1,178,047</b>	<b>990,493</b>

19.1 The issue of 30,000,000 \$0.03 options exercisable on or before 03 Feb 23 to consultants.

19.2 The issue of 20,000,000 \$0.02 options exercisable on or before 16 Dec 22 and exercisable on or before 16 Dec 24 to the employees & directors and 2,000,000 \$0.03 options exercisable on or before 2 Feb 23.

#### Note 20B: Partly paid shares reserve

On 27 July 2021 the company cancelled the uncalled amount on 246,600,643 partly paid shares, with holders of these partly paid shares being issued Options exercisable at \$0.019 each in exchange for the partly paid shares on a 1-for-1 basis.

### Note 21: Equity based payments

#### Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	2022 \$	2021 \$
Options/Shares issued to the employee recognised	21.1	64,254	34,551
Shares issued to employees	21.2	29,000	-
<b>Total equity based payments expense</b>		<b>93,254</b>	<b>34,551</b>

21.1 During the current financial year, shares were issued to employee as part of employee incentive plan.

21.2 5,450,000 shares issued to employees as part of their remuneration upon the satisfactory completion of their 12-months service.

The fair value of the options granted for the year ended 30 June 2022 and 30 June 2021 were estimated on the date of grant using the following assumptions and valuing using a Black-Scholes model, the fair value of the services provided was consider to equal the fair value determined using the Black-Scholes model:

## Notes to Financial Statements (continued)

### Note 21: Equity based payments (continued)

	2022	2022	2022	2021	2021
Number of options issued	2,000,000	5,000,000	15,000,000	30,000,000	2,500,000
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility* (%)	75	75	75	75	75
Risk-free interest rate (%)	1.5	1.5	1.5	1.5	1.5
Expected life (years)	1.572	1.441	3	2	1.87
Share price	\$0.013	\$0.013	\$0.01	\$0.017	\$0.008
Exercise price (\$)	\$0.03	\$0.02	\$0.02	\$0.03	\$0.02
Value per option	\$0.0042	\$0.0012	\$0.0012	\$0.0042	\$0.0012
Grant date	08 July 2021	08 July 2021	16 December 2021	03 February 2021	03 February 2021

\* Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.

All shares issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

### Note 22: Commitments

- (i) The Company has certain obligations with respect to Research Projects and the minimum expenditure requirements are as follows:

	2022	2021
	\$	\$
Within 1 year	125,000	90,000
1 to 2 years	125,000	90,000
<b>Total</b>	<b>250,000</b>	<b>180,000</b>

The commitments may vary depending upon additions or relinquishments of funding agreements. The above figures are based on the agreements as at 30 June 2022. The figures are adjusted on the anniversary date of each funding projects. During the financial year, the Company recognised \$136,005 of research expense (2021: \$444,287).

### Note 23: Contingent liabilities

There are no contingent liabilities as at 30 June 2022 (2021: Nil).

### Note 24: Related party transactions

	2022	2021
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staffs, administrative staffs and exploration staff.	-	53,941
	-	<b>53,941</b>

Trade and other payables to related party as at 30 June 2022 amounted to nil (30 June 2021: Nil).

All related party transactions are considered to be on an arms' length basis.

## Notes to Financial Statements (continued)

### Note 25: Cash flow information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

	2022	2021
	\$	\$
Loss from ordinary activities after income tax	(2,332,196)	(923,715)
Depreciation and amortisation	267,756	58,633
Expenses settled via equity issues	93,254	34,551
Fair value movement of financial assets	-	(850,546)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	(450,769)	(250,672)
(Increase)/decrease in other assets	(9,237)	(40,489)
(Increase)/decrease in inventories	(846,356)	(671,732)
Increase/(decrease) in payables	1,096,289	95,674
Increase/(decrease) in provisions	62,235	102,692
<b>Cash flows used in operating activities</b>	<b>(2,119,024)</b>	<b>(2,445,604)</b>

### Note 26: Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

#### (a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity %	10% Profit \$	Equity \$
<b>2022</b>									
<b>Financial Assets</b>									
Cash	1.25	4,003,404	-	-	4,003,404	-4,204	-	4,204	-
Receivables		-	45,000*	615,266	660,266				
<b>Total Financial Assets</b>		<b>4,003,404</b>	<b>45,000</b>	<b>615,266</b>	<b>4,663,670</b>				
<b>Financial Liabilities</b>									
Trade creditors		-	-	1,121,749	1,121,749				
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>1,121,749</b>	<b>1,121,749</b>				

## Notes to Financial Statements (continued)

### Note 26: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$	Interest Rate Risk Sensitivity			
						-10% Profit \$	Equity %	10% Profit \$	Equity \$
<b>2021</b>									
<b>Financial Assets</b>									
Cash	1.25	7,452,866	-	-	7,452,866	-7,826	-	7,826	-
Receivables		-	45,000*	209,344	254,344				
<b>Total Financial Assets</b>		<b>7,452,866</b>	<b>45,000</b>	<b>209,344</b>	<b>7,707,210</b>				
<b>Financial Liabilities</b>									
Trade creditors		-	-	203,846	203,846				
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>203,846</b>	<b>203,846</b>				

\*Credit card security deposit held in National Australia Bank with the interest rate of 0.05% p.a.

A sensitivity of 10% (2021: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2022 from around 1.25% to 1.13% (2021: 1.25% to 1.13%) representing a 12.0 basis points (2021: 12.0 basis points), which is 8.5 basis points (2021: 8.5 basis points) net of tax.

#### (a) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current commitments, through the continuous monitoring of actual cash flows.

#### Maturity analysis of financial liabilities based on contractual maturity

Year ended 30 June 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Lease liabilities	-	43,261	129,785	464,420	580,524	1,217,990
Trade and other payables	1,121,749	-				1,121,749
	<b>1,121,749</b>	<b>43,261</b>	<b>129,785</b>	<b>464,420</b>	<b>580,524</b>	<b>2,339,739</b>

All payables are due within 30 days, which is consistent with the prior year.

#### (b) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

#### (c) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Consolidated entity is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Consolidated entity is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

## Notes to Financial Statements (continued)

### Note 26: Financial risk management objectives and policies (continued)

The maximum exposure to credit risk on financial assets of the Consolidated entity which have been recognised on the statement of financial position is generally limited to the carrying amount. The Group's other receivables relate to a R&D claim from the ATO, which was subsequently collected in full and therefore carries insignificant expected credit loss.

Cash is maintained with National Australia Bank, an AA S&P rated bank and therefore carries insignificant expected credit loss.

#### (d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through the Group's Board of Directors reviewing and approving all equity investment decisions. At the reporting date, the exposure to listed equity securities recognised as financial assets fair value through profit or loss was nil (2021:Nil).

### Note 27: Controlled entities

Parkway Corporate Limited is the ultimate parent entity of the consolidated group.

The following are controlled entities at the reporting date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held %		Principal activities
		2022	2021	
Parkway Ventures Pty Ltd	Australia	100%	100%	Investment Holding
Parkway Process Technologies Pty Ltd	Australia	100%	100%	Holding intellectual property
Parkway Process Solutions Pty Ltd	Australia	100%	100%	Providing water treatment related products and services
Consolidated Potash Corporation Ltd*	Australia	100%	100%	Exploration
Activated Water Technology Pty Ltd	Australia	100%	100%	Research and Development
Mawpump Pty Ltd	Australia	100%	-	Providing water treatment related products and services in NT

\*The Company held a 40% equity interest in a single mining exploration project, the Karinga Lakes Potash Project ("KLPP"). The KLPP, located in the Northern Territory, is a joint venture between Verdant Minerals Ltd and Consolidated Potash Corporation Ltd, which is administered through Territory Potash Pty Ltd. A fair value of nil has been allocated to this interest given a range of uncertainties in relation to the future of the project.



## Notes to Financial Statements (continued)

### Note 28: Parent entity disclosure

	Parent 2022	Parent 2021
<b>Assets</b>		
Current assets	3,225,116	7,479,863
Non current assets	9,014,008	5,524,912
<b>Total Assets</b>	<u>12,239,124</u>	<u>13,004,775</u>
<b>Liabilities</b>		
Current liabilities	486,585	219,559
Non current liabilities	1,549,000	1,549,001
<b>Total Liabilities</b>	<u>2,035,585</u>	<u>1,768,560</u>
<b>Net Assets</b>	<u>10,203,539</u>	<u>11,236,215</u>
<b>Equity</b>		
Contributed equity	35,475,444	35,383,574
Reserves	1,178,047	1,113,793
Accumulated losses	(26,449,952)	(25,261,152)
<b>Total Equity</b>	<u>10,203,539</u>	<u>11,236,215</u>
	<b>Parent 2022</b>	<b>Parent 2021</b>
Loss for the year	(1,188,800)	(853,930)
Other comprehensive income	-	-
<b>Total comprehensive loss for the financial year</b>	<u>(1,188,800)</u>	<u>(853,930)</u>

The commitments and contingencies and commitments of the parent entity are the same as those for the consolidated entity.

### Note 29: Subsequent events

#### Research Grant Funding

After the reporting date, the Company entered into a contract with Victoria University and the University of Technology Sydney, to facilitate the Company's receipt of grant funding as part of a circular economy focused research hub which is being supported by the Australian Research Council ("ARC"), for usage in supporting the Company's innovative research and development ("R&D") and associated commercialisation related activities.

The Company has developed a project titled, "*An integrated water treatment process for valuable nutrient recovery and purification from industrial waste streams*", to pursue with the application of the grant funds. The overall budget for the project developed by the Company is in the order of \$1,140,000 (excluding in-kind contributions), over a period of 4 years, whereby the Company will be required to make an annual contribution in the order of \$125,000, for the duration of the project. The balance of project funding (\$640,000) will be provided by the ARC and the Company's longstanding research partner Victoria University, leveraging Parkway's contribution to provide a larger project budget.

## Notes to Financial Statements (continued)

### Note 29: Subsequent events (continued)

#### iBC<sup>®</sup> Feasibility Study Related Experimentation

The production of caustic soda (sodium hydroxide) is a key component of the iBC<sup>®</sup> based flow sheet being evaluated by the Company, for the purposes of the feasibility study awarded by QGC (a Shell group company). As part of the iBC<sup>®</sup> based experimentation and desktop piloting related activities, in late July 2022, the Company successfully produced the first ultrahigh concentration (52.6%) sodium hydroxide solution, from a concentrated waste brine derived from one of QGC's CSG wastewater treatment plants. Whilst the sodium hydroxide production is yet to be fully optimised, this is the highest concentration of sodium hydroxide produced to date through the application of the iBC<sup>®</sup> technology. Encouragingly, the concentration of the produced sodium hydroxide, is well above the highest concentration of sodium hydroxide commercially available as a liquid product (50% w/w).

During Q1 of FY23, the Company has continued to perform extensive experimentation and piloting, in order to establish a range of optimal process conditions for the iBC<sup>®</sup> based flow sheet. These activities have been performed on concentrated brines (~6,000 L) sourced from two of QGC's largest CSG wastewater treatment plants. Once the optimal process conditions have been established at bench scale, the preferred iBC<sup>®</sup> based flow sheet will be further optimised by performing larger scale piloting, on the New iBC<sup>®</sup> Pilot Plant (as shown in Figure 1 on page 13 of this Report).

#### Expanded Operations

In order to support ongoing growth, particularly the planned expansion of fabrication, assembly and testing related capabilities, during May and June 2022, the Company secured leases to two additional warehouse (with integrated office) facilities.

In late July 2022:

- **PPS-Perth:** the West Australian operations of the Company relocated to a new and much larger (~2,500 m<sup>2</sup>) warehouse complex in Bayswater (Perth), incorporating a large warehouse area, office facilities, store, and a range of laydown areas suitable for the planned expansion of operations; and
- **PPS-Melbourne:** the Company also took possession of a second warehouse (664 m<sup>2</sup>) in the Bunnett Business Park, which given the proximity to the existing PPS warehouse, will enable office and warehouse operations to be segregated from a range of workshop related activities.

The enlarged footprint will enable the Company to significantly expand both the scale and nature of operations, which will further support the Company's aspirations of becoming a leading technology leveraged industrial water treatment company.

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations or the state of affairs of the Company in future financial years other than disclosed elsewhere in this financial report.

## Directors' Declaration

In the opinion of the directors of Parkway Corporate Limited:

- (a) the financial statements and notes set out on pages 31 to 66 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2022.

This declaration is made in accordance with a resolution of the directors.



**Bahay Ozcakmak**  
Group Managing Director & CEO  
Melbourne  
Dated: 30 September 2022

## Independent Auditor's Report to the Members of Parkway Corporate Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Parkway Corporate Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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

## 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Funding and liquidity</b> <i>(Refer to note 19: Contributed equity)</i></p> <ul style="list-style-type: none"> <li>The Group's primary activities are the commercialisation of proprietary brine processing technologies, with applications in the energy and mining sectors ("Technology Commercialisation Business") and;</li> <li>The development of an integrated water treatment products and services business, to complement and support the entity's Technology Commercialisation Business.</li> </ul> <p>These activities are funded through equity raising and the revenue generating activities of the group.</p> <p>The adequacy of funding and liquidity, as well as the relevant impact on the going concern assessment, is a key audit matter due to the significance of management's judgments and estimates in respect of this assessment.</p>	<p>We evaluated the Group's funding and liquidity position at 30 June 2022 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtained management's cash flow forecast for the period up to September 2023;</li> <li>assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of the previous period and in the context of our understanding of the Group's future plans and operating conditions; and</li> <li>considered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment.</li> </ul>
<p><b>Business acquisition of Mawpump Pty Ltd</b> <i>(Refer to note 15: Intangible assets)</i></p> <p>During the year, the Group acquired the business of Mawpump Pty Ltd. The acquisition has been accounted for in accordance with AASB 3 <i>Business Combinations</i>.</p> <p>The business combination was considered to be a key audit matter due to the following:</p> <ul style="list-style-type: none"> <li>Accounting for this transaction is a complex and judgmental exercise. Management is required to determine the fair value of the assets acquired and liabilities assumed, in particular in determining the allocation of purchase consideration and separately identifiable intangible assets with the residual being goodwill; and</li> <li>The size of the acquisition has a significant impact on the Group's financial statements.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>We read the acquisition agreement to understand the key terms and conditions;</li> <li>We agreed the fair value of consideration paid to supporting evidence;</li> <li>We obtained audit evidence that the acquisition-date assets and liabilities of the business were stated at fair value based on the best available information at the balance date;</li> <li>We considered the accounting for the difference between consideration paid from the identifiable assets acquired, having regard to the Group's application of accounting concepts in accordance with AASB 3 <i>Business Combinations</i>; and</li> <li>We assessed the adequacy of the Group's disclosures in the financial report.</li> </ul>

### Carrying value of intangible assets

#### (Refer to note 15: Intangible assets)

The carrying value of intangible assets includes technology and intellectual property, and goodwill from business acquisitions during the current year and the prior year.

Intangible assets at 30 June 2022 were as follows:

Type	\$
<b>Intellectual property</b>	
- aMES® technology	3,174,267
- iBC® technology	109,032
-IP Portfolio	40,000
Goodwill – Multi-wet	300,407
Goodwill – Mawpump	1,275,780
<b>Total</b>	<b>4,899,486</b>

We considered the measurement and carrying amount of goodwill as well as of other intangible assets as a key audit matter due to the following:

- The evaluation and recoverable amount is based upon a value-in-use calculation which required significant judgement and estimation. In addition, the balance is material to the users of the financial statement and involved a significant amount of communication with management.

Our procedures included, amongst others:

- We critically evaluated management's methodology in the value-in-use model and the basis for key assumptions;
- We reviewed the mathematical accuracy of the value-in-use model;
- We performed sensitivity analysis around the key inputs used in the model;
- We considered the appropriateness of the discount rate used;
- We considered value-in-use to the carrying amount of the cash-generating unit; and
- We assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the 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 the other information we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors' for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 Australian Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar1.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 pages 20 to 29 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Parkway Corporate Limited for the year ended 30 June 2022 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.



**Nexia Perth Audit Services Pty Ltd**



**Muranda Janse Van Nieuwenhuizen**  
**Director**

Perth  
30 September 2022

## Shareholder Information

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders and option holders are shown in Tables 2, 3 and 4. Substantial shareholder notices that have been received by the Company are set out in Table 5.

**Table 1**  
**Shareholder spread as at 28 September 2022**

**Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)**

Spread of Holdings	No. Holders PWN
1-1,000	126
1,001-5,000	161
5,001-10,000	118
10,001-100,000	1,074
100,001 - and over	1,287
Total number of holders of securities	2,766
<b>Total number of securities</b>	<b>2,213,280,446</b>

### Shareholder spread as at 28 September 2022

The number of holders holding less than a marketable parcel of the entity's main class of securities as at 28 September 2022 are as follows:

NUMBER OF HOLDERS	NUMBER OF UNITS
1,123	25,305,241

**Table 2**  
**Top twenty shareholders as at 28 September 2022**

<u>Shareholder</u>	<u>No. Shares</u>	<u>Percentage</u>
1 ACTIVATED LOGIC PTY LTD	214,420,534	9.69
2 BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	164,312,159	7.42
3 PAN ANDEAN CAPITAL PTY LTD	142,000,000	6.42
4 BNP PARIBAS NOMINEES PTY LTD	94,307,748	4.26
5 HENADOME PTY LTD <THE ALBOW A/C>	67,500,000	3.06
6 HORN RESOURCES PTY LTD	43,445,858	1.96
7 MR MARK ANDREW TKOCZ	43,200,000	1.95
8 MR PATRICK BERNARD DAVID MCMANUS + MRS VIVIENNE EDWINA MCMANUS <MCMANUS SUPER FUND A/C>	31,572,486	1.43
9 CITICORP NOMINEES PTY LIMITED	27,577,470	1.25
10 LIONS BAY CAPITAL INC	25,000,000	1.13
11 MR DOUGLAS LEE COPLEY + MRS ELIZABETH COPLEY	23,000,000	1.04
12 SNICK INVESTMENTS PTY LTD	22,000,000	0.99
13 MR PAUL HOMEWOOD	21,000,000	0.95
14 MR GUY LEON BANDUCCI	18,000,000	0.81
15 WAH LEN ENTERPRISE SDN BHD	16,666,666	0.75
16 NOODLE XTRA ENTERPRISE PTY LTD	16,500,000	0.75
17 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,830,498	0.72
18 MR OLIVER CHARLES PITTS	14,665,760	0.66
19 MR PRADIP PATEL	14,000,000	0.63
20 HORN NOMINEES PTY LTD	12,250,000	0.55
	<b>1,027,499,179</b>	<b>46.42</b>



## Shareholder Information (continued)

**Table 3**  
**Substantial shareholders as at 28 September 2022**

<b><u>Shareholder</u></b>	<b><u>No. of shares</u></b>	<b><u>Percentage</u></b>
ACTIVATED LOGIC PTY LTD	214,420,534	9.69%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	164,312,159	7.42%
PAN ANDEAN CAPITAL PTY LTD	142,000,000	6.42%

### **Voting Rights**

The voting rights attached to each class of equity securities are set out below.

#### **(a) Ordinary shares**

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

### **Unlisted options as at 28 September 2022**

Details of unlisted option holders are as follow:

<b>Class of unlisted options</b>	<b>No. Options</b>
Options exercisable at \$0.02 on or before 16 December 2022	310,166,664
Holders of more than 20% of this class	0

## Tenement Register

### Tenements (Australia) as at 28 September 2022

#### Australian Projects – Karinga Lakes Potash Project

Tenement ID	Location	State	Interest*
EL32249	Karinga Lakes	NT	40%
EL32250	Karinga Lakes	NT	40%
EL32251	Karinga Lakes	NT	40%

\* Following recent satisfaction of the earn-in requirements, as announced on 24 June 2022, the KLPP-JV parties are working collaboratively to assign the Company's interest in the KLPP tenements and undertake the administrative process to register the Company's interest in a timely manner.

