



# MetalsGrove

MINING LIMITED

A S X | M G A

ACN 655 643 039

**Annual Report**  
**30 June 2022**

# MetalsGrove Mining Limited

## Annual Report - 30 June 2022

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## Corporate Directory

### Board of Directors

Richard Beazley

Independent Non-Executive Chair

Anbarasan (Sean) Sivasamy

Managing Director and CEO

Haidong Chi

Non-Executive Director

### Company Secretary

Jack Rosagro

### Registered Office

6/123A Colin Street

West Perth WA 6005

Telephone: 08 6388 2725

Email: [info@metalsgrove.com.au](mailto:info@metalsgrove.com.au)

Website: [www.metalsgrove.com.au](http://www.metalsgrove.com.au)

### Share Registry

Automic Pty Ltd

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: 1300 288 664

Email: [hello@automic.com.au](mailto:hello@automic.com.au)

Website: [www.automic.com.au](http://www.automic.com.au)

### Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

### Securities Exchange Listing

Shares in MetalsGrove Mining Limited are quoted on the Australian Securities Exchange under trading code MGA

## Chairman's Report

Dear valued shareholders,

It is with great pleasure that we offer to you our first annual report for the fiscal year 2022.

The past 12 months has been a transformational period for MetalsGrove culminating in the successful listing of the business on the ASX in July and the commencement of our pre-drilling exploration programs across both our WA and Northern Territory assets.

MetalsGrove has undoubtedly assembled a world-class portfolio of lithium, rare earth, copper, manganese, gold and base metal resources which provides investors with direct exposure to the rapidly growing global battery energy market.

As most shareholders would be aware, mineral demand for clean energy technologies is expected to continue to rise steeply and we believe our advanced exploration assets will be very well positioned to meet this growing demand over the coming years.

Since listing we have hit the ground running with the undertaking of systematic pre-drilling exploration work across our priority projects in WA and the Northern Territory. These initial work programs have very clearly highlighted the near-term exploration potential at our core projects and the set the foundations for our maiden drilling programs to commence in Q4 this year.

Our team has put in place an aggressive exploration pipeline for the next 12 months, with a priority focus on rapidly advancing the Upper Coondina Lithium and Bruce Rare Earth projects respectively.

I would like to take this opportunity to thank our entire Board and management team, our contractors and consultants for their commitment and expertise towards achieving our successful IPO and then quickly accelerating our exploration efforts on the ground.

I would also like to acknowledge all our stakeholders, including the Traditional Owners of our exploration ground, in Western Australia; Palyku-Jartayi Aboriginal Corporation and Nyamal Aboriginal Corporation and in the Northern Territory; Aboriginal Area Protection Authority, Huckitta Aboriginal Corporation, Ingkekure Aboriginal Corporation, Central Land Council, for their support and we look forward to working closely with them in the future.

Finally, thank you to our shareholders who share our vision for a clean energy future. We are truly excited about the future of your company.

MetalsGrove enters the new financial year well capitalised and with a clear focus on creating shareholder value through the systematic exploration of our highly prospective critical metals tenements.



Richard Beazley  
Independent Non-Executive Chair

Perth, Western Australia  
28 September 2022



## DIRECTORS' REPORT

Your Directors' present their report on the Consolidated Entity comprising MetalsGrove Mining Limited (the "Company" or "MGA" or "MetalsGrove") and its controlled entities (the Group) for the period from the date of incorporation, 26 November 2021 to 30 June 2022.

### Directors

The following persons held office as Directors of MetalsGrove Mining Limited from the date of incorporation to the date of this report, unless otherwise stated.

Name	Title	Appointment	Resignation
Richard Beazley	Independent Non-Executive Chair	22 Dec 21	
Anbarasan (Sean) Sivasamy	Managing Director and CEO	26 Nov 21	
Haidong Chi	Non-Executive Director	7 Jan 22	
Ayshwariya Anbarasan	Non-Executive Director	26 Nov 21	7 Jan 22
Hemalatha Anbarasan	Non-Executive Director	26 Nov 21	22 Dec 21

### Company Secretary

Mr Jack Rosagro was appointed on 6 January 2022.

Mr Sean Sivasamy was Company Secretary for the period 26 November 2022 to 6 January 2022.

### Information on Directors

<b>Richard Beazley</b>	<b>Independent Non-Executive Chair</b>
Qualifications	B.Eng. (Mining), MBA, AusIMM, MAICD
Experience	Mr Beazley is an experienced mining engineer with 35 years of experience with a strong corporate, operational and technical background in the resources industry. Throughout Mr Beazley's career, he has worked on projects throughout Australia, Africa and South America.  Mr Beazley's former roles include Chief Operating Officer of Sandfire Resources NL (ASX: SFR), Managing Director at Peak Resources Limited (ASX: PEK), General Manager Operations at Consolidated Minerals and General Manager – Southern Cross Operations at St Barbara Limited (ASX: SBM)
Interest in MGA Performance Rights and Options at the date of this report	400,000 Performance Rights 1,500,000 Unlisted Options at \$0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Interim Managing Director and CEO of Troy Resources Limited (September 2021 to date)
<b>Sean Sivasamy</b>	<b>Managing Director and CEO</b>
Qualifications	Mast. Geo, AusIMM, MAICD
Experience	Mr Sivasamy is a mining professional with more than 25 years global experience. He is the founder Director of the Company and has had previous director roles with Tambourah Metals (ASX: TMB) and Pilgangoora Minerals.  Mr Sivasamy is a skilled geologist. His professional contribution includes improving the efficiency of mining operations and optimising processing methods. During his working life prior to becoming an entrepreneur, he has identified a gold resource concession in Victoria, which eventually had an estimated gold deposits of circa 1m ounces and discovered a copper sulphide deposit in Western Australia. He has also identified four copper deposits in Queensland for further exploration and mining.
Interest in MGA Shares, Performance Rights and Options at the date of this report	6,410,000 fully paid ordinary shares 2,520,000 Performance Rights 1,100,000 Unlisted Options at \$0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Nil

Haidong Chi	Non-Executive Director
Qualifications	B.BA, MBA, Mast.Fin
Experience	Mr Chi is one of the early co-founders of Kimberly Metals Group and KMG Mining Pty Ltd. Mr Chi has been the Managing Director of the company's business operations, liaising with key relevant stakeholders, driving strategic company growth, and responsible for the overall performance of the business for more than 20 years.  Mr Chi has strong experience in market insights, strategic advice, business operations, financial performance, investments and ventures. He has delivered valued outcomes and maintained positive relations with business partners, shareholders and relevant authorities. Most recently Mr Chi, was a Vice President of US Capital Holdings Group, a US based private equity investment company that specialises in assisting Chinese companies gain access to international markets.
Interest in MGA Shares, Performance Rights and Options at the date of this report	5,330,000 fully paid ordinary shares 1,350,000 Performance Rights 1,500,000 Unlisted Options at \$0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Nil
Jack Rosagro	Company Secretary
Qualifications	B. Com, CS, FGIA
Experience	Mr Rosagro has 16 years experience in capital markets, share registry and governance. Mr Rosagro is currently company secretary for a number of ASX listed entities.

#### Meeting of Directors

The numbers of meetings of the Company's Board of Directors and of each Board committee held from the period of incorporation to the year ended 30 June 2022, and the numbers of meetings attended by each Director were:

	Board	
	A	B
Mr Richard Beazley	8	8
Mr Haidong Chi	8	7
Mr Anbarasan (Sean) Sivasamy	8	8
Ms Ayshwariya Anbarasan	-	-
Ms Hemalatha Anbarasan	-	-

A = Number of meetings held during the time the Director held office or was a member of the committee during the year.

B = Number of meetings attended.

#### Principal Activities

The Group's principal activity from the period of incorporation to 30 June 2022 was commencing an Initial Public Offer with the Company being admitted to the Official List of the Australian Securities Exchange on 4 July 2022.

#### Dividends

No dividends have been declared or paid from the period of incorporation to the year ended 30 June 2022.

#### Operating Results and Financial Position

The net result of operations for the period from incorporation to the 30 June 2022 was a loss of \$566,202.

#### Review of Operations

##### Corporate

The Company was incorporated on 26 November 2022 by Managing Director and CEO, Mr Sivasamy. Mr Beazley was appointed on 22 December 2021 and Mr Chi on 7 January 2022.

The Company undertook an Initial Public Offering (IPO) in May 2022, which completed on 27 June 2022. The Company was admitted to the Official List of the Australian Securities Exchange on 4 July 2022. The IPO raised a total of \$6.4 million, before costs.

The Company issued the following securities upon completion of the IPO:

- a) 32.0 million shares at an issue price of \$0.20 per share to raise \$6.4 million before costs;
- b) 5.0 million shares to OreMin Consultants Pty Ltd (a related party of Mr Sivasamy), at an issue price of \$0.20 per share, for the acquisition of tenements;
- c) 4.7 million shares to Shree Minerals Limited, at an issue price of 0\$.20 per share, for the acquisition of tenements;
- d) 0.950 million shares to the shareholders of Territory Lithium Pty Ltd, at an issue price of \$0.20 per share, for the acquisition of tenements;
- e) 0.500 million shares to Ventnor Securities Pty Ltd (Ventnor), at an issue price of \$0.20 per share, for Lead Manager services in relation to the IPO;
- f) 1.0 million options, exercisable at \$0.30 with an expiry of 27 June 2025 to Ventnor for Lead Manager services in relation to the IPO; and
- g) 4.270 million performance rights to the Directors.

## Exploration

### Northern Territory Portfolio Summary

#### Bruce Prospect

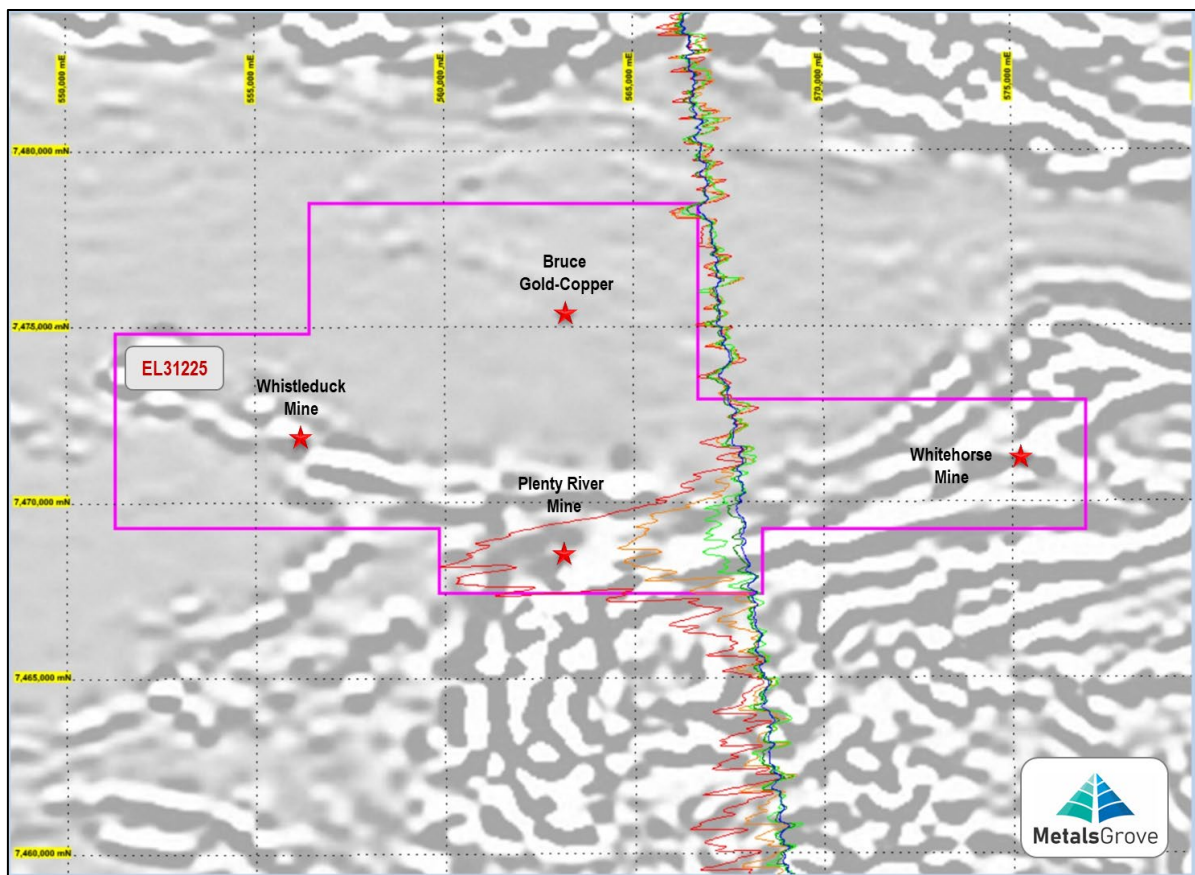
The Bruce Prospect is prospective for REE, copper-gold and LCT pegmatite mineralisation and is located within the broader Arunta Project.

During 2017-18 the Northern Territory Geological Survey (NTGS) completed an airborne electromagnetics survey at Bruce. The survey data was collected and re-processed by MetalsGrove.

As reported by the Company (see ASX announcement dated 20 July 2022), following a detailed review, MetalsGrove has identified a broad conductor along strike from the Plenty River mine which is adjacent to magnetic features interpreted to be components of the pegmatite intrusion. The broad conductor has not been tested to date.

A 3,954-line kilometre airborne magnetic and radiometric survey set at 50m spacings on a north-south traverse line is scheduled for September as the initial follow-up investigation to test the broad conductor.

Following completion of this initial work programme, an aggressive drilling programme is planned to test the bedrock conductor in October.



AEM stacked profiles over 2VD TMI Aeromagnetics at Bruce Prospect

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**Box Hole Prospect**

The Box Hole Prospect is prospective for base metal and REE mineralisation and is located within the broader Arunta Project. Historical data collection has been completed and the technical review is underway for completion in August.

Consultations are advancing with the aim of entering into access agreements to permit exploration at the Box Hole prospect.

A 1,147-line kilometre airborne magnetic and radiometric survey set at 50m spacings on a north-south traverse line is to be flown in August to allow for detailed lithological and structural mapping.

**Edwards Creek Prospect**

The Edwards Creek prospect includes the Edwards Creek Cu-Zn-Pb and Mueller Creek Cu-Au prospects. The historical data collection and technical review is underway and to be completed in August.

Consultations are ongoing with the aim of entering into access agreements to permit exploration at the Edwards Creek.

A 872-line kilometre of airborne magnetic and radiometric survey is planned to commence in August, with 50 and 100m spacings on an east-west traverse line to allow for detailed lithological and structural mapping.

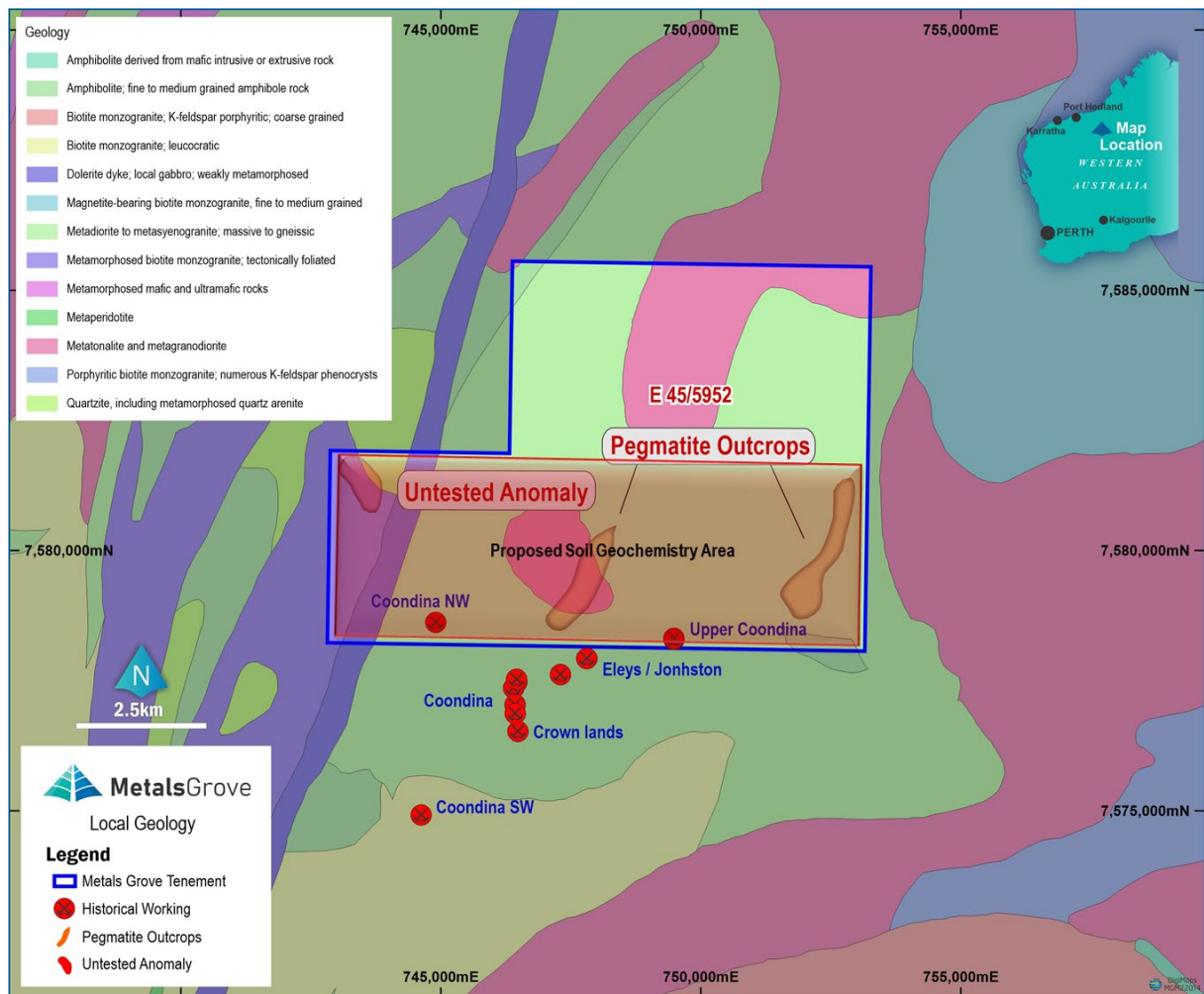
**Western Australia Portfolio Summary**

**Upper Coondina Project**

Historical exploration data collection has been completed and the technical review is underway.

A 590-line kilometre of airborne magnetic and radiometric survey is planned at 50m spacings on a north-south traverse line is scheduled in August to allow detailed lithological and structural mapping.

Concurrently a surface geochemical and surface sampling programme in the order of 2,500 samples has been planned and scheduled.



Upper Coondina tenement locations plan

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## Woodie Woodie North

Historical exploration data collection has been completed and the technical review is underway and to be completed in August.

A 1,596-line kilometre of airborne magnetic and radiometric survey is planned at 50m spacings on a north-south traverse line for August to allow for detailed lithological, structural and surface mapping.

### COVID-19 Pandemic Response

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. At the date of this report, the pandemic, together with the various Government measures so far introduced, have not significantly affected the Company itself, as outlined below.

The Company has implemented controls as necessary to protect the health and safety of its workforce and their families while ensuring a safe environment to allow activities to continue.

The Company's COVID-19 response protocols reinforce and operate concurrently with public health advice to include:

- social distancing protocols;
- suspension of large indoor gatherings;
- cancellation of all non-essential travel;
- flexible and remote working plans for employees;
- self-isolation following international travel, development of symptoms, or interaction with a confirmed case of COVID; and
- increased focus on cleaning and sanitation.

No adjustments have been made to the Group's result as at 30 June 2022 for the impacts of COVID-19. However, the scale and duration of possible future Government measures, and their impact on the Company's activities, necessarily remains uncertain.

### Likely Developments and Business Strategies

The likely developments of the Group and the expected results of those developments are to continue exploration activities on the Company's exploration projects.

The Company will continue to assess any other opportunities that are available that have strategic fit for the Company.

### Events Subsequent to the End of the Reporting Period

On 4 July 2022, the Company was admitted to the Office List of the Australian Securities Exchange following completion of its Initial Public Offering (IPO), raising approximately \$6.4 million before costs.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Environmental Regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to the discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. Subject to ongoing rehabilitation, the Group believes it has complied with all environmental obligations.

### Heritage and Community Relations

The Company recognises the importance of establishing relationships with the Traditional Owners that are based on trust and mutual advantage and are respectful of the needs and concerns of the communities located within the regions in which it operates. The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

## AUDITED REMUNERATION REPORT

This report sets out the remuneration arrangements in place for Directors and senior management of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of the report, Key Management Personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

### Key Management Personnel Covered in this Report

The names and positions of the KMP of the Company and the Group from the date of incorporation to 30 June 2022 were:

Richard Beazley	Independent Non-Executive Chair (appointed 21 Dec 2021)
Sean Sivasamy	Managing Director & Chief Executive Officer (appointed 26 Nov 2021)
Haidong Chi	Non-Executive Director (appointed 7 Jan 2022)
Ayshwariya Anbarasan	Non-Executive Director (appointed 26 Nov 2021, resigned 6 Jan 2022)
Hemalatha Anbarasan	Non-Executive Director (appointed 26 Nov 2021, resigned 22 Dec 2021)

### Overview

Remuneration levels for key management personnel are competitively set to attract the most qualified and experienced candidates. Details of the Company's remuneration strategy are set out below.

This remuneration report:

- explains the Board's policies relating to remuneration of key management personnel;
- discusses the relationship between these policies and the Company's performance; and
- sets out remuneration details for each of the key management personnel.

### Remuneration philosophy

The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable KMP remuneration.

### Non-Executive Directors Remuneration Policy

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct. The Company's policy is to remunerate Non-Executive Directors a fixed fee reflecting their time commitment and responsibilities.

Fees provided to Non-Executive Directors are inclusive of superannuation and salary sacrifice, if applicable.

Non-Executive Directors fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$350,000 per rolling 12-month period and is included in the Company's Constitution adopted on 26 November 2021, with shareholder amendments adopted on 14 February 2022. The Board may apportion any amount up to this maximum amount amongst the Non-Executive Directors as it determines. Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in performing their duties as Directors.

From time to time, the Company may grant options, performance rights or other equity-based incentives to Non-Executive Directors, subject to obtaining the relevant shareholder approvals. The grant of options, performance rights or other equity-based incentives is designed to attract and retain suitably qualified Non-Executive Directors. Options, performance rights or other equity-based incentives issued to Non-Executive Directors will not have any performance hurdles in accordance with the ASX Corporate Governance Principles and Recommendations, recognising that this may lead to bias in their decision-making and compromise their objectivity.

### Remuneration of Key Management Personnel

In adopting a remuneration strategy for KMP's, at all times the Company strives to seek a balance between preservation of cash proceeds and an equitable remuneration structure. To align KMP interests with that of shareholders, KMP have agreed to sacrifice a portion of their cash remuneration in lieu of performance rights and/or options, subject to market disclosure requirements upon appointment and the approval of shareholders on an annual basis.

In addition to the award of performance rights and/or options, the remuneration strategy comprises a fixed cash salary component, statutory superannuation contributions and where appropriate a potential merit-based performance bonus or other share based incentives in the Company.

Performance milestones are carefully nominated and weighted according to the management role and its connection with the relevant performance milestone. This structure is intended to provide competitive rewards (subject to performance) to attract and retain high calibre executives.

Performance rights and/or options are offered to KMP's at the discretion of the Board. Length of service with the Company, past and potential contribution of the person to the Company are also factors considered when awarding

performance rights to employees. The aware of discretionary performance bonuses are aligned with the ongoing performance assessment of the incumbent management team, following review and assessment by the Board of Directors.

Criteria used to determine potential merit based performance bonuses for the Managing Director and other KMP's during the exploration phase, is the setting of key objectives for each KMP and measuring performance against these objectives. Key objectives will normally include specific criteria where performance will be measured against progress indicators. These key objectives will largely be determinable by the objective assessment of performance by the Managing Director.

### Company Performance

The table below sets out summary information about the movements in shareholder wealth for the period of incorporation to 30 June 2022, noting that the Company was admitted to the Official List of the Australian Securities Exchange post financial period end.

	30 June 2022 \$
Revenue	3,000
Net loss before tax	566,202
Net loss after tax	566,202

### Terms of Employment

The terms of employment of the Managing Director and Chief Executive Officer have been formalised in an Executive Services Agreement and contain the following material terms:

Name	Fixed Remuneration	Variable Remuneration	Notice Period
Sean Sivasamy	\$270,000 pa exclusive of superannuation	Performance Rights	Requires a period of 6 months-notice by Company and Employee.

### Details of Remuneration

No remuneration was paid for the period from incorporation 26 November 2021 to 30 June 2022. The Directors will commence receiving remuneration from the date the Company's shares are quoted on the ASX being 4 July 2022.

The below table details the agreed remuneration per annum, exclusive of superannuation, from the date the Company's shares were quoted on the ASX:

Name	\$
Richard Beazley	58,000
Haidong Chi	48,000
Sean Sivasamy	270,000

The below table shows the fixed and variable remuneration for key management personnel from the period of incorporation to 30 June 2022:

	Short Term Benefit	Long Term Benefit	Share-based Payment		Total	Proportion of remuneration performance related
	Salary & Fees \$	Superannuation \$	Options \$	Performance Rights \$	\$	%
Richard Beazley	-	-	38,553	137	<b>38,690</b>	100%
Haidong Chi	-	-	38,553	454	<b>39,007</b>	100%
Sean Sivasamy	-	-	38,553	1,127	<b>39,680</b>	100%
Ayshwariya Anbarasan	-	-	-	-	-	-
Hemalatha Anbarasan	-	-	-	-	-	-
<b>Total</b>	-	-	<b>115,659</b>	<b>1,718</b>	<b>117,378</b>	

### Share holdings

The relevant interest of each of the key management personnel in the share capital of the Company as at 30 June 2022 was:

Name	Date of Incorporation 26 Nov 2021	Granted as compensation	On exercise of options/rights	Other Changes <sup>1</sup>	Held at 30 June 2022
Richard Beazley	-	-	-	-	-
Haidong Chi	-	-	-	5,000,000	5,000,000
Sean Sivasamy	10,000	-	-	6,300,000	6,310,000
Ayshwariya Anbarasan	-	-	-	-	-
Hemalatha Anbarasan	-	-	-	-	-

<sup>1</sup> Other changes represent shares issued through the completion of the Initial Public Offering.

### Long Term Incentives

Both Non-Executive and Executive Directors are entitled to participate in the Employee Securities Incentive Plan, which was included in the Company's Prospectus dated 13 May 2022 and announced on the Australian Securities Exchange 4 July 2022.

The granting of such incentives is subject to Board determination and discretion as to the timing of the grant and the number of shares, options or performance rights which may be granted. As such the long-term incentives are therefore now available to motivate and compensate executives as the Board determines.

### Performance Rights

During the period from incorporation to 30 June 2022, the Board granted long-term incentives as remuneration, in the form of performance rights, to the Managing Director and CEO, Mr Sivasamy and Non-Executive Directors Mr Beazley and Mr Chi.

Under the terms and conditions of the performance rights issued to the Directors, each performance right is converted to one fully paid ordinary share upon meeting the vesting criteria.

The performance rights vesting criteria is shown in the table below:

Tranche	Number of Performance Rights	Vesting Criteria
Class A	1,650,000	The Shares trade at a volume weighted average price of at least \$0.40 over a 20 day period (20 Day VWAP) within two years from the date of issue of the Class A Performance Rights.
Class B	1,450,000	The Shares trade at a 20 Day VWAP of at least \$0.50 within two years from the date of issue of the Class B Performance Rights.
Class C	1,170,000	The Company announcing any one of the following downhole drilling intercepts: a) at least 10m @ 1.25% Cu; or b) at least 10M @ 36% Mn; or c) at least 10m @ 1% Li, within two years from the date of issue of the Class C Performance Rights.

The following table details the amount of Performance Rights issued to each Director by Class:

Director	Class A	Class B	Class C	Total
Richard Beazley	250,000	150,000	-	400,000
Haidong Chi	700,000	650,000	-	1,350,000
Sean Sivasamy	700,000	650,000	1,170,000	2,520,000
Total	1,650,000	1,450,000	1,170,000	4,270,000

The following table details the valuation of the Performance Rights:

Director	Balance at 1 July 2021	Granted as Remuneration	Value Granted \$	Number Lapsed or Forfeited	Lapsed or Forfeited %	Converted to Shares on Vesting	Held at 30 June 2022	Maximum Value yet to Vest \$
R Beazley	-	400,000		-	-	-	400,000	
H Chi	-	1,350,000		-	-	-	1,350,000	
S Sivasamy	-	2,520,000		-	-	-	2,520,000	

There are no participating rights or entitlements inherent in the performance rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the performance rights. All shares allotted upon the vesting of performance rights will rank pari passu in all respect with other shares.



Performance rights have been valued using a Monte Carlo Share Price Simulation Model. The following table lists the inputs to the model for Director Performance Rights outstanding during the period:

	Class A	Class B	Class C
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	80%	80%	80%
Risk free frate (%)	2.90%	2.90%	2.90%
Expected life (years)	2	2	2
Exercise price (\$)	\$0	\$0	\$0
Grant date share price (\$)	\$0.20	\$0.20	\$0.20
Grant date (\$)	27 June 2022	27 June 2022	27 June 2022
Expiry date	27 June 2024	27 June 2024	27 June 2024
Number	1,650,000	1,450,000	1,170,000
Fair value at grant date (\$)	\$0.09	\$0.07	\$0.20

### Options

During the period from incorporation to 30 June 2022, the Board granted long-term incentives as remuneration, in the form of options, to the Managing Director and CEO, Mr Sivasamy and Non-Executive Directors Mr Beazley and Mr Chi.

Under the terms and conditions of the options issued to employees, each option gives the holder the right to subscribe to one fully paid ordinary share. Any option not exercised before the expiry date will lapse on the expiry date.

The below tables shows a reconciliation of options held by each Director during the year:

	Balance at 1 July 2021		Granted as Remuneration Value Granted	Vested		Held at 30 June 2022	
	Vested and exercisable	Unvested		No.	%	Vested and exercisable	Unvested
R Beazley	-	-	1,500,000	1,500,000	100%	1,500,000	-
H Chi	-	-	1,500,000	1,500,000	100%	1,500,000	-
S Sivasamy	-	-	1,500,000	1,500,000	100%	1,500,000	-

There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in all respect with other shares.

Options have been valued using the Black Scholes option valuation method. The following table lists the inputs to the model for Directors options outstanding during the period:

	Options
Dividend yield (%)	0%
Expected volatility (%)	80%
Risk free frate (%)	0.47%
Expected life (years)	3.0
Exercise price (\$)	\$0.30
Grant date share price (\$)	\$0.10
Grant date	22 Dec 21
Expiry date	21 Dec 24
Number	4,500,000
Fair value at grant date (\$)	\$0.026

### Other Transactions with KMP and their Related Parties

On 12 January 2022, the Company entered into a binding heads of agreement with OreMin Consultancy Pty Ltd (OreMin), a company of which Mr Sivasamy is the controller of, for the purchase of two tenements E45/5952 Upper Coondina and E45/5945 Woodie Woodie North. In consideration, OreMin received 5,000,000 shares in the Company on completion of its Initial Public Offer (IPO). This IPO completed on 27 June 2022 and the shares were issued to OreMin on this date.

There were no other transactions with KMPs or related parties during the year.

### END OF AUDITED REMUNERATION REPORT

### Options Granted over Unissued Shares

As at the date of this report, the following options over ordinary shares are on issue:

Issue Date	Exercise Price \$	Expiry	Amount
22 Dec 2021	\$0.30	21 Dec 2024	4,500,000
27 Jun 2022	\$0.30	27 Jun 2025	1,000,000
<b>Total</b>			<b>5,500,000</b>

### Performance Rights

As at the date of this report, the following options over ordinary shares are on issue:

Issue Date	Exercise Price \$	Expiry	Amount
27 Jun 2022	-	21 Dec 2024	4,270,000
<b>Total</b>			<b>4,270,000</b>

### Non- Audit Services

The auditor of the Company and the Consolidated Entity is Hall Chadwick WA Audit Pty Ltd (Hall Chadwick).

For the period of incorporation to the year ended 30 June 2022, Hall Chadwick, provided an Independent Limited Assurance Report required for the Company's Initial Public Offering. The total cost of these services was \$12,500.

The Board of Directors are satisfied that the provision of non-audit services by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of non-audit services provided do not compromise the independence of the auditor.

### 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 the following page.

### Indemnification of Auditors

The Company has not indemnified its auditors, Hall Chadwick WA Audit Pty Ltd.

### Indemnification and Insurance of Officers

The Company has taken out an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its current or former Directors or Officers and against liabilities for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company indemnifies each of the Directors and Officers of the Company. Under its Constitution, the Company will indemnify those Directors or Officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as Directors or Officers of the Company or any related entities.

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



Richard Beazley  
Chairman

Perth, Western Australia  
28 September 2022

To the Board of Directors

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead audit director for the audit of the financial statements Metalsgrove Mining Limited for the financial period ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 28<sup>th</sup> day of September 2022  
Perth, Western Australia

**MetalsGrove Mining Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the period 26 November 2021 to 30 June 2022**

	Notes	2022 <sup>1</sup>
		\$
Other income		3,000
Administrative & other expenses	5	(569,202)
<b>Loss before income tax</b>		<b>(566,202)</b>
Income tax expense	6	-
<b>Loss for the year</b>		<b>(566,202)</b>
<i>Items that may be reclassified to profit or loss:</i>		
Other comprehensive income		-
<b>Other comprehensive loss for the year attributable to owners of the Company</b>		<b>(566,202)</b>
<b>Loss per share attributable to ordinary equity holders:</b>		
Basic and diluted loss per share		(8.182)

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

<sup>(1)</sup> First reporting period and accordingly there are no comparatives.

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**MetalsGrove Mining Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2022**

	Notes	2022 <sup>1</sup> \$
<b>Current assets</b>		
Cash and cash equivalents	8	6,688,149
Other current assets	9	40,545
<b>Total current assets</b>		<b>6,728,694</b>
<b>Non-current assets</b>		
Exploration and evaluation	10	2,254,481
Property, plant and equipment		2,511
<b>Total non-current assets</b>		<b>2,256,992</b>
<b>Total assets</b>		<b>8,985,686</b>
<b>Current liabilities</b>		
Trade and other payables	11	645,597
<b>Total current liabilities</b>		<b>645,597</b>
<b>Total liabilities</b>		<b>645,597</b>
<b>Net assets</b>		<b>8,340,089</b>
<b>Equity</b>		
Contributed equity	12	8,701,577
Reserves		204,714
Accumulated losses		(566,202)
<b>Total equity</b>		<b>8,340,089</b>

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

<sup>(1)</sup> First reporting period and accordingly there are no comparatives.

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**MetalsGrove Mining Limited**  
**Consolidated Statement of Changes in Equity**  
**For the period ended 30 June 2022**

	Contributed equity	Share-based payment Reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>Balance as at date of incorporation</b>	-	-	-	-
Loss for the year	-	-	(566,202)	(566,202)
Total comprehensive loss for the year	-	-	(566,202)	(566,202)
<b>Transactions with owners in their capacity as owners:</b>				
Share-based payments issue	-	204,714	-	204,714
Issue of shares	8,701,577	-	-	8,701,577
<b>Balance as at 30 June 2022<sup>1</sup></b>	<b>8,701,577</b>	<b>204,714</b>	<b>(566,202)</b>	<b>8,340,089</b>

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

<sup>(1)</sup> First reporting period and accordingly there are no comparatives.

**MetalsGrove Mining Limited**  
**Consolidated Statement of Cash Flows**  
For the period 26 November 2021 to 30 June 2022

	Notes	2022 <sup>1</sup> \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees		(36,284)
<b>Net cash outflow from operating activities</b>	8	<b>(36,284)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment		(2,511)
Payments for exploration activities		(90,991)
<b>Net cash outflow from investing activities</b>		<b>(93,502)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues shares		7,207,490
Transaction costs from issue of shares		(389,555)
<b>Net cash inflow from financing activities</b>		<b>6,817,935</b>
Net increase in cash and cash equivalents		6,688,149
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the year <sup>1</sup></b>	8	<b>6,688,149</b>

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

<sup>(1)</sup> First reporting period and accordingly there are no comparatives.

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## **1 Corporate information**

The consolidated financial report of MetalsGrove Mining Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 28 September 2022. The Board of Directors has the power to amend the consolidated financial statements after issue.

MetalsGrove Mining Limited (the 'Company' or 'MetalsGrove') is a for-profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company and its subsidiaries were incorporated and domiciled in Australia. The registered office and principal place of business of the Company is 6/123A Colin Street, West Perth, WA 6005.

## **2 Reporting entity**

The Consolidated Financial Statements comprise of the Company and its subsidiaries, (together referred to as the 'Consolidated Entity' or the 'Group').

## **3 Basis of preparation**

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Consolidated Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are required to be measured at fair value.

As the Company was incorporated on 26 November 2021, there are no comparatives presented in this financial report.

### **a) Basis of consolidation**

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

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

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

### **b) Goods and services tax ('GST')**

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

- when 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, which 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 statement of financial position.

Cash flows are included in the statement of cash flows on a net 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.

## **4 Segment information**

### **Identification of reportable segments**

The Group is organised into one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

The Company operates in one reportable segment, being exploration in Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.



**5 Expenses**

	<b>2022</b>
	<b>\$</b>
<b>Administrative expenses</b>	
Investor relations	34,894
Insurance	7,500
Consultants	123,439
Administration costs	13,906
Occupancy costs	21,205
Share-based payments	204,714
IPO listing costs expensed	163,544
	569,202

**6 Income tax expense**

The prima facie income tax expense on pre-tax accounting losses from continuing operations reconciles to the income tax expense in the financial statements as follows:

	<b>2022</b>
	<b>\$</b>
<b>Loss from continuing operations before income tax</b>	566,202
Tax at the Australian tax rate of 25%	(141,551)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Other non-assessable items	27,928
Temporary differences not brought to account	113,623
Tax expense	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian Tax Law. There has been no change in this tax rate since the previous reporting period.

**Accounting Policy**

A deferred tax asset ('DTA') on the timing differences has not been recognised as they do not meet the recognition criteria as outlined in below. A DTA has not been recognised in respect of tax losses either as realisation of the benefit is not regarded as probable.

The taxation benefits will only be obtained if:

- a) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- b) the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- c) no changes in tax legislation adversely affect the consolidated entity in realising the benefits from the deductions for the loss.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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## 6 Income tax expense (continued)

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## 7 Loss per share

	2022 \$'000
Loss used in calculating basic and diluted loss per share	(566,202)
Loss used in calculating basic and diluted loss per share from continuing operations	(566,202)

	2022 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	6,920,185

Basic earnings/loss per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares by the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

## 8 Cash and cash equivalents

	2022 \$
Cash at bank and in hand <sup>1</sup>	6,688,149
	<b>6,688,149</b>

<sup>1</sup> \$6.4 million cash was restricted until the Company's admission to the Official List of the Australian Securities Exchange, which occurred on 4 July 2022.

### Accounting Policy

Cash and short-term deposits comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

### Reconciliation of loss for the year to net cash flows from operations:

	2022 \$
<b>Loss for the year</b>	<b>(566,202)</b>
Share-based payment expense	204,714
IPO costs expensed	163,544
Other	3,000
<b>Changes in operating assets and liabilities</b>	
Decrease/(increase) in other assets	(23,045)
(Decrease)/increase in trade and other payables	187,705
<b>Net cash flows from operating activities</b>	<b>36,284</b>

### Non-cash financing and investing activities:

Refer Note 12.

## 9 Other current assets

	2022 \$'000
Other current assets <sup>1</sup>	40,545
	<b>40,545</b>

<sup>1</sup> Other current assets represent the prepaid portion of the Group's corporate insurances and GST receivable.

**10 Exploration and evaluation expenditure**

	2022
	\$
Opening balance	-
Acquisition of WA projects <sup>1</sup>	1,000,000
Acquisition of NT projects <sup>2</sup>	1,140,000
Expenditure incurred	114,481
Closing balance	<b>2,254,481</b>

<sup>1</sup> On 27 June 2022, the Company issued 5.0 million fully paid ordinary shares at an issue price of \$0.20 per share to OreMin Consultants Pty Ltd for the purchase of E45/5945 and E45/5952 (WA projects).

<sup>2</sup> On 27 June 2022, the Company issued 0.950 million fully paid ordinary shares to Territory Lithium Pty Ltd, at an issue price \$0.20 per share, for the acquisition of the tenements EL 32420, EL32419 and EL31225 (NT projects). A further 4.75 million fully paid ordinary shares were issued to Shree Minerals Limited (Shree), at an issue price of \$0.20 per share, for the contractual rights that Shree had with third parties in relation to the NT projects.

**Accounting Policy**

The ultimate recoupment of costs carried forward for areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation, or sale, of the respective areas of interest. For areas which do not meet the criteria of the accounting policy, those amounts are charged to the Consolidated Statement of Comprehensive Income.

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the consolidated statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

**11 Trade and other payables**

	2022
	\$
Trade and other payables	645,597
	<b>645,597</b>

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured, non-interest bearing and are usually paid within 30 days of recognition.

**Accounting Policy**

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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## 12 Contributed equity

Issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received.

	Number of shares	\$
Issue of Incorporation Shares	10,000	100
Issue of Shares @ \$0.003	1,500,000	4,390
Issue of Shares @ \$0.10	5,000,000	500,000
Issue of Shares @ \$0.10	3,000,000	300,000
Issue of Shares through IPO @ \$0.20 <sup>1</sup>	32,000,000	6,400,000
Issue of Shares to OreMin <sup>2</sup>	5,000,000	1,000,000
Issue of Shares to TLPL <sup>3</sup>	950,000	190,000
Issue of Shares to Shree <sup>3</sup>	4,750,000	950,000
Issue of Shares to Ventnor <sup>4</sup>	500,000	100,000
Transaction costs	-	(742,913)
<b>As at 30 June 2022</b>	<b>52,710,000</b>	<b>8,701,577</b>

<sup>1</sup> On 13 May 2022, the Company issued a Prospectus for an Initial Public Offering for the purpose of supporting an application for listing on the Australian Securities Exchange. On 27 June 2022, the Initial Public Offering (IPO) was completed, with the Company being admitted to the Official List of the Australian Securities Exchange on 4 July 2022. As a result of the Initial Public Offering completing, 32 million fully paid ordinary shares were issued at an issue price of \$0.20 per share.

<sup>2</sup> On 27 June 2022, the Company issued 5.0 million fully paid ordinary shares at an issue price of \$0.20 per share to OreMin Consultants Pty Ltd for the purchase of E45/5945 and E45/5952 (WA projects). Refer note 10.

<sup>3</sup> On 27 June 2022, the Company issued 0.950 million fully paid ordinary shares to Territory Lithium Pty Ltd (TLPL), at an issue price \$0.20 per share, for the acquisition of the tenements EL 32420, EL32419 and EL31225 (NT projects). A further 4.75 million fully paid ordinary shares were issued to Shree Minerals Limited (Shree), at an issue price of \$0.20 per share, for the contractual rights that Shree had with third parties in relation to the NT projects. Refer note 10.

<sup>4</sup> On 27 June 2022, the Company issued 0.500 million fully paid ordinary shares to Ventnor Securities Pty Ltd at an issue price of \$0.20 per share, for services provider as Lead Manager of the Company's IPO.

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

### Capital risk management

The Group's debt and capital includes ordinary share capital and debt. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group is able to fund its future activities.

## 13 Share-based Payments

The Company provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The Company currently provides benefits under an Employee Incentive Scheme. This Scheme was provided in the Company's Prospectus dated 13 May 2022.

### Options

Each option entitles the holder, on exercise to one fully paid ordinary share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after the option has vested and any other conditions imposed by the Board on exercise are satisfied. The board may determine the vesting period, if any.

**13 Share-based Payments (continued)**

There are no voting or dividend rights attached the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary share when the options have been exercised.

The number and weighted average exercise prices of share options outstanding at 30 June 2022 is as follows:

2022	Weighted average exercise price \$	Number of options
Outstanding at the beginning of the year	-	-
Granted during the year	\$0.30	5,500,000
Exercised during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	\$0.30	5,500,000
Exercisable at the end of the year	\$0.30	5,500,000

The weighted average contractual life remaining as at 30 June 2022 is 2.57 years.

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The total expenditure recognised in the statement of comprehensive income is \$202,996.

The fair value of the options is estimated at the grant date using a Black Scholes option-pricing model. The following table lists the weighted average inputs to the model for the options outstanding during the period:

	2022
Dividend yield (%) (weighted average)	0%
Expected volatility (%) (weighted average)	80%
Risk free rate (%) (weighted average)	0.99%
Expected life (years) (weighted average)	3.0
Exercise price (\$) (weighted average)	\$0.30
Grant date share price (\$) (weighted average)	\$0.12
Number	5,500,000
Fair value at grant date (\$) (weighted average)	\$0.04

Refer to the Remuneration Report for details of the 4,500,000 options granted to the Directors during the year. The remaining 1,000,000 options were granted to the lead manager for the capital raising services undertaken for the Company's Initial Public Offering.

**Performance Rights**

There are no participating rights or entitlements inherent in the performance rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the performance rights. All shares allotted upon the vesting of performance rights will rank pari passu in all respect with other shares.

Under the terms and conditions of the performance rights granted, each performance right is converted to one fully paid ordinary share upon meeting the vesting criteria.

The performance rights vesting criteria is shown in the table below:

Class	Number of Performance Rights	Vesting Criteria
Class A	1,650,000	The Shares trade at a volume weighted average price of at least \$0.40 over a 20 day period (20 Day VWAP) within two years from the date of issue of the Class A Performance Rights.
Class B	1,450,000	The Shares trade at a 20 Day VWAP of at least \$0.50 within two years from the date of issue of the Class B Performance Rights.
Class C	1,170,000	The Company announcing any one of the following downhole drilling intercepts: a) at least 10m @ 1.25% Cu; or b) at least 10M @ 36% Mn; or c) at least 10m @ 1% Li, within two years from the date of issue of the Class C Performance Rights.

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### 13 Share-based Payments (continued)

Performance rights have been valued using a Monte Carlo Share Price Simulation Model. The following table lists the inputs to the model for Performance Rights outstanding during the period:

	Class A	Class B	Class C
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	80%	80%	80%
Risk free rate (%)	2.90%	2.90%	2.90%
Expected life (years)	2	2	2
Exercise price (\$)	\$0.00	\$0.00	\$0.00
Grant date share price (\$)	\$0.20	\$0.20	\$0.20
Grant date	27 June 2022	27 June 2022	27 June 2022
Expiry date	27 June 2024	27 June 2024	27 June 2024
Number	1,650,000	1,450,000	1,170,000
Fair value at grant date (\$)	\$0.09	\$0.07	\$0.20

The weighted average contractual life remaining as at 30 June 2022 is 1.99 years.

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The total expenditure recognised in the statement of comprehensive income is \$1,526.

#### Accounting Policy

The cost of share-based payments is recognised in employee benefits expense, together with a corresponding increase in Share-Based Payments Reserve in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the number of awards that, in the opinion of the Directors, will ultimately vest. Not adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. 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 award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

The Group measures the cost of equity-settled share-based payments at fair value at the grant using a Black Scholes option-pricing model by taking into account the terms and conditions upon which the instruments were granted.

### 14 Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk; credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and use of financial instruments and investment of excess liquidity where appropriate.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to related parties.



## 14 Financial risk management (continued)

### Interest rate risk

The Group's exposure to market risk for changes in interest rates arise from variable interest rate exposure on cash, fixed deposits and interest-bearing liabilities.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short-term, fixed rate and variable rate deposits with reputable high credit quality financial institutions. With interest bearing liabilities, consideration is also given to the potential renewal of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following table summarises the financial assets and liabilities of the Group, together with the effective interest rates as at the balance date.

2022	Fixed interest maturing in:					Average interest rates	
	Floating interest rate	< 1 year	1 – 5 years	> 5 years	Non-interest bearing	Floating	Fixed
	\$	\$	\$	\$	\$	%	%
Cash and cash equivalents	-	-	-	-	6,688,149	-	-
Trade and other receivables	-	-	-	-	40,545	-	-
Trade and other payables	-	-	-	-	645,597	-	-

As at 30 June 2022, a movement of 1% in interest rates, with all other variables being held constant, results in an immaterial movement in post-tax loss and equity.

The movements in loss after income tax are due to higher/lower interest costs from fixed and variable rate debt and cash balances during the relevant year. Reasonably possible movements in interest rates were determined based on observations of historical movements in the past two years.

The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

### Credit risk

Credit risk arises from the financial assets of the Group, and its exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the instruments. The Group's exposure to credit risk is minimal and results only from its exposure in cash and cash equivalents and trade receivables.

### Liquidity risk

The Group's objective is to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

2022	< 1 year	1 – 5 years	Total
	\$'000	\$'000	\$'000
Cash and cash equivalents	6,688,149	-	-
Trade and other receivables	40,545	-	-
Trade and other payables	(645,597)	-	-
<b>Net outflow</b>	<b>6,083,097</b>	<b>-</b>	<b>-</b>

## 15 Subsidiaries

The Consolidated Financial Statements include the financial statements of MetalsGrove Mines Limited and the subsidiaries listed in the following table:

Name of Entity	Country Incorporated	Class of Shares	Equity Holding
Territory Lithium Pty Ltd	Australia	Ordinary	100%

**16 Parent entity information**

	2022 \$
Current assets	6,728,695
Non-current assets	2,250,991
Current liabilities	639,597
Issued capital	8,701,577
Reserves	202,996
Accumulated losses	(564,484)
<b>Total equity</b>	<b>8,340,089</b>
Loss for the year	(564,484)
Total comprehensive loss for the year	(564,484)

The Company has no material contingent liabilities.

**17 Contingent assets and liabilities**

The Group had no contingent assets or liabilities at 30 June 2022.

**18 Remuneration of auditors**

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 \$
Auditing and reviewing of financial reports	6,577
Independent limited advisory services	13,500
	<b>20,077</b>

The auditor of the parent entity for the year ended 30 June 2022 and 31 December 2021 is Hall Chadwick WA Audit Pty Ltd.

**19 Commitments**

**Exploration and evaluation expenditure commitments**

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet the minimum expenditure requirements specified by various State and Territory Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in this financial report.

The minimum level of exploration commitment expected in the year ending 30 June 2023 for the Group is approximately \$122,375. These obligations are expected to be fulfilled in the normal course of operations.

**20 Related party transactions**

**Other transactions with related parties**

On 12 January 2022, the Company entered into a binding heads of agreement with OreMin Consultancy Pty Ltd (OreMin), a company of which Mr Sivasamy is the controller of, for the purchase of two tenements E45/5952 Upper Coondina and E45/5945 Woodie Woodie. In consideration, OreMin received 5,000,000 shares in the Company on completion of its Initial Public Offer (IPO). This IPO completed on 27 June 2022 and the shares were issued to OreMin on this date. This transaction was entered into at arm's length terms.

Refer to note 13 for the details of share-based payments granted to the Directors during the period.

There were no other transactions with KMPs or related parties during the year.

**21 Key management personnel disclosures**

**Details of key management personnel**

The names and positions of the KMP of the Company and the Group during the financial year were:

Richard Beazley	Independent Non-Executive Chair (appointed 21 December 2021)
Sean Sivasamy	Managing Director and CEO (appointed 26 November 2021)
Haidong Chi	Non-Executive Director (appointed 7 January 2022)

**Compensation of key management personnel**

	2022 \$
Short-term employee benefits	-
Post-employment benefits	-
Share-based payments	117,377
	<b>117,377</b>

## **25 Events occurring after the reporting period**

On 4 July 2022, the Company was admitted to the Office List of the Australian Securities Exchange following completion of its Initial Public Offering (IPO), raising approximately \$6.4 million before costs.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## **26 Critical accounting estimates and assumptions**

The preparation of the consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **Exploration and evaluation**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if rights to tenure of the area of interest are current and activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

## **27 Changes in accounting policy**

In the year ended 30 June 2022, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

## **28 New accounting standards and interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the period ended 30 June 2022 with relevant standards and interpretations outlined below.

- a) Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 July 2023)
- b) Classification of Liabilities as Current or Non-Current (effective 1 January 2023)
- c) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023)
- d) Definition of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023)
- e) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective 1 July 2023)

The Group has considered the impact of the abovementioned new accounting standards and interpretations on its Consolidated Financial Statements and assessed that the effect of the amendment will be minimal.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

In the Directors' opinion:

- (a) the Consolidated Financial Statements and notes and Remuneration Report are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

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

This declaration is made in accordance with a resolution of Directors.



Richard Beazley  
Chairman

Perth, Western Australia  
28 September 2022

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALSGROVE MINING LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of MetalsGrove Mining Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2022 and of its financial performance for the period then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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## 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>Exploration and Evaluation</b></p> <p>As disclosed in Note 10, the Consolidated Entity had an exploration and evaluation balance of \$2,254,481 as at 30 June 2022.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Consolidated Entity's financial position.</li> <li>• The level of judgement required in evaluating management's application of the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</li> <li>• The assessment of impairment of exploration and evaluation requires judgement.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements.</li> <li>• For each area of interest, we assessed the Consolidated Entity's rights to tenure on a sample basis by corroborating to agreements in place.</li> <li>• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.</li> <li>• Substantiated a sample of expenditure by agreeing to supporting documentation including acquisition agreements entered into during the period.</li> <li>• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:             <ul style="list-style-type: none"> <li>○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> <li>○ substantive expenditure for further exploration in the specific area is neither budgeted or planned decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> </ul> </li> </ul>

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Key Audit Matter	How our audit addressed the Key Audit Matter
	<ul style="list-style-type: none"> <li>○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.</li> <li>● Examined the disclosures made in the financial report.</li> </ul>

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity’s annual report for the period ended 30 June 2022, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report 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 Note 3, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity’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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

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## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

### Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the period ended 30 June 2022, complies with section 300A of the Corporations Act 2001.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 28<sup>th</sup> day of September 2022  
Perth, Western Australia

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2022.

#### Issued Equity Capital

	Ordinary Shares	Options	Performance Rights
Number of holders	410	9	3
Number on issue	52,710,000	5,500,000	4,270,000

#### Voting Rights

Voting rights, on a show of hands, are one vote for every registered holder of Ordinary Shares and on a poll, are one vote for each share held by registered holders of Ordinary Shares. Options and Performance Rights do not carry any voting rights.

#### Distribution of Holdings of Equity Securities

Holding ranges	Number of Equity Security Holders	
	Ordinary Shares	Units
1 – 1,000	7	1,657
1,001 – 5,000	15	59,152
5,001 – 10,000	130	1,256,753
10,001 – 100,000	189	7,531,249
100,001 and over	69	43,861,189
<b>Total</b>	<b>410</b>	<b>52,710,000</b>
Holding ranges	Number of Option Holders	
	Options	Units
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	2	200,000
100,001 and over	7	5,300,000
<b>Total</b>	<b>9</b>	<b>5,500,000</b>
Holding ranges	Number of Performance Rights Holders	
	Performance Rights	Units
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	3	4,270,000
<b>Total</b>	<b>3</b>	<b>4,270,000</b>

#### Unmarketable Parcels

The number of shareholders holding less than a marketable parcel (being 41,409 shares based on a share price of \$0.12 at 31 August 2021) was 18.

#### Substantial Shareholders

	Number of Ordinary Shares	Percentage (%)
Anbarasan (Sean) Sivasamy <sup>1</sup>	6,410,000	12.16%
Haidong Chi <sup>2</sup>	5,330,000	10.11%
Shree Minerals Limited <sup>3</sup>	4,750,000	9.01%
Bright Element Pty Ltd <sup>4</sup>	6,000,000	11.38%

1. As lodged on ASX on 13 Jul 2022.

2. As lodged on ASX on 14 Jul 2022.

3. As lodged on ASX on 25 Jul 2022.

4. As lodged on ASX on 26 Jul 2022.

#### On Market Buy Back

There is no current on-market buy-back.

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	OREMIN CONSULTANTS PTY LTD <SIVASAMY FAMILY A/C>	6,110,000	11.59%
2	BRIGHT ELEMENT PTY LTD <YUANLIU FAMILY A/C>	6,000,000	11.38%
3	MRS HUI AN	5,500,000	10.43%
4	FOUNTAIN STREAM PTY LTD <FOUNTAIN RIVER A/C>	5,000,000	9.49%
5	SHREE MINERALS LIMITED	4,750,000	9.01%
6	GOLDEN HOPE PTY LTD <THE WILLIAM FAMILY A/C>	1,500,000	2.85%
7	CENTENNIAL FOUNDA MANAGEMENT PTY LTD	750,000	1.42%
8	TRINITY DIRECT PTY LTD	729,160	1.38%
9	MRS HUI AN	500,000	0.95%
9	VENTNOR SECURITIES PTY LTD	500,000	0.95%
9	PJ & SL MOYLAN PTY LTD <MOYLAN FAMILY S/F A/C>	500,000	0.95%
10	TAMBOURAH METALS LIMITED	400,000	0.76%
10	PARKRANGE NOMINEES PTY LTD	400,000	0.76%
11	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	375,000	0.71%
12	TWIN FORCE PTY LTD	368,467	0.70%
13	MR HAIDONG CHI	330,000	0.63%
14	AUSTRALIA ELIM PTY LTD	300,000	0.57%
14	SIVASAMY NOMINEES PTY LTD <SIVASAMY SUPER FUND A/C>	300,000	0.57%
14	MR PETER VELDHUIZEN	300,000	0.57%
15	MR JASWINDER PAL SINGH SAHNI	270,416	0.51%
16	TOMMY'S SUPER (WA) PTY LTD <TOMMY'S SUPER FUND A/C>	250,000	0.47%
16	KEMBLA NO 20 PTY LTD <CAA A/C>	250,000	0.47%
16	MR BENEDETTO SALVATORE SCARAVILLI & MRS LILLIANA SCARAVILLI <B & L SCARAVILLI S/F A/C>	250,000	0.47%
16	SHAMROCK INVESTMENTS (WA) PTY LTD	250,000	0.47%
16	DR LISE MARGARET ASHTON	250,000	0.47%
16	MR TIMOTHY JOHN KING & MRS DEBBIE ANNE KING <T & D KING SUPER FUND A/C>	250,000	0.47%
16	MR VICTOR JAMES GLEESON	250,000	0.47%
16	FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER FUND A/C>	250,000	0.47%
16	MR SHANE TIMOTHY BALL <THE BALL A/C>	250,000	0.47%
16	MR BASIL YOUNG <BASIL YOUNG PRIVATE S/F A/C>	250,000	0.47%
16	TT NICHOLLS PTY LTD <TT NICHOLLS SUPER FUND A/C>	250,000	0.47%
16	MR PAI LIU	250,000	0.47%
16	MRS JUDITH SUZANNE PIGGIN & MR DAMIEN JAYE PIGGIN & MR GLENN ADAM PIGGIN <PIGGIN FAMILY S/F A/C>	250,000	0.47%
17	MS PHAROTH SAN & MR KADEN SAN <PKSAN SUPERFUND A/C>	237,746	0.45%
18	MARTIN ROBERT BENNETT	237,500	0.45%
18	RUDY KARL LENNARTZ	237,500	0.45%
18	KEITH ANTHONY MAYES	237,500	0.45%
18	ANITA KATHRYNE MILROY	237,500	0.45%
19	SANCERRE HOLDINGS PTY LTD <SANCERRE INVESTMENT A/C>	215,000	0.41%
20	YARRA RIVER CAPITAL MANAGEMENT PTY LTD	207,750	0.39%
20	MRS XIAOLING RUAN	207,750	0.39%
	<b>TOTAL</b>	<b>39,951,289</b>	<b>75.79%</b>

Corporate Governance

The Company's 2022 Corporate Governance Statement is available for in the Corporate Governance section of the Company's website:

This document is reviewed regularly to address any changes in governance practices and the law.

The below table details the Group's interest in mining tenements as at 30 June 2022.

Tenement	Location	Status	Registered Holder	Interest at 30 June 2022 <sup>1</sup>
E45/5952	Upper Coondina	Granted	OreMin Consultants Pty Ltd	-
E45/5945	Woodie Woodie North	Granted	OreMin Consultants Pty Ltd	-
EL 32420	Edwards Creek	Granted	Territory Lithium Pty Ltd	-
EL 31225	Bruce	Granted	Territory Lithium Pty Ltd	-
EL 32419	Box Hole	Granted	Territory Lithium Pty Ltd	-

<sup>1</sup> The Company had an agreement over the above tenements as at 30 June 2022, which crystallised upon successful admission to the official list of the Australian Securities Exchange. This occurred on 4 July 2022, at which point the Company became the beneficial holder of the tenements and/or registered holder.

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