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**ACN 110 150 055**

**Consolidated Interim Financial Report  
for the Half-Year  
Ended  
30 June 2023**

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## CORPORATE DIRECTORY

### Directors

Mr Peter Gunzburg (Non-Executive Chairman)  
Mr Brett Smith (Executive Director)  
Mr Grahame White (Non-Executive Director)  
Mr Patrick O'Connor (Non-Executive Director)

### Company Secretary

Ms Shannon Coates

### Key Management

Mr Daniel Broughton (Chief Financial Officer)

### Share Registry

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
GPO Box Melbourne VIC 3001  
Phone: (within Australia) 1300 850 505  
Phone: (outside Australia) +61 3 4915 4000  
Facsimile: +61 3 9473 2500

### Registered Office and Postal Address

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39 Mends Street  
South Perth WA 6151  
Phone: +61 8 9220 5700  
E-mail: [reception@metalsx.com.au](mailto:reception@metalsx.com.au)  
Website: [www.metalsx.com.au](http://www.metalsx.com.au)

### Securities Exchange

Australian Securities Exchange  
Central Park  
152-158 St George's Terrace  
Perth WA 6000  
ASX Code: MLX

### Domicile and Country of Incorporation

Australia

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## APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 31 December 2022 Annual Financial Report, and Directors' Report.

### Dividends

The Directors do not propose to pay any dividend for the half-year ended 30 June 2023.

### Key financial highlights from ordinary activities

Consolidated	6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2022 \$'000	Movement \$'000	Movement %
Revenue from continuing operations	62,536	121,233	(58,697)	(48%)
Cost of sales from continuing operations	(45,427)	(50,189)	4,762	(9%)
Profit for the period from continuing operations:	12,079	126,961	(114,882)	(90%)
Profit attributable to members:	12,079	134,531	(122,452)	(91%)
Net assets per share:	0.37	0.34	0.03	9%

The decrease in revenue for the Reporting Period can be primarily attributed to a significant decline in the price of tin between these periods.

Refer to the review of results included in the Directors' Report.

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## DIRECTORS' REPORT

For the half-year ended 30 June 2023

The Directors present their report together with the consolidated interim financial report of Metals X Limited (the "Company") and its controlled entities (together the "Consolidated Entity" or "Group") for the half-year ended 30 June 2023 ("Reporting Period") and the auditor's independent review report thereon.

### 1. DIRECTORS

The names of the Company's Directors in office during the Reporting Period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Name	Position	Date of Appointment
Peter Gunzburg	Independent Non-Executive Chairman	10 July 2020
Brett Smith	Executive Director	2 December 2019
Grahame White	Independent Non-Executive Director	10 July 2020
Patrick O'Connor	Independent Non-Executive Director	24 October 2019

### 2. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Company is a limited liability company and is domiciled and incorporated in Australia. The Company owns a 50% equity interest in the Renison Tin Operation through its 50% stake in the Bluestone Mines Tasmania Joint Venture and comprises the Renison Tin Mine located 15km north-east of Zeehan on Tasmania's west coast and the Mount Bischoff Project, placed on care and maintenance in 2010, which is located 80km north of Renison. The principal activities of the Group during the Reporting Period were:

- Investment in a joint venture company operating a tin mine in Australia; and
- Investments in companies undertaking exploration and development of gold<sup>1</sup> and base metals projects in Australia.

There have been no other significant changes in the nature of the Group's activities during the Reporting Period.

### 3. FINANCIAL RESULTS AND OVERVIEW

This financial results overview is for the half-year ended 30 June 2023. The comparative reporting period is the half-year ended 30 June 2022.

The Group achieved a consolidated profit after income tax of \$12.08 million (30 June 2022: Profit \$134.53 million) for the Reporting Period and shipped 1,902 tonnes of tin-in-concentrate (30 June 2022: 2,368 tonnes of tin-in-concentrate) to its tin customers. Other financial results for the Group include:

- Revenue from continuing operations: \$62.54 million (HY 2022: \$121.23 million);
- Cost of sales from continuing operations: \$45.43 million (30 June 2022: \$50.19 million);
- Net cash flows from operating activities: \$29.50 million (30 June 2022: \$91.50 million);
- Net cash flows used in investing activities: \$18.08 million (30 June 2022: \$14.72 million);
- Net cash flows used in financing activities: \$1.32 million (30 June 2022: \$0.88 million); and
- Cash and cash equivalents: \$124.03 million (31 December 2022: \$113.93 million).

<sup>1</sup>During the Reporting Period, the Company purchased approximately 34.43 million shares (representing 2.93% of the shares on issue) in Tanami Gold NL (ASX:TAM) at an average price of approximately \$0.034 cents per share representing a total payment of \$1.17 million (net of transaction costs).

#### 4. REVIEW OF OPERATIONS

##### Renison Tin Operation (50% MLX)

The Company owns a 50% equity interest in the Renison Tin Operation ("Renison") through its 50% stake in the Bluestone Mines Tasmania Joint Venture ("BMTJV").

Renison is one of the world's largest operating underground tin mines and Australia's largest primary tin producer. Renison is the largest of three major skarn, carbonate replacement, pyrrhotite-cassiterite deposits within western Tasmania. The Renison Mine area is situated in the Dundas Trough, a province underlain by a thick sequence of Neoproterozoic-Cambrian siliciclastic and volcanoclastic rocks. At Renison, there are three main shallow-dipping dolomite horizons which host replacement mineralisation. The major structure associated with tin mineralisation at Renison, the Federal Basset Fault, was formed during the forceful emplacement of the Pine Hill Granite during the Devonian and is also an important source of tin mineralisation.

The Renison strategy is focussed on continuing to increase Mineral Reserves net of depletion each year to maintain significant mine life and to deliver higher cash margins through an increased mining rate, grade, and recovery, whilst continuing to seek productivity improvements and reduce costs.

##### Renison Production Performance Summary (100% Basis)

Physicals	Unit	6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2022 \$'000	Movement \$'000	Movement %
UG ore mined	t	399,488	368,545	30,943	8.40%
UG grade mined	% Sn	1.50%	1.54%	(0.04%)	(2.60%)
Ore milled	t	338,306	325,042	13,264	4.08%
Mill grade	% Sn	1.68%	1.80%	(0.12%)	(6.67%)
Mill recovery	%	75.18%	79.15%	(3.97%)	(5.02%)
Tin produced	t	4,273	4,631	(358)	(7.73%)

- Tin produced during the Reporting Period has decreased when compared to 30 June 2022, despite increased tonnes mined. Challenges relating to high talc and sulphur levels have affected the recovery rates during the Reporting Period, which resulted in a decrease in tin produced. Methodologies to improve recoveries have been identified and implemented, including integrated mine plans and ROM blending regimes.
- The completion of the above works combined with the deferred access to the higher-grade stopes should lead to a further increase in tin production in the second half of 2023.
- As part of a review of the inventory estimation process, the BMTJV commenced incorporating final assay results from smelters into its production data. This strategic change provides a more precise and reliable estimation of the production levels and resulted in a year-to-date production adjustment of minus 45 tonnes of contained tin.
- As a result of the tin share rebalancing to ensure each joint venture partner receives its 50% share of tin-in-concentrate produced, the Group received 47% of total tin-in-concentrate tonnes shipped for the Reporting Period. The variance between 50% of the tin produced versus the Group shipment allocation is a result of the tin share rebalancing combined with the timing of when tin is produced versus when it is shipped.
- Further details about the Renison's production performance can be obtained from the Company's quarterly announcements available at <https://www.metalsx.com.au/quarterly-reports/>

#### 4. REVIEW OF OPERATIONS (continued)

##### Key Projects and Focus Areas

###### Area 5 Project

The Area 5 upgrade was completed during the Reporting Period and the Engineering, Procurement and Construction ("EPC") contractor demobilised from site.

Key activities during the Reporting Period included:

- HV Power Upgrade:
  - Design and manufacturing issues with Transformers T1 and T2 caused a number of uncontrolled power outages across the site. The root cause of these trips was identified, temporary fixes were implemented, and permanent rectification options developed and implemented with the supplier.
- Ventilation Upgrade:
  - Reaming of the Leatherwoods Fresh Air Raise ("FAR") commenced with 190m completed across the two legs of the raise. Adverse ground conditions impacted progress on the lower leg, resulting in the contractor pausing reaming and relocating to the upper leg whilst a mitigation plan is developed.
  - The No. 9 Return Air Raise ("RAR") ventilation system continues to deliver the required environmental condition improvements.
- Backfill Facility and Infrastructure:
  - Construction activities for the Paste Plant and Contaminated Water Treatment Plant ("CWTP") were completed, with only minor defect rectification works ongoing.
  - Successful rectification actions were taken following the underground reticulation pipework failure events to maintain paste delivery.
  - Premature failure of the underground paste valves, and consumption of the contingency spares, necessitated a partial redesign due to supply chain issues in securing replacements.
  - 12,000m<sup>3</sup> of paste was delivered underground.

Total Area 5 incurred and committed costs were \$70.70 million (31 December 2022: \$65.70 million) with a total forecast cost at completion of \$71.70 million (31 December 2022: \$68.70 million), including approved scope changes and a provision for any additional costs.

###### Metallurgical Improvement Program

The Metallurgical Improvement Program ("MIP") remains ongoing, with two projects outstanding. Key activities during the Reporting Period included:

- Installation of the tin flotation circuit reconfiguration occurred in July 2023 shutdown.
- Leach feed surge tank was commissioned and is operating as per design.

#### **4. REVIEW OF OPERATIONS (continued)**

##### **Thermal Upgrade Project and Rentails Project**

The Rentails project has progressed in-line with the major objectives of the 2023 study plan approved by the BMTJV committee<sup>2</sup>.

Key activities during the Reporting Period included:

- Thermal Upgrade Plant (“TUP”) Furnace Technology selection:
  - Advancing the Box fuming furnace trial at Yunnan Tin Group’s (“YTG”) Gejiu smelter.
  - Planning and preparation for the Ausmelt Top Submerged Lance (“TSL”) trial.
  - A preliminary kick-off of the Metso-Outotec Ausmelt TSL furnace process study with work planned to progress in parallel with the Ausmelt trial.
- Infrastructure Engineering:
  - A geophysical survey of the proposed process plant area was completed, with interpretation and reporting due for completion in Q3 CY2023.
  - A construction accommodation options study was progressed, and initial phase completed.
- Tailings Reclaim, Tailings and Water Management:
  - Track clearing to support the field works program was completed. Geotechnical test pitting was completed. Contractor engagement to complete the geotechnical and hydrogeological drill programs was progressed.
  - Compilation and review of existing geochemical and ground water information was completed, conceptual hydrogeological models developed, and the surface water monitoring program continued.
- Safety, Health, Environment & Community:
  - The final report for the comprehensive natural values survey was completed over proposed locations for infrastructure was received, with planning of required follow up work in progress.
  - A base-line socio-economic impact assessment was completed. Further work and calibration against stakeholder perspectives will be progressed over the coming period.
  - Commencement of stakeholder and community engagement.

The feasibility study is due for completion in early 2026.

##### **Mt Bischoff Project**

Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800’s. The project was placed on care and maintenance in 2010 and is entering a phase of rehabilitation. An updated rehab plan and budget is being prepared for discussion with the authorities.

<sup>2</sup> Refer ASX announcement: 16 January 2023, Rentails Thermal Upgrade Plant Trials.

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## **5. CORPORATE**

### **Investments – Convertible Notes, Shares and Options**

#### *Cyprium Metals Limited*

The Company continues to hold \$36.00 million in aggregate in convertible notes issued by Cyprium Metals Limited (“Cyprium”) (ASX:CYM) with an annual coupon rate of 4%. Cyprium securities were suspended from trading on 23 February 2023 pending an evaluation of possible alternative financing arrangements for the Nifty Copper restart. On 26 June 2023, Cyprium announced it had secured \$21.00 million of funding.

After the Reporting Period, Cyprium announced a capital raising via a placement and a proposed pro rata non-renounceable entitlement offer to raise up to approximately \$29.00 million before costs.

Cyprium securities remained suspended as at 30 June 2023. Cyprium has requested that the ASX lift the voluntary suspension of trading in its securities following the General Meeting and the issue of the shares under the placement (expected to occur in September 2023).

Further details on the activities of Cyprium are available from their ASX releases.

On 30 March 2023, the Company received the second annual payment of \$1.44 million as settlement of the 4% coupon payable under the terms of the convertible notes issued by Cyprium.

The first and second tranche of Cyprium Options have expired out of the money on 30 March 2022 and 30 March 2023 respectively.

#### *Nico Resources Limited*

Following completion of the sale of the Company’s Nickel Asset portfolio to Nico Resources Limited (“NICO”) and subsequent IPO, the Company received 21,000,000 fully paid ordinary shares (“NICO Shares”) and 25,000,000 Options (“NICO Options”).

At 30 June 2023, the Company continues to hold:

- 7,000,000 NICO Shares (unrestricted).
- 700,000 NICO Shares escrowed until 19 January 2024.
- 25,000,000 NICO Options, exercisable at \$0.25 each, escrowed until 19 January 2024, expiring 3 years after grant date and exercisable after 19 January 2024 and on or before 3 November 2024.

During the Reporting Period, the Company sold 8.00 million NICO Shares for a consideration of approximately \$3.99 million (net of transaction costs).

The Company is entitled to a 1.75% net smelter royalty on all metals produced from both the Wingellina Nickel-Cobalt Project and the Claude Hills Project.

#### *Tanami Gold NL*

During the Reporting Period, the Company purchased approximately 34.43 million shares (representing 2.93% of the shares on issue) in Tanami Gold NL (ASX:TAM) at an average price of approximately \$0.034 cents per share representing a total payment of \$1.17 million (net of transaction costs). The investment in Tanami Gold has been recorded as an investment in an associate.

## **6. DIVIDENDS**

No dividends were paid to members during the Reporting Period (2022: Nil).

The Directors do not propose to pay any dividend for the Reporting Period.

## **7. SIGNIFICANT EVENTS AFTER BALANCE DATE**

There are no significant events after period end as at the date of this report.

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

The Directors have received confirmation from the auditor of Metals X that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included on page 22 of this report.

**9. ROUNDING**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated), and where noted (\$'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

Signed in accordance with a resolution of the Directors.



**Brett Smith**  
Executive Director  
29 August 2023

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## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 30 June 2023

		6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2023 \$'000
<b>Continuing operations</b>	<b>Notes</b>		
Revenue	3	62,536	121,233
Cost of sales		(45,427)	(50,189)
<b>Gross profit</b>		<b>17,109</b>	<b>71,044</b>
Other income	4	6,323	7,589
General and administrative expenses		(1,424)	(1,686)
Commodity and foreign exchange gain		-	24
Finance costs		(216)	(132)
Share-based payment reversal		-	22
Fair value (loss)/gain in financial assets	7	(4,201)	7,574
Share of loss of associates	8	(540)	-
<b>Profit before tax</b>		<b>17,051</b>	<b>84,435</b>
Income tax (expense)/benefit	14	(4,972)	42,525
<b>Profit for the period from continuing operations</b>		<b>12,079</b>	<b>126,960</b>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	15	-	7,572
<b>Profit attributable to:</b>			
Members of the parent		12,079	134,532
<b>Total comprehensive income attributable to:</b>			
Members of the parent		12,079	134,532
<b>Basic and diluted earnings per share attributable to the ordinary equity holders of the parent (cents per share)</b>			
From continuing operations		1.33	13.99
From discontinued operations		-	0.83
<b>Total</b>		<b>1.33</b>	<b>14.83</b>

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the half-year ended 30 June 2023

	Notes	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents		124,027	113,929
Trade and other receivables	5	9,852	16,331
Inventories	6	29,878	22,949
Prepayments		2,543	1,160
Convertible note receivable	7	360	1,080
Derivative financial instruments	7	6,700	10,842
<b>Total current assets</b>		<b>173,360</b>	<b>166,291</b>
<b>Non-current assets</b>			
Other receivables	5	3,457	3,457
Convertible note receivable	7	30,004	29,343
Investment in associates	8	2,177	3,140
Property, plant, and equipment	9	79,799	68,073
Mine properties and development costs	10	50,164	45,999
Exploration and evaluation expenditure		352	352
Deferred tax asset		33,569	38,541
<b>Total non-current assets</b>		<b>199,522</b>	<b>188,905</b>
<b>Total assets</b>		<b>372,882</b>	<b>355,196</b>
<b>Current liabilities</b>			
Trade and other payables		15,825	13,104
Provisions	11	4,362	4,529
Interest bearing liabilities	12	4,062	1,930
<b>Total current liabilities</b>		<b>24,249</b>	<b>19,563</b>
<b>Non-current liabilities</b>			
Provisions	11	14,107	14,576
Interest bearing liabilities	12	2,799	1,409
<b>Total non-current liabilities</b>		<b>16,906</b>	<b>15,985</b>
<b>Total liabilities</b>		<b>41,155</b>	<b>35,548</b>
<b>Net assets</b>		<b>331,727</b>	<b>319,648</b>
<b>Equity</b>			
Issued capital	13	319,570	319,570
Accumulated losses		(15,658)	(27,737)
Share based payments reserve		27,815	27,815
<b>Total equity</b>		<b>331,727</b>	<b>319,648</b>

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2023

	6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2022 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	67,330	137,697
Payments to suppliers and employees	(41,421)	(46,944)
Interest received	3,700	733
Other receipts	14	95
Interest paid	(119)	(78)
<b>Net cash flows from operating activities</b>	<b>29,504</b>	<b>91,503</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(12,618)	(14,905)
Payments for mine properties and development	(8,278)	(5,809)
Proceeds from sale of investment in associate	3,991	5,954
Proceeds from sale of property plant and equipment	-	41
Payment for investment in associates	(1,177)	-
<b>Net cash flows used in investing activities</b>	<b>(18,082)</b>	<b>(14,719)</b>
<b>Cash flows from financing activities</b>		
Payment of lease and hire purchase liabilities	(1,324)	(884)
<b>Net cash flows used in financing activities</b>	<b>(1,324)</b>	<b>(884)</b>
Net increase in cash and cash equivalents	10,098	75,900
Cash at the beginning of the financial period	113,929	46,348
<b>Cash and cash equivalents at the end of the period</b>	<b>124,027</b>	<b>122,248</b>

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2023

	Issued Capital \$'000	Accumulated Losses \$'000	Share Based Payments Reserve \$'000	Total Equity \$'000
<b>At 1 January 2022</b>	332,406	(172,235)	27,837	188,008
Profit for the period	-	134,532	-	134,532
Total comprehensive profit for the period	-	134,532	-	134,532
<b>Transactions with owners in their capacity as owners</b>				
In-specie distribution	(12,836)	-	-	(12,836)
<b>Other</b>				
Share-based payment reversal	-	-	(22)	(22)
<b>At 30 June 2022</b>	319,570	(37,703)	27,815	309,682
<b>At 1 January 2023</b>	319,570	(27,737)	27,815	319,648
Profit for the period	-	12,079	-	12,079
Total comprehensive profit for the period	-	12,079	-	12,079
<b>At 30 June 2023</b>	319,570	(15,658)	27,815	331,727

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 30 June 2023

### 1. CORPORATE INFORMATION

The consolidated interim financial report of Metals X Limited (the “Company” or “Parent”) for the period ended 30 June 2023 (the “Reporting Period”) was authorised for issue in accordance with a resolution of the Directors on 29 August 2023.

The Company was incorporated and domiciled in Australia and is a for profit company limited by shares which are publicly traded on the Australian Securities Exchange. The functional and presentation currency of the Company is AUD. The Company’s registered office address is Unit 202, Level 2, 39 Mends Street, South Perth WA 6151.

### 2. SUMMARY OF ACCOUNTING POLICIES

#### a) Basis of preparation of the consolidated interim financial report

This consolidated interim financial report for the half-year ended 30 June 2023 are condensed general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the interim financial report be read in conjunction with the Company’s annual report for the year ended 31 December 2022 and considered together with any public announcements made by the Group during the half-year ended 30 June 2023 in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and the ASX listing rules.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues, and expenses of joint operations. These have been incorporated in the consolidated financial statements under the appropriate classifications.

The consolidated financial report has been prepared on a historical cost basis, except for certain financial instruments measured at fair value through profit and loss. The amounts contained in the consolidated financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191.

Both the functional and presentation currency of the Group is Australian dollars (A\$).

#### b) Statement of compliance

The consolidated financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

#### c) Basis of consolidation

The half-year report is comprised of the consolidated interim financial statements of the Consolidated Entity.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intercompany balances and transactions have been eliminated in full.

Controlled entities are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

Where there is loss of control of a controlled entity, the consolidated interim financial statements include the results for the part of the reporting period during which the Company has control.

#### d) New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2022. All relevant new and amended Accounting Standards and Interpretations which became applicable on 1 January 2023 have been adopted by the Group.

As a result of this review, the Directors have determined that there is no material impact of the new and revised accounting standards and interpretations on the Company and, therefore, no material change is necessary to the Company’s accounting policies.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the half-year ended 30 June 2023

**3. REVENUE**

	6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2022 \$'000
Revenue from contracts with customers – tin-in-concentrate	62,536	121,233

The decrease in revenue for the Reporting Period can be primarily attributed to a significant decline in the price of tin between these periods.

As a result of the tin share rebalancing to ensure each joint venture partner receives its 50% share of tin-in-concentrate produced, The Group received 47% of total tin-in-concentrate tonnes shipped for the Reporting Period. The variance between 50% of the tin produced versus the Group's shipment allocation is as a result of the tin share rebalancing combined with the timing of when tin is produced versus when it is shipped.

**4. OTHER INCOME**

	6 months to 30 Jun 2023 \$'000	6 months to 30 Jun 2022 \$'000
Interest income	3,909	1,489
Other income	14	1
Gain on sale of investment in associate	2,400	5,014
Grant of options	-	750
Profit on sale of property plant and equipment	-	335
<b>Total other income</b>	<b>6,323</b>	<b>7,589</b>

**5. TRADE AND OTHER RECEIVABLES**

	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
<b>Current</b>		
Trade receivables at fair value through profit or loss <sup>(i)</sup>	6,124	9,175
Other receivables at amortised cost <sup>(ii)</sup>	3,728	7,156
	<b>9,852</b>	<b>16,331</b>
<b>Non-current</b>		
Other receivables – performance bond facility <sup>(iii)</sup>	<b>3,457</b>	<b>3,457</b>

(i) On 30 June 2023, tin concentrate sales totalling 99 tonnes remained open to price adjustment (31 December 2022: 114 tonnes).

Trade receivables (subject to provisional pricing) are non-interest bearing but are exposed to future commodity price movements over the quotational period ("QP") and are measured at fair value through profit or loss up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. For tin concentrate 80% - 85% of the provisional invoice (based on the provisional price) is received in cash within four weeks of the arrival of shipment at smelter. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP.

(ii) Comprises cash calls advanced to the Bluestone Mines Tasmania Joint Venture Pty Ltd of \$1.29 million (31 December 2022: \$4.93 million), GST receivable of \$0.89 million (31 December 2022: \$0.76 million), interest receivable of \$0.75 million (31 December 2022: \$0.62 million) and other debtors of \$0.77 million (31 December 2022: \$0.77 million).

(iii) The performance bond facility is interest bearing and is used as security for government performance bonds. The fair value approximates cost.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the half-year ended 30 June 2023**

**6. INVENTORIES**

	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
Ore stocks at cost	2,158	2,387
Tin in circuit – at cost	150	125
Tin concentrate – at cost	19,039	13,042
Stores and spares at cost	9,931	8,632
Provision for obsolete and impairment stores and spares	(1,400)	(1,237)
	<b>29,878</b>	<b>22,949</b>

**Recognition and measurement**

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

During the Reporting Period, as part of a review of the inventory estimating process, the BMTJV commenced incorporating final assay results from smelters into its production data. This strategic change provides a more precise and reliable estimation of the production levels and resulted in a year-to-date production adjustment of minus 45 tonnes of contained tin.

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
<b>Current</b>		
Convertible notes	360	1,080
Derivative financial assets	6,700	10,842
	<b>7,060</b>	<b>11,922</b>
<b>Non-current</b>		
Convertible notes	30,004	29,343
	<b>30,004</b>	<b>29,343</b>

**Derivative financial assets and debt instruments**

Derivative financial assets are financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

At 30 June 2023, the Company holds:

- four (4) convertible notes with a value of \$9.00 million each, for an aggregate face value of \$36.00 million.
- 25.00 million NICO Options to acquire shares in NICO exercisable at \$0.25 per NICO Option with an expiry date of 3 November 2024.

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

**Estimates and judgments**

These financial assets other than the listed equity investments cannot be measured based on quoted prices in active markets and are therefore measured using alternative valuation techniques.

The convertible notes convey a right to receive cash upon maturity of 30 March 2025 or the option to convert the principle amount outstanding into shares of Cyprium. The convertible notes attract interest at a coupon rate of 4% per annum to be capitalised and paid annually, payable in cash unless the Company elects to receive the interest in fully paid ordinary Cyprium shares.

To determine the fair value of the convertible notes, the Company estimates the fair value of the right to receive the cash using discounted cash flow ("DCF") techniques and market interest rates. In addition, the Company adds the fair value of the conversion option, which is estimated using the Black Scholes valuation model. The inputs to this model and technique requires a degree of judgement, including consideration of the risk-free interest rate, Cyprium share price volatility and market coupon rates.

The Company's derivative financial instruments are NICO Options to acquire shares in NICO. To determine the fair value of these instruments, the Company has used a Black Scholes valuation model. The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free interest rate and NICO share price volatility.

	<b>At 30 Jun 2023</b>			
	<b>Quoted market price (Level 1) \$'000</b>	<b>Valuation technique market observable inputs (Level 2) \$'000</b>	<b>Valuation technique non-market observable inputs (Level 3) \$'000</b>	<b>Total \$'000</b>
Convertible notes <sup>1</sup>	-	-	30,364	30,364
Derivative financial instruments <sup>2</sup>	-	-	6,700	6,700
	-	-	<b>37,064</b>	<b>37,064</b>

  

	<b>At 31 Dec 2022</b>			
	<b>Quoted market price (Level 1) \$'000</b>	<b>Valuation technique market observable inputs (Level 2) \$'000</b>	<b>Valuation technique non-market observable inputs (Level 3) \$'000</b>	<b>Total \$'000</b>
Convertible notes <sup>1</sup>	-	-	30,423	30,423
Derivative financial instruments <sup>2</sup>	-	-	10,842	10,842
	-	-	<b>41,265</b>	<b>41,265</b>

<sup>1</sup> The carrying value of the convertible notes on inception was equivalent to \$35.07 million and on 30 June 2023 \$30.36 million (31 December 2022: \$30.42 million). The change in fair value resulted from (\$0.06 million) in remeasurement. To estimate the fair value of the convertible notes, the Company uses a DCF technique, applying market interest rates.

In addition, the Company adds the fair value of the conversion option. Exercising the conversion option would result in the Company receiving 101.38 million Cyprium shares. The fair value is estimated using a Black Scholes valuation model. The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free interest rates, Cyprium share price volatility and market interest rates.

<sup>2</sup> The derivative financial assets represent 25.00 million NICO Options to acquire shares in NICO. The fair value of the NICO Options was determined using a Black Scholes valuation model, which considers factors including the option's exercise prices, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at measurement date and the expected life of the NICO Options.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the half-year ended 30 June 2023**

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

The inputs used to value the convertible notes at 30 June 2023 and 31 December 2022 are as follows:

	<b>B&amp;S Model</b>	<b>DCF</b>	<b>Total Fair Value at 30 Jun 2023 \$'000</b>
Expected volatility	90%	-	
Risk-free interest rate	4.175%	-	
Expected life	1.75 years	1.75 years	
Options exercise price	\$0.3551	-	
Share price at valuation date <sup>1</sup>	\$0.040	-	
Expiry date/maturity date	30 Mar 2025	30 Mar 2025	
Face value of convertible notes	-	\$36.00 million	
Market interest rates	-	16%	
Fair value per instrument	\$0.002	-	
Number of instruments	101,379,893	-	
<b>Total Fair Value at 30 June 2023</b>	<b>203</b>	<b>30,161</b>	<b>30,364</b>

<sup>1</sup>At 30 June 2023 Cyprrium remained in voluntary suspension, and on 12 July 2023 Cyprrium announced a capital raising at an offer price of \$0.04 per share. The Company has used \$0.040 per share in the valuation of the Cyprrium Options. The last traded price of Cyprrium was \$0.11 on 20 February 2023.

The inputs used to value the convertible notes at 31 December 2022 are as follows:

	<b>B&amp;S Model</b>	<b>DCF</b>	<b>Total Fair Value at 31 Dec 2022 \$'000</b>
Expected volatility	100%	-	
Risk-free interest rate	3.41%	-	
Expected life	2.25 years	2.25 years	
Options exercise price	\$0.3551	-	
Share price at valuation date	\$0.105	-	
Expiry date/maturity date	30 Mar 2025	30 Mar 2025	
Face value of convertible notes	-	\$36.00 million	
Market interest rates	-	20%	
Fair value per instrument	\$0.030	-	
Number of instruments	101,379,893	-	
<b>Total Fair Value at 31 December 2022</b>	<b>3,041</b>	<b>27,382</b>	<b>30,423</b>

**NICO Options**

The fair value of the 25.00 million NICO Options at 30 June 2023 is \$6.70 million (31 December 2022: \$10.63 million).

**Cyprrium Options (expired)**

On 30 March 2023, the second tranche of 20.30 million Options ("T2") expired out of the money (31 December 2022: 20.30 million Options \$0.22 million).

Exercising the Options can result in bonus shares being awarded to the Group depending on the copper price on the date of exercise. To accommodate the additional award, the Group has estimated the fair value of the bonus shares that are most likely to be awarded at the exercise dates, which is judged to be the expiry dates. The number of bonus shares to be awarded is estimated with reference to forecast copper prices on the expiry dates and applying the pre-set factor. The increase in fair value is then calculated by applying that factor to the number of Cyprrium Options converted and multiplying by the price of Cyprrium shares, on the measurement dates.

The inputs used to value the NICO and Cyprrium Options at 30 June 2023 and 31 December 2022 are as follows:

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the half-year ended 30 June 2023**

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

The inputs used to value the Options at 30 June 2023 are as follows:

	<b>NICO Options \$'000</b>
Expected volatility	80%
Risk-free interest rate	4.175%
Expected life of options	1.35 years
Options exercise price	\$0.25
Share price at measurement date	\$0.465
Expiry date/maturity date	3 Nov 2024
<b>Fair value as at 30 June 2023</b>	<b>6,700</b>

The inputs used to value the NICO and Cyprrium Options at 31 December 2022 are as follows:

	<b>NICO Options</b>	<b>Cyprrium T2 Options</b>	<b>Cyprrium T2 Bonus Shares</b>	<b>Total Fair Value at 31 Dec 2022 \$'000</b>
Expected volatility	85%	100%	-	
Risk-free interest rate	3.41%	3.41%	-	
Expected life of options	1.84 years	0.24 years	-	
Options exercise price	\$0.250	\$0.3551	-	
Share price at measurement date	\$0.615	\$0.105	\$0.105	
Forecast copper price per tonne	N/A	\$US 7,700	-	
Bonus share factor/award	N/A	1.1x	2.027 m	
Expiry date/maturity date	3 Nov 2024	30 Mar 2023	-	
<b>Fair value as at 31 December 2022</b>	<b>10,625</b>	<b>4</b>	<b>213</b>	<b>10,842</b>

A quantitative sensitivity analysis as at 30 June 2023 is shown below:

<b>Instrument</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Value</b>	<b>Sensitivity of the input to fair value</b>
Convertible notes	DCF	Market interest rates	16%	+/(-) 1.5% change in the market interest rate would result in a change in fair value by \$0.65 million and (\$0.65) million
	Black Scholes	Volatility	90%	+/(-)10% change in volatility would result in a change in fair value of approximately \$0.10 million and approximately (\$0.10) million.
	Black Scholes	Share price at valuation date	\$0.040	Using the last traded price of the Cyprrium shares (\$0.11) would result in a change in fair value of \$1.82 million
Derivative financial instruments – NICO Options	Black Scholes	Volatility	80%	+/(-)10% change in volatility would result in a change in fair value of \$0.27 million and (\$0.26) million.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the half-year ended 30 June 2023**

**8. INVESTMENT IN ASSOCIATES**

The Company's investment in associates pertain to its shares in NICO and Tanami Gold. The balance has been measured initially as the cost paid by the Company for its shares. The carrying amount of the investment is adjusted to recognise changes in the Group's share of losses of the associate following the acquisition date.

During the Reporting Period, the Company sold 8.00 million NICO shares at an average price of \$0.50 cents per share for a total of \$3.99 million net of transaction costs. As at 30 June 2023, the Company holds 7.70 million NICO shares (31 December 2022: 15.70 million) with an equity accounted value of \$1.00 million. (31 December 2022: \$3.14 million). During the Reporting Period the Company has recognised a \$0.54 million loss in its investment in NICO representing its weighted average share of losses incurred by NICO.

The Company is entitled to a 1.75% net smelter royalty on all metals produced from both the Wingellina Nickel-Cobalt Project and the Claude Hills Project.

During the Reporting Period, the Company purchased approximately 34.43 million shares (representing 2.93% of the shares on issue) in Tanami Gold NL (ASX:TAM) at an average price of approximately \$0.034 cents per share representing a total payment of \$1.17 million (net of transaction costs). At 30 June 2023, there has been no material change in the value of Tanami Gold's net assets, and the Company's equity accounted share of loss of Tanami Gold for the Reporting Period is immaterial. The 34.43 million Tanami Gold shares are carried at a cost of \$1.17 million.

**9. PROPERTY, PLANT AND EQUIPMENT**

During the Reporting Period, the Group acquired assets with a cost of \$14.03 million (30 June 2022: \$15.80 million) in relation to property, plant, and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. No impairment was recognised during the Reporting Period.

**10. MINE PROPERTIES AND DEVELOPMENT**

During the Reporting Period, the Group paid \$8.28 million (30 June 2022: \$5.81 million) in relation to mine properties and developments costs.

**11. PROVISIONS**

	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
<b>Current</b>		
Provision for annual leave	3,160	3,293
Provision for long service leave	1,197	1,231
Other provisions	5	5
	<b>4,362</b>	<b>4,529</b>
<b>Non-current</b>		
Provision long service leave	710	594
Provision for rehabilitation	13,397	13,982
	<b>14,107</b>	<b>14,576</b>

**Provision for long service leave**

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

**Rehabilitation**

Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the consolidated statement of comprehensive income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability.

**12. INTEREST BEARING LOANS AND BORROWINGS**

	At 30 Jun 2023 \$'000	At 31 Dec 2022 \$'000
<b>Current liabilities</b>		
Lease liabilities relating to right-of-use assets	-	14
Hire purchase liabilities	4,062	1,916
	<b>4,062</b>	<b>1,930</b>
<b>Non-current liabilities</b>		
Hire purchase liabilities	2,799	1,409
	<b>2,799</b>	<b>1,409</b>

**13. ISSUED CAPITAL**

	30 Jun 2023	31 Dec 2022	30 Jun 2023 \$'000	31 Dec 2022 \$'000
Ordinary shares fully paid	907,266,067	907,266,067	319,570	319,570
			\$'000	No. of Shares
<b>Movements in issued capital</b>				
Balance at 1 January 2023			319,570	907,266,067
Balance at 30 June 2023			<b>319,570</b>	<b>907,266,067</b>

**14. INCOME TAX**

During the Reporting Period, the Company recognised an income tax expense of \$4.97 million (30 June 2022: income tax benefit of \$42.53 million relating to the recognition of previously unrecognised tax losses). At 30 June 2023, there are unrecognised transferred losses of \$156,534,000 (31 December 2022: \$156,534,000) for the Group subject to a restricted rate of utilisation.

**15. PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS**

On 7 January 2022, the Nickel asset portfolio including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia, was demerged from the Group and sold to Nico Resources.

The fair value of the Nickel assets at demerger was \$12.84 million, which was determined by multiplying the Consideration Shares by approximately \$0.513 representing the 5-day VWAP from the date of Nico Resources listing on the ASX. The carrying value of the Nickel asset disposal group was \$5.27 million. The results of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2022 are set out below.

	7 Jan 2022 \$'000
<b>Consideration received:</b>	
Fair value of consideration shares	12,836
Carrying value of Nickel assets disposal group	(5,264)
<b>Profit on disposal of Nickel assets</b>	<b>7,572</b>

**16. COMMITMENTS**

At 30 June 2023, the Group had the following commitments:

Capital expenditure commitments of \$8.34 million principally relating to plant and equipment upgrades and replacements at Renison (31 December 2022: \$9.75 million); and tenement lease commitments of \$2.41 million relating to tenements on which mining, and exploration operations are located (31 December 2022: \$2.44 million).

**17. SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There are no significant events after period end as at the date of this report.

## DIRECTORS' DECLARATION

For the half-year ended 30 June 2023

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In accordance with a resolution of the Directors of Metals X Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 30 June 2023 and the performance for the half-year ended on that date of the Consolidated Entity; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; 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.

On behalf of the Board



**Brett Smith**  
Executive Director  
29 August 2023

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## **Auditor's independence declaration to the directors of Metals X Limited**

As lead auditor for the review of the half-year financial report of Metals X Limited for the half-year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Metals X Limited and the entities it controlled during the financial period.

*Ernst & Young*

Ernst & Young

*Gavin Buckingham*

Gavin Buckingham  
Partner  
29 August 2023





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## Independent auditor's review report to the members of Metals X Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Metals X Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated interim statement of financial position as at 30 June 2023, the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst & Young*

Ernst & Young

*Gavin Buckingham*

Gavin Buckingham  
Partner  
Perth  
29 August 2023

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