NARRYER METALS

ACN 651 575 898
& Controlled Entities

Interim Financial Report

For The Half Year Ended 31 December 2023

CONTENTS

Directors' Report

This financial report includes the consolidated financial statements and notes of Narryer Metals Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

Directors

Mr Richard Bevan	Non-Executive Chairperson and Director
Mr Gavin England	Managing Director
Mr Damon O'Meara	Non-Executive Director
Mr Phil Warren	Non-Executive Director

Review of Operations

Narryer Metals Limited (**Narryer** or **Company**) (ASX:NYM) is a critical minerals exploration company with four wholly owned projects (Narryer, Rocky Gully, Ceduna and Sturt Projects) in strategic geological domains in both Western and South Australia. (Figure 1). During the period Narryer acquired five lithium prospective assets in Quebec and Ontario, Canada and exercised to option over the Rocky Gully project to complete the acquisition of this project.

The Company's focus during the Period completing an initial fieldwork program on the Canadian lithium assets acquired. A regional targeting exercise in Canada also identified the Sapawe Lithium Project in the Thunder Bay region of NW Ontario which was staked by the Company. The Company also undertook a review and rationalisation of its Australian assets to focus on target areas in WA and SA.

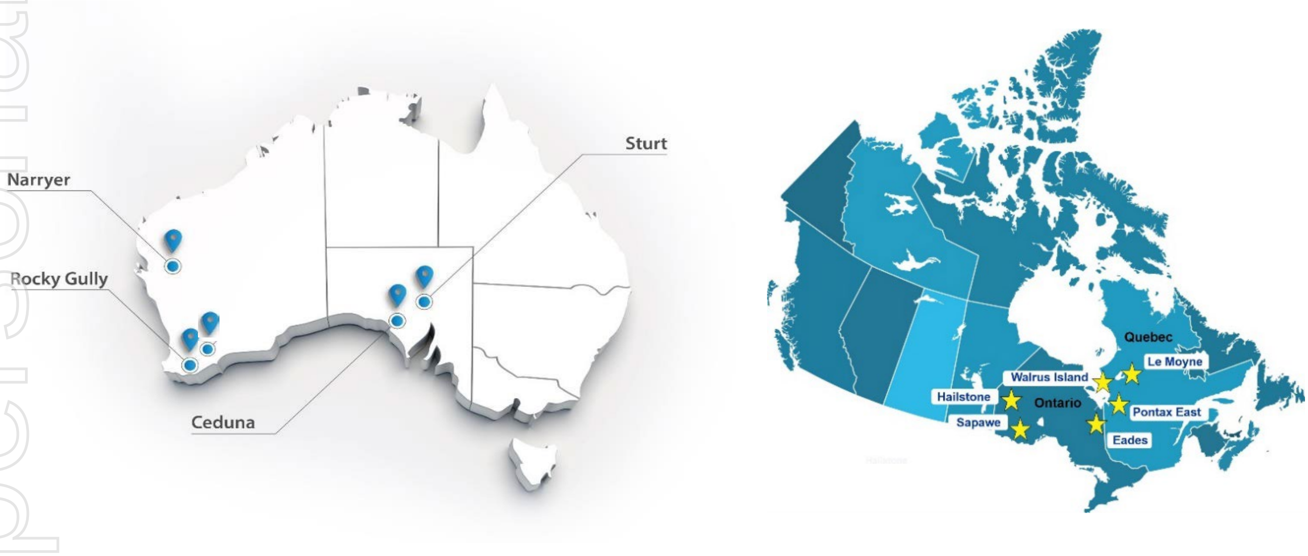

Figure 1: Location of Narryer Metals Limited's critical minerals projects in Australia and Canada

Narryer Project – Western Australia

The Company is focussed on the discovery of high-value, magmatic Ni-Cu-PGE sulphide deposits and ionic clay adsorption REE mineralisation at the Mt Nairn, Beringarra and Mt Gould tenements. This project covers the Narryer Terrane and are located along the western edge of the Archaean Yilgarn Craton. This portion of the craton has been identified as the West Yilgarn Ni-Cu-PGE Province and hosts the Ni-Cu-PGE Julimar discovery.
During the Period, the Company completed fieldwork at the Mt Gould and Taccabba areas including a soil survey and rock chip sampling. Follow up work will be undertaken in coming months on several key targets identified during this work, including a potential new gold and gallium target.
The Company also undertook a review and rationalisation of its tenement holding, significantly reducing its ground holding in the area to focus on:

- the key the greenstone belt around the Milly Milly area at Mt Nairn, where the Company believes is most prospective for base metals;
- the Taccabba Intrusive at Mt Nairn, which is prospective for Ni-Cu-PGE, REE and Gallium; and
- the northern portion of the Mt Gould tenement, which is prospective of Ni-Cu-PGE and with a new gold target having been identified.

Directors' Report

Rocky Gully

During the period, the Company completed the acquisition of 100% of the issued capital of Rocky Gully Exploration Pty Ltd in consideration the Company paid $80,000 cash and issued 918,575 Shares to the Rocky Gully vendor. The project comprises two exploration tenements (EL 70/5037 and EL 70/6140) covering 78 km^2, hosted in the Proterozoic western Albany-Frazer Mobile Belt). The project is located on farming and plantations land, approximately 43 km west of Mt Barker and 80 km north-west of the port town of Albany. The Rocky Gully project is a key exploration focus for the Company in Australia and the next phase of exploration is an air core drilling program to better define the geology and geochemical targeting, followed by diamond drilling of the carbonite target which will be co-funded by the WA government following the Company's successful application for an Exploration Incentive Scheme grant.

Ceduna and Sturt Projects

The Sturt and Ceduna Projects comprise of three exploration tenements in the Gawler Craton of South Australia. The projects primarily target magmatic hosted Ni-Cu-Co-PGE-REE mineralisation. Data derived from previous exploration and new government-funded geological studies of the Gawler Craton has helped identify underexplored prospective mafic-ultramafic intrusive along major crustal structures, similar in characteristic to both Julimar (SW Yilgarn) and Nova Bollinger (Albany Frazer Belt) deposits in Western Australia. Historic drilling in the project area has shown evidence of Ni sulphide mineralisation and anomalous PGE mineralisation. Previous work by Narryer has also examined the clay hosted REE mineralisation potential, by assaying previous drill samples stored at the SA Geological Survey.

The Company has now reduced its ground holding at Ceduna to focus on these targets defined Ni-Cu-PGE and REE target areas. Other work in South Australia has been to develop a Native Title agreement at the Sturt Project.

Canadian Projects

During the period, the Company completed the acquisition of 100% of the issued capital of KAV Resources Pty Ltd, that held a 100% interest in several mining claims comprising five lithium exploration properties located in Quebec and Ontario, Canada. The Company issued 5,000,000 Shares (escrowed for 12 months) and 2,500,000 Options ($0.30, 3 years) to the KAV vendors as part of the Initial Consideration for the acquisition of the Projects.

The Canadian lithium projects acquired cover 124 km^2 in the James Bay (Quebec), Abitibi and NW Ontario regions. The much sought after tenure, is in areas of active lithium exploration and mine development, and one of the most prospective critical minerals jurisdictions in the world.

Three of the projects (Pontax East, Walrus Island and Le Moyne) are located in prospective Archean granite-greenstones of the James Bay region of Quebec, which contains the Corvette (Patriot Battey Metals, ASX:PMT), Whabouchi (Nemaska Lithium, TSE:NMX) James Bay (Allkem, ASX:AKE) and Rose (Critical Elements, TSX-V:CRE) lithium projects.

The Eades Project is located in the Abitibi granite greenstone belt in the Kirkland Lake region of Ontario, ~ 200km west of the Abitibi Lithium Hub of Sayona Mining (ASX:SYA). The lithium target area of the Eades project is geologically similar to that of the Case Li-Cs Project of Power Metal Corp (TSX-V:PWM), which is 15km northwest.

The Hailstone Project is in Northwest Ontario and covers granite-greenstones of the Confederation-Uchi Greenstone Belt of the Red Lake Mining District of NW Ontario, and near the Root Lithium Project of Green Technology Metals (ASX: GT1). The Red Lake and nearby Thunder Bay mining districts are an active area of lithium exploration and project development.

Narryer completed fieldwork in Canada during the Period, exploring for lithium, with three of the project areas visited during the period; Pontax East and Le Moyne Projects (James Bay, Quebec), and the Hailstone Project (NW Ontario) (Figure 1). All three project areas identified to have pegmatite intrusives on the ground. The work was helicopter-focused and was completed over a three -week period in October 2023, carried out by Narryer and CSA Global / ERM geologists. While all areas required further fieldwork, the Company has identified it's Hailstone Project a priority target area to follow up in the 2024 field season.

Directors' Report

Narryer also begun consultation with local representatives of the Cree Nation regarding access to the Walrus Island (James Bay) mineral claim area, which has reported previously identified spodumene hosted in pegmatite. The geology at Walrus Island is in the lithium prospective Wemindji greenstone belt. The Company see Walrus Island as a key exploration focus for the James Bay area in 2024 (pending access).

Corporate

The Company successfully completed a $1.4 million capital raising (before costs) during the period through the placement of 11,387,501 Shares at $0.12 per Share (which included $60,000 investment by Directors).

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Gavin England, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Dr England is Managing Director of Narryer Metals Limited. Dr England has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr England consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Group during the period.

Matters Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods, other than those outlined below:

Acquisition of Big Hill and Fran Lithium Project

In March 2024, the Company entered into a binding head of agreement to acquire a 70% in the issued capital of Highway Lithium Ltd (**Highway**) which holds a 100% beneficial ownership in the mineral claims comprising two lithium-tantalum focused projects (the Big Hill and Fran projects) in the Yellowknife Lithium Province, Northwest Territories (NWT), Canada (**Acquisition**).

In consideration for an exclusivity period to complete the Acquisition granted to the Company by the Highway shareholders, the Company has agreed to pay the following (non-refundable) Exclusivity Fee:

- A$50,000 cash payment;
- 2.5 million Shares; and
- 2.5 million Option ($0.10, 31 December 2026).

In consideration for the Acquisition, the Company will pay the following Initial Consideration:

- A$50,000 cash payment;
- 12.5 million Shares; and
- 1.5% net smelter return royalty (NSR) from revenue generated from the production of lithium and 2.5% from revenue generated from production of minerals other than lithium.

The Deferred Consideration for the Acquisition, which is dependent on exploration success comprises:

- 7.5 million Shares on trenching or drill results returning a minimum 5m at 1.0% Li207 on at least one Project by 31 March 2026 (Tranche 1 Deferred Consideration);
- 10 million Shares on delivery of 3 drill intersections returning at least 10m at 1.0% Li208 or higher by 31 March 2027 (Tranche 2 Deferred Consideration); and
- 10 million Shares following the delineation of a 5Mt JORC compliant Inferred Resource at no less than a grade of 0.9% Li20 by 31 March 2029.

The Deferred Consideration removes the obligation on the Company to issue and replaces the Deferred Consideration in the 2023 Kav Resources Pty Ltd acquisition agreement. If the Company does not satisfy the milestones for the Tranche 1 Deferred Consideration and the Tranche 2 Deferred Consideration by 31 March

2027 then the Highway shareholders will have the option to purchase 20% of the shares in Highway from the Company for $100,000.

The Acquisition is conditional on several conditions precedent, including the Company obtaining all necessary regulatory and third-party approvals, including Shareholder approval for the issue of the Consideration Shares and Deferred Consideration Shares to the Highway shareholders at an upcoming Shareholder Meeting. The shares and options detailed above as consideration for the exclusivity period, the initial and deferred consideration for the Project, have been announced to the market on 12 March 2024.

Capital Raising

On 12 March 2024, the Company announced it has received binding commitments to raise $1,050,000 (before costs) through a placement of 26,250,000 new fully paid ordinary shares (Shares) at $0.04 per Shares (Placement).

Change of Registered Office:

On 19 February 2024, the Company's registered office and principal administrative office postal address and contact numbers have changed to:

- Registered office: Level 5/191 St Georges Terrace, Perth WA 6000
- Postal address: PO Box 7059, Cloisters Square PO, Perth WA 6850
- Contact number: +61 2 9299 9690

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Richard Bevan
Non-Executive Chairperson and Director

Perth, Western Australia, 12 March 2024

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF NARRYER METALS LIMITED

As lead auditor for the review of Narryer Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

12 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Narryer Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Narryer Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, material account policy information 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

ii. 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 1 (b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the 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 is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the 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 31 December 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*.

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.

BDO Audit (WA) Pty Ltd

BDO

JPrue

Jarrad Prue

Director

Perth, 12 March 2024

2023 INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2023

	Note	Period ended 31 December 2023 $	Period ended 31 December 2022 $
Revenue from continuing operations			
Interest received & other income		16,048	5,700
Administration expenses	2	(141,479)	(97,801)
Public company expenses	2	(213,548)	(143,593)
Marketing expenses		(29,359)	(45,489)
Exploration expenses	2	(733,381)	(1,347,990)
Share based payment expense	13	(18,927)	(6,414)
Employee benefit expenses	2	(236,644)	(225,575)
Loss before income tax		**(1,357,290)**	**(1,861,162)**
Income tax expense		-	-
Loss after income tax		**(1,357,290)**	**(1,861,162)**
Other comprehensive loss			
Exchange differences on translation of foreign operations, net of tax		(27,755)	-
Total comprehensive (loss) for the period		**(1,385,044)**	**(1,861,162)**
Total comprehensive (loss) is attributable to:			
Owners of Narryer Metals Limited		(1,385,044)	(1,861,162)
		(1,385,044)	**(1,861,162)**
(Loss) per share from continuing operations attributable to the ordinary equity holders of Narryer Metals Limited:			
Basic and diluted (loss) per share (cents)	3	(2.28)	(3.91)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	December 2023 $	June 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	5	887,896	1,096,377
Trade and other receivables	6	32,336	49,162
Total current assets		**920,232**	**1,145,539**
Non-current assets			
Exploration and evaluation asset	7	1,327,458	386,291
Property Plant and Equipment		9,683	9,683
Total non-current assets		**1,337,141**	**395,974**
TOTAL ASSETS		**2,257,373**	**1,541,513**
LIABILITIES			
Current liabilities			
Trade and other payables	8	173,615	211,468
Provisions		27,520	27,520
Total current liabilities		**201,135**	**238,988**
TOTAL LIABILITIES		**201,135**	**238,988**
NET ASSETS		**2,056,238**	**1,302,525**
EQUITY			
Issued capital	9(a)	7,564,751	5,579,123
Reserves	10(a),(b)	1,858,266	1,732,891
Accumulated losses		(7,366,779)	(6,009,489)
TOTAL EQUITY		**2,056,238**	**1,302,525**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2023

	Issued Capital	Option and Performance Rights Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2023	5,579,123	1,732,891	(6,009,489)	-	1,302,525
Loss for the period	-	-	(1,357,290)	(27,755)	(1,385,044)
Total comprehensive income/(loss) for the period	**-**	**-**	**(1,357,290)**	**(27,755)**	**(1,385,044)**
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs	1,280,910	-	-	-	1,280,910
Issue of shares for consideration	704,718	-	-	-	704,718
Issue of options for consideration	-	134,203	-	-	134,203
Share based payments	-	18,927	-	-	18,927
Balance at 31 December 2023	**7,564,751**	**1,886,021**	**(7,366,779)**	**(27,755)**	**2,056,238**

	Issued Capital	Option and Performance Rights Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2022	5,579,123	1,704,574	(3,046,879)	-	4,236,818
Loss for the period	-	-	(1,861,162)	-	(1,861,162)
Total comprehensive income/(loss) for the period	**-**	**-**	**(1,861,162)**	**-**	**(1,861,162)**
				-	
Transactions with owners, recorded directly in equity					
Share based payments	-	6,414	-	-	6,414
Balance at 31 December 2022	**5,579,123**	**1,710,988**	**(4,908,041)**	**-**	**2,382,070**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(642,057)	(244,949)
Interest received		16,048	5,700
Exploration and evaluation expenditure		(733,381)	(1,327,990)
Net cash outflow from operating activities		**(1,359,390)**	**(1,567,238)**
Cash flows from investing activities			
Payment for property, plant, and equipment		-	(9,683)
Payments of capitalised exploration and evaluation expenditure	14	(130,001)	(20,000)
Net cash outflow from investing activities		**(130,001)**	**(29,683)**
Cash flows from financing activities			
Proceeds from share issue, net of costs	9(b)	1,280,910	-
Net cash inflow from financing activities		**1,280,910**	-
Net increase/(decrease) in cash and cash equivalents		(208,481)	(1,596,922)
Cash and cash equivalents at beginning of the financial period		1,096,377	3,907,792
Cash and cash equivalents at end of the period	5	**887,896**	**2,310,870**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and amended standards adopted by the entity

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Statement of Compliance

The interim financial statements were authorised for issue on 12 March 2024.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Use of estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of capitalised exploration and evaluation expenditure

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

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes option pricing model. The fair value of performance rights with market-based conditions is determined using the trinomial barrier model, whilst non-market conditions are valued with reference to the underlying share price.

Asset Acquisition

Determination of fair values on exploration and evaluation assets acquired in asset acquisition

On initial recognition, the acquired assets and liabilities are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

Asset Acquisition (continued)

On 13 September 2023, Narryer Metals Limited acquired KAV Resources Pty Ltd, with the issue of shares, options and cash as consideration. Director's judgement was required to be used in classifying this transaction as an asset acquisition rather than a business combination. Refer to Note 14 for further details.

On 4 October 2023, Narryer Metals Limited acquired Rocky Gully Exploration Pty Ltd, with the issue of shares, and cash as consideration. Director's judgement was required to be used in classifying this transaction as an asset acquisition rather than a business combination. Refer to Note 14 for further details.

As the acquisition of the acquired assets were not deemed a business combination the transactions were accounted for as share based payments for the net assets acquired.

Going concern

For the half-year ended 31 December 2023 the Group recorded a loss before tax of $1,357,290 (2022: $1,861,162) and had net cash outflows from operating activities of $1,359,390 (2022: $1,567,238). These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on securing additional funding and/or from asset sales in order for the Group to continue to fund its operational activities.

The half-year financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors of Narryer Metals Limited have assessed the cash flow requirements for the 12 month period from the date of this report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements;
- The level of the Group's expenditure can be managed;
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.

The Board and Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half-year financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

2. Material profit and loss items for the Period

Profit/(Loss) for the period includes the following items:

	2023 $	2022 $
Employee benefit expenses:		
Employee wages and directors fees	216,785	204,050
Other employee expenses (including superannuation)	19,860	21,525
Total employee benefits expense	**236,644**	**225,575**
Public Company expenses		
Accounting expenses	34,631	36,800
ASX expenses	40,299	24,668
Corporate advisory expenses	25,000	-
Company secretarial expenses	79,489	63,000
Share registry expenses	13,769	7,704
Legal expenses	17,277	9,262
Other expenses	3,083	2,159
Total public company expenses	**213,548**	**143,593**
Administration expenses:		
Insurance	50,157	39,376
Rent	8,000	10,600
Travel	56,434	17,664
Subscriptions	2,887	5,226
Other administration expenses	24,001	24,935
Total administration expense	**141,479**	**97,801**
Exploration expenses:		
Tenement management expenses	98,024	80,670
Exploration consulting expenses	134,873	96,403
Drilling	-	316,221
Other exploration expenses	500,484	854,696
Total exploration expense	**733,381**	**1,347,990**

3. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Potential ordinary shares are not considered dilutive, thus diluted (loss) per share is the same as basic (loss) per share.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	2023	2022
Loss used to calculate basic and diluted profit/(loss) per share	(1,357,290)	(1,861,162)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(2.28)	(3.91)

Weighted average number of ordinary shares	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	59,553,282	47,550,001

4. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Cash and cash equivalents

	31 December 2023 $	30 June 2023 $
Current		
Cash at bank and in hand	887,896	1,096,377
Total cash and cash equivalent	**887,896**	**1,096,377**

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

6. Trade and other receivables

	31 December 2023 $	30 June 2023 $
Current		
GST receivable	32,336	49,162
Total trade and other receivables	**32,336**	**49,162**

Past due but not impaired

The Group did not have any receivables that were past due as at 31 December 2023. The Group did not consider a credit risk on the aggregate balances as at 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

7. Exploration and evaluation expenditure

	31 December 2023 $	30 June 2023 $
Opening balance	386,291	386,291
Acquisition of Canadian Lithium Project[i]	784,203	-
Acquisition of Rocky Gully Project [i]	184,719	-
Effects of foreign exchange	(27,755)	-
Total exploration and evaluation expenditure	**1,327,458**	**386,291**

[i] Refer to Note 14 Asset Acquisitions for further details

8. Trade and other payables

	31 December 2023 $	30 June 2023 $
Current		
Trade creditors	155,359	190,424
Other payables	18,256	21,044
Total Trade and Other Payables	**173,615**	**211,468**

9. Issued capital

(a) Issued and fully paid

	31 December 2023		30 June 2023	
	$	No.	$	No.
Ordinary shares	7,564,751	65,056,077	5,579,123	47,550,001
	7,564,751	**65,056,077**	**5,579,123**	**47,550,001**

(b) Movement reconciliation

Ordinary Shares		**No. of Shares**	**$**
Opening balance at 1 July 2022		**47,550,001**	**5,579,123**
No change to issued capital		-	-
Closing Balance at 30 June 2023		**47,550,001**	**5,579,123**
Opening balance at 1 July 2023		**47,550,001**	**5,579,123**
Issue of Shares(Conversion of Performance Rights)	4 August 2023	200,000	-
Placement	8 August 2023	10,887,501	1,306,500
Placement (Issue of shares to Directors)	22 September 2023	500,000	60,000
Issue of shares for Canadian Lithium Project acquisition	22 September 2023	5,000,000	600,000
Issue of shares for Rocky Gully acquisition	5 October 2023	918,575	104,718
Share issue costs		-	(85,590)
Closing Balance at 31 December 2023		**65,056,077**	**7,564,751**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

9. Issued capital (continued)

c) The share capital of the Group as at 31 December 2023 was 65,056,077 ordinary shares.

17,062,501 shares of the Group were subject to 24 months escrow from quotation and a further 5,000,000 shares are voluntarily escrowed until 22 September 2024.

d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

Unissued ordinary shares of Narryer Metals Limited under option and performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
14 April 2022	5 years from issue date	Nil	-	4,710,000
2 Sep 2021	4 years from issue date	$0.30	3,500,000	-
14 April 2022	5 years from issue date	$0.30	3,500,000	-
14 April 2022	5 years from issue date	$0.30	2,500,000	-
8 Nov 2022	3 years from issue date	Nil	-	500,000
13 Sep 2023	3 years from issue date	$0.30	2,500,000	-
			12,000,000	**5,210,000**

e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 31 December 2023 was $719,096 and the net decrease in cash held during the period was $208,481.

The Group had at 31 December 2023 $887,896 of cash and cash equivalents.

10. Reserves

(a) Equity settled share-based payments reserves

	31 December 2023		30 June 2023	
	$	No.	$	No
Option reserve	1,002,647	12,000,000	868,444	9,500,000
Performance rights reserve	883,374	5,210,000	864,447	5,210,000
	1,886,021	**17,210,000**	**1,732,891**	**14,710,000**

(b) Foreign currency translation reserve

	31 December 2023 $	30 June 2023 $
Foreign currency translation reserve	(27,755)	-
	(27,755)	**-**

(c) Movement reconciliation

Performance Rights

	31 December 2023 No.	31 December 2023 $
Balance at the end of the year – 30 June 2023	5,210,000	864,447
Balance at the beginning of the period – 1 July 2023	5,210,000	864,447
Performance rights expensed during the period	-	18,927
Balance at the end of the period – 31 December 2023	**5,210,000**	**883,374**

Options

	31 December 2023 No.	31 December 2023 $
Balance at the end of the year – 30 June 2023	9,500,000	868,444
Balance at the beginning of the period – 1 July 2023	9,500,000	868,444
Options issued as part of consideration for Canadian Lithium asset	2,500,000	134,203
Balance at the end of the period – 31 December 2023	**12,000,000**	**1,002,647**

(i) Refer to note 13 for further details on options issued during the period.

11. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk
The Group hold cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk
During the period, the Group commenced operations in Canada. However, the exposure during the period was immaterial to the Group.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	31 December 2023 $	30 June 2023 $
Cash and cash equivalents AA-	887,896	1,096,377
Total	**887,896**	**1,096,377**

(c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profits of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

31 December 2023 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Other payables	32,425	-	-	-	-	32,425	32,425
Trade creditors	141,190	-	-	-	-	141,190	141,190
Total financial liabilities	**173,615**	**-**	**-**	**-**	**-**	**173,615**	**173,615**

30 June 2023 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Other payables	21,044	-	-	-	-	21,044	21,044
Trade creditors	190,424	-	-	-	-	190,424	190,424
Total financial liabilities	**211,468**	**-**	**-**	**-**	**-**	**211,468**	**211,468**

12. Operating segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operates within the mineral exploration industry within Australia and Canada.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The following table presents the revenue and profit information and certain asset and liability regarding business segments for the period ended 31 December 2023.

Segment Reporting

	Australia	E & E Canada	Corporate	Consolidated
31 December 2023				
Segment revenue	-	-	16,048	**16,048**
Segment net operating loss before tax	374,690	566,204	416,396	**1,357,290**
31 December 2022				
Segment revenue	5,700	-	-	**5,700**
Segment net operating loss before tax	1,861,162	-	-	**1,861,162**

	Australia	E & E Canada	Corporate	Consolidated
31 December 2023				
Segment Assets	2,071,529	784,203	(27,755)	**2,827,978**
Segment Liabilities	201,136	570,604	-	**771,739**
30 June 2023				
Segment Assets	1,541,513	-	-	**1,541,513**
Segment Liabilities	238,988	-	-	**238,988**

13. Share based payments

Share based payments during the period ended 31 December 2023 are summarised below.

(a) Recognised share-based payment expense

	31 December 2023 $	31 December 2022 $
Expense arriving from equity settled share-based payment transactions	18,927	6,414

(b) Securities granted during the period

There were no performance rights granted during the period ended 31 December 2023.

During the period, 2,500,000 options were issued as part of the consideration transferred in relation to the acquisition of the Canadian Lithium Project (Refer to Note 14 for further detail). The fair value of the asset could not be reliably measured and therefore, a Black Scholes model was used to determine the value of the options. The inputs have been detailed below:

	Input
Underlying share price	$0.12
Exercise price	$0.30
Expected volatility	100%
Expiry date (years)	3.03
Expected dividends	Nil
Risk free rate	2.63%
Value per option	$0.0537
Total fair value of the options	**$134,203**

The total fair value of the options has been capitalized in exploration and evaluation expenditure, in line with the Group's accounting policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

14. Asset Acquisitions

a. Canadian Lithium Project

During the period Narryer Metals Limited acquired 100% of the issued capital of KAV Resources Pty Ltd (KAV), who has 100% interest in several mining claims comprising five Lithium exploration properties located in Quebec and Ontario, Canada. The transaction was classified as an asset acquisition and the acquisition date was determined to be 13 September 2023; the date all the conditions precedent were met.

Reserves and resources are often used as the basis for estimates of fair value to be used in the purchase price. However, as the assets are in the exploration stage and do not yet have a defined reserve or resources, a fair value for these assets cannot be reliably determined. As a result, the consideration paid is deemed to be the fair value of the acquisition.

Fair Value of Consideration Transferred	**Note**		**13 September 2023 $**
Cash			50,000
Shares	9(b)	5,000,000 shares, value based on share price on acquisition date	600,000
Options	10(c)& 13	2,500,000 options valued using Black Scholes model	134,203
Total			**784,203**

Initial consideration also included 1.5% net smelter return royalty (NSR) from revenue generated from the production of lithium and 2.5% from revenue generated from production of minerals other than lithium.

The Deferred Consideration for the acquisition of the Projects, which is dependent on exploration success comprises:

- 7.5 million Shares on trenching or drill results returning a minimum 5m at 1.0% Li2014 on at least one Project within 1 year;
- 10 million Shares on delivery of 5 drill intersections returning at least 10m at 1.0% Li2015 or higher within 2 years; and
- 10 million Shares following the delineation of a 10Mt JORC compliant Inferred Resource at no less than a grade of 0.9% Li20 within 5 years.

Due to the early stage of exploration, the milestones are unable to be reasonably assessed as probable at this point in time, and therefore the value cannot be reliably estimated. No value was attributed to the royalty or deferred consideration, upon recognition of the asset acquisition.

In accordance with the Group's accounting policy, the acquired exploration and evaluation expenditure has been capitalised in the Consolidated Statement of Financial Position.

b. Rocky Gully

During the period Narryer Metals Limited acquired 100% of the issued capital of Rocky Gully Exploration Pty Ltd (Rocky Gully), that holds two granted exploration licenses covering $78km^2$ in the Albany Fraser Mobile Belt of Western Australia. The transaction was classified as an asset acquisition and the acquisition date was determined to be 4 October 2023.

Reserves and resources are often used as the basis for estimates of fair value to be used in the purchase price. However, as the assets are in the exploration stage and do not yet have a defined reserve or resources, a fair value for these assets cannot be reliably determined. As a result, the consideration paid is deemed to be the fair value of the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

14. Asset Acquisitions (continued)

In consideration for 100% equity in Rocky Gully, the Company issued 918,575 shares and paid $80,000 cash. The fair value of the shares issued, $104,718, was determined based on the underlying share price on acquisition date. The vendor has also been granted a 1.5% net smelter return royalty (NSR) from gold and other minerals extracted from the Project. However, due to the Project being in its early stages, the royalty is unable to be reliably assessed as probable at this point in time.

In accordance with the Group's accounting policy, the acquired exploration and evaluation expenditure has been capitalised in the Consolidated Statement of Financial Position.

15. Commitments and contingent liabilities

a. Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	31 December 2023 $	30 June 2023 $
Exploration expenditure commitments		
Payable:		
Not later than 12 months	928,128	795,000
Between 12 months and 5 years	1,638,678	4,301,000
Total	**2,566,806**	**5,096,000**

b. Other commitments and contingent liabilities

Royalty

As part of the Canadian Lithium Project and Rocky Gully acquisitions, the vendors are to retain a net smelter return royalty (NSR). Refer to Note 14 for further details.

Deferred consideration

The Deferred Consideration for the acquisition of the Canadian Lithium Project, which is dependent on exploration success comprises:

- 7.5 million Shares on trenching or drill results returning a minimum 5m at 1.0% Li2014 on at least one Project within 1 year;
- 10 million Shares on delivery of 5 drill intersections returning at least 10m at 1.0% Li2015 or higher within 2 years; and
- 10 million Shares following the delineation of a 10Mt JORC compliant Inferred Resource at no less than a grade of 0.9% Li20 within 5 years.

Refer to Note 14 for further details.

There are no other commitments or contingent liabilities other than those noted above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2023

16. Related party disclosure

(a) Parent entity

Narryer Metals Limited is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Narryer Metals Limited and the subsidiaries listed in the following table.

	Country of Incorporation	31 December 2023 % Equity Interest	Principal Activity
Narryer Minerals Pty Ltd	Australia	100	Operating subsidiary
Leasingham Metals Pty Ltd	Australia	100	Operating subsidiary
Leasingham Iron Pty Ltd	Australia	100	Dormant subsidiary
KAV Resources Pty Ltd	Australia	100	Operating subsidiary
Rocky Gully Exploration Pty Ltd	Australia	100	Operating subsidiary
Narryer Metals Canada Inc	Canada	100	Operating subsidiary
Rarity Minerals Pty Ltd	Australia	100	Operating subsidiary

(c) Key management personnel compensation

There were no material changes to the Group's related party transactions to those disclosed in the 30 June 2023 Annual Report, other than those disclosed below:

Director's Fees: During the period the Director's agreed to reduce their fees by 50%, effective from November 2023.

17. Events after the reporting date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods, other than those outlined below:

Acquisition of Big Hill and Fran Lithium Project

In March 2024, the Company entered into a binding head of agreement to acquire a 70% in the issued capital of Highway Lithium Ltd (**Highway**) which holds a 100% beneficial ownership in the mineral claims comprising two lithium-tantalum focused projects (the Big Hill and Fran projects) in the Yellowknife Lithium Province, Northwest Territories (NWT), Canada (**Acquisition**).

In consideration for an exclusivity period to complete the Acquisition granted to the Company by the Highway shareholders, the Company has agreed to pay the following (non-refundable) Exclusivity Fee:

- A$50,000 cash payment;
- 2.5 million Shares; and
- 2.5 million Option ($0.10, 31 December 2026).

In consideration for the Acquisition, the Company will pay the following Initial Consideration:

- A$50,000 cash payment;
- 12.5 million Shares; and
- 1.5% net smelter return royalty (NSR) from revenue generated from the production of lithium and 2.5% from revenue generated from production of minerals other than lithium.

The Deferred Consideration for the Acquisition, which is dependent on exploration success comprises:

- 7.5 million Shares on trenching or drill results returning a minimum 5m at 1.0% Li207 on at least one Project by 31 March 2026 (Tranche 1 Deferred Consideration);
- 10 million Shares on delivery of 3 drill intersections returning at least 10m at 1.0% Li208 or higher by 31 March 2027 (Tranche 2 Deferred Consideration); and
- 10 million Shares following the delineation of a 5Mt JORC compliant Inferred Resource at no less than a grade of 0.9% Li20 by 31 March 2029.

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The Deferred Consideration removes the obligation on the Company to issue and replaces the Deferred Consideration in the 2023 Kav Resources Pty Ltd acquisition agreement. If the Company does not satisfy the milestones for the Tranche 1 Deferred Consideration and the Tranche 2 Deferred Consideration by 31 March 2027 then the Highway shareholders will have the option to purchase 20% of the shares in Highway from the Company for $100,000.

The Acquisition is conditional on several conditions precedent, including the Company obtaining all necessary regulatory and third-party approvals, including Shareholder approval for the issue of the Consideration Shares and Deferred Consideration Shares to the Highway shareholders at an upcoming Shareholder Meeting. The shares and options detailed above as consideration for the exclusivity period, the initial and deferred consideration for the Project, have been announced to the market on 12 March 2024.

Capital Raising
On 12 March 2024, the Company announced it has received binding commitments to raise $1,050,000 (before costs) through a placement of 26,250,000 new fully paid ordinary shares (Shares) at $0.04 per Shares (Placement).

Change of Registered Office:
On 19 February 2024, the Company's registered office and principal administrative office postal address and contact numbers have changed to:

- Registered office: Level 5/191 St Georges Terrace, Perth WA 6000
- Postal address: PO Box 7059, Cloisters Square PO, Perth WA 6850
- Contact number: +61 2 9299 9690

DIRECTOR'S DECLARATION

The directors of the Company declare that:

(a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and.

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

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Mr Richard Bevan
Non-Executive Director

Perth, 12 March 2024