

Neometals Ltd

A.C.N. 099 116 631

Annual Financial Report

for the financial year ended 30 June 2024

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Review Of Operations

The directors of Neometals Ltd (“Company” and “Neometals”) present the annual financial report for the Company and its controlled entities (“Consolidated Entity” and “Group”).

Neometals facilitates sustainable critical material supply chains and reduces the environmental burden of traditional mining in the global transition to a circular economy.

The Company is developing a portfolio of sustainable processing solutions that recycle and recover critical materials from high-value waste streams.

Neometals’ core focus is on the commercialisation of its patented, Lithium-ion Battery (“LiB”) Recycling technology (50% NMT), under a preferred plant supply and technology licensing business model. Primobius GmbH is the 50:50 incorporated JV with 150-year-old German plant builder, SMS group GmbH, that is commercialising the technology. Primobius is building a 2,500tpa recycling plant for Mercedes-Benz under a long-term Cooperation Agreement. It also operates its own LiB disposal service in Germany and plans to offer its first commercial 21,000tpa plant to North American licensee, Stelco, in the June Quarter of 2025.

Neometals is also developing two advanced battery materials technologies for commercialisation under low-risk, low-capex technology licensing business models:

- Lithium Chemicals (70% NMT) – Patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Pilot scale test work planned for completion in DecQ 2024; and
- Vanadium Recovery (100% NMT) – Patent pending hydrometallurgical process to produce high-purity vanadium pentoxide from steelmaking by-product (“Slag”) at lowest-quartile operating cost and carbon footprint.

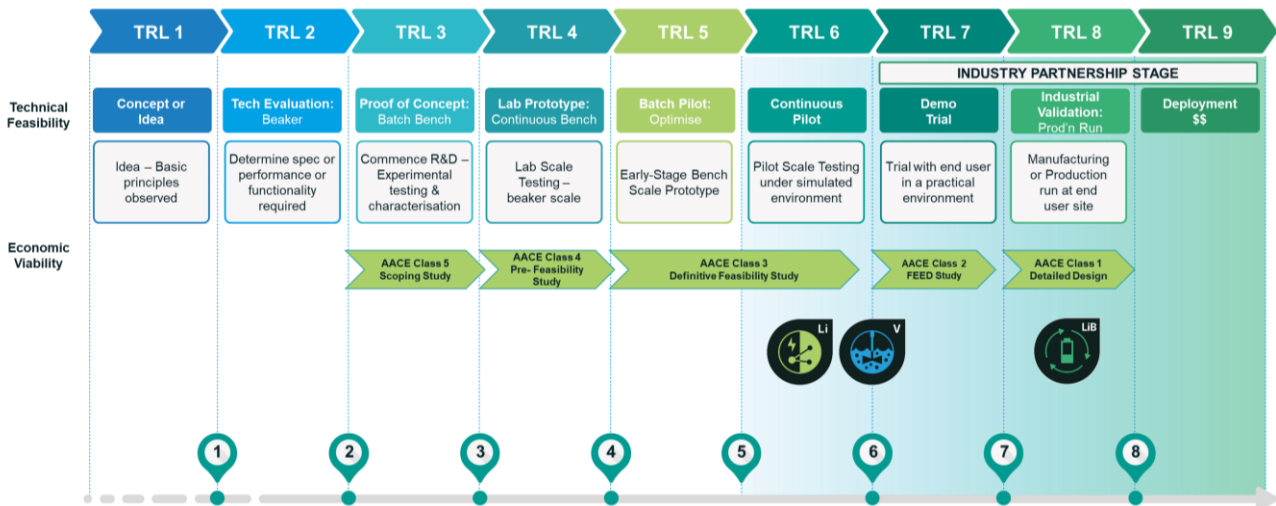


Figure 1 – Neometals’ Technology Projects and Associated Technology Readiness Levels.

PRE-COMMERCIAL TECHNOLOGIES



Lithium-ion Battery Recycling

(Intellectual Property via ACN 630 589 507 Pty Ltd - NMT 50%, SMS 50%)
(Plant construction via Primobius GmbH, NMT 50% SMS group GmbH 50%)

Primobius GmbH (“**Primobius**”) is the incorporated joint venture established in 2020 to commercialise Neometals’ lithium-ion battery (“**LiB**”) recycling technology (“**LiB Recycling Technology**”). The co-owner is SMS group GmbH, a 150-year old German industrial plant builder, with in excess of 14,000 employees globally and fabrication facilities in Europe, USA, India and China.

Primobius was granted an exclusive licence from Neometals’ LiB Recycling Technology holding company, ACN 630 589 507 Pty Ltd (“**ACN 630**”) to supply LiB recycling plants incorporating the patented flowsheet. Primobius will pay royalties to ACN 630 where it operates as principal and will also pass through royalties from plant supply and technology licensing arrangements. ACN 630 is the ultimate beneficiary of five (5) third party technology licences issued to date. The structure is designed to flow plant supply margin and technology royalties separately to co-owners.

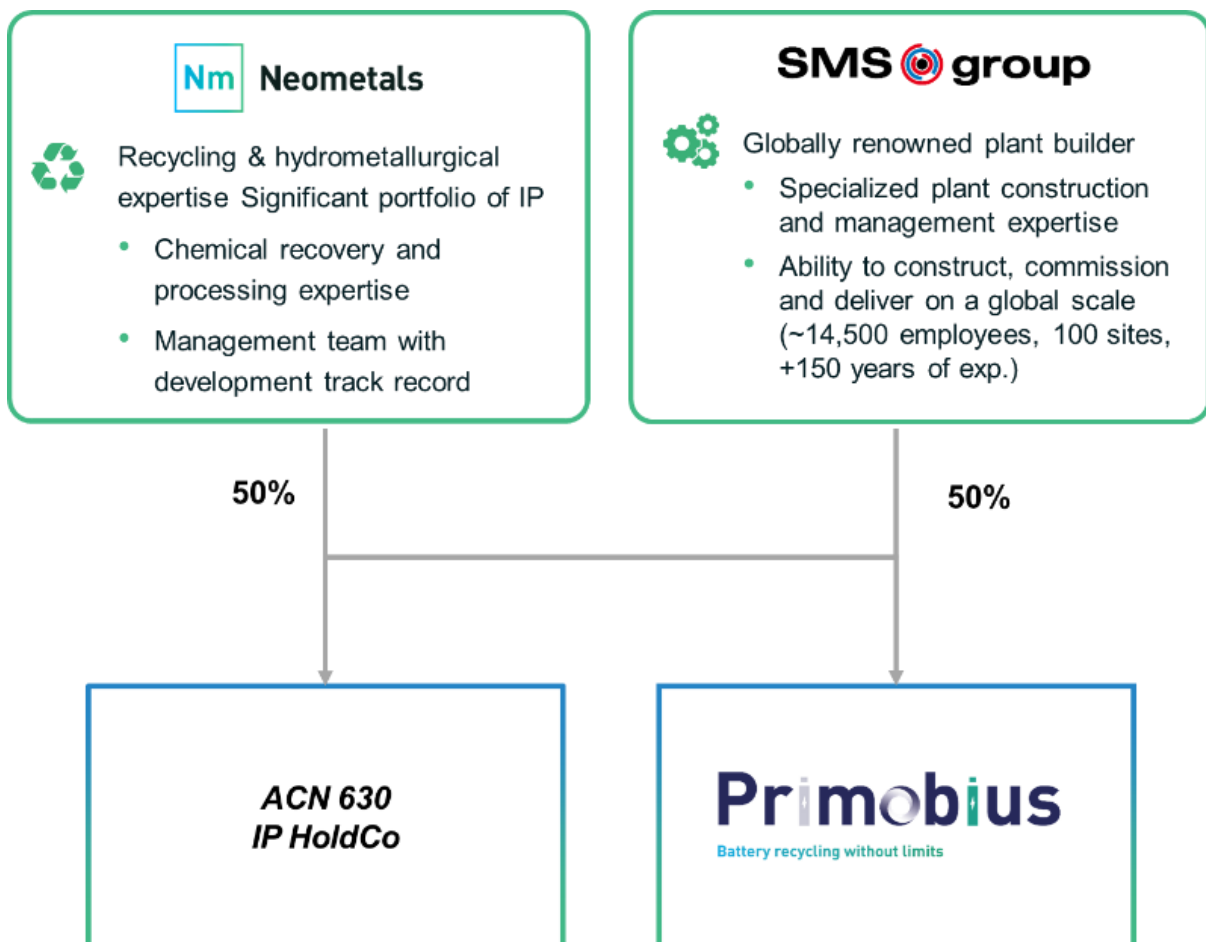


Figure 2 – Interests held by joint venture partners in intellectual property and Primobius

Highlights

- In August 2023, Primobius was awarded a purchase order for the fabrication, installation and commissioning of a 2,500tpa LIB shredding 'Spoke'.
- In January 2024, Primobius was awarded a purchase order (value ~ €18.8M (~ A\$30.8M)) from Mercedes-Benz for the supply of a hydrometallurgical refining Hub for installation at its Kuppenheim Pilot Plant operation in Germany. The order covers fabrication, installation and commissioning of the Hub which will refine intermediate products received from the 2,500tpa shredding 'Spoke' which was materially complete from an installation perspective during the year (together Spoke and Hub comprise the integrated Mercedes Pilot Plant)
- Preparations for installation of the Stage 2 'Hub' section of the Mercedes Pilot Plant and the combined commissioning of the Spoke and Hub will form a precondition to "Product Readiness" to allow the sale of larger 20,000 tpa recycling plant packages;
- Primobius has entered into a technology licence and option agreement with 1340455 B.C. LTD, Stelco's lithium-ion battery recycling special purpose vehicle ("Stelco SPV") which plans to secure large volumes of end-of-life vehicles in North America for scrap steel and recycle LIBs, with a first proposed 21,000tpa integrated operation ("Stelco Spoke" followed by "Stelco Hub") at Stelco's Hamilton Works, Ontario, Canada;
- Ongoing business development activities to build a global pipeline of potential future recycling plants; and
- Continued recruitment activities to expand the Primobius technical, operational, commercial and management teams in line with corporate milestones associated with offering mechanical plant and equipment package supply contracts.

Intellectual Property and Status

The LiB Recycling Technology recovers materials contained in LiB production scrap and end-of-life cells that might otherwise be disposed of in land fill. Existing LiB recycling technologies predominantly rely on high carbon emission pyrometallurgical processes. Primobius' two stage process recovers nickel, cobalt, lithium and manganese battery materials (and physically recovers metals and plastics) into saleable products that can be reused in the LiB supply chain. The LiB Recycling Technology prioritises maximum safety, environmental sustainability and product recoveries to support the circular economy and decarbonisation.

To date, five (5) patents have been granted with twelve (12) other national phase patents at various stages of prosecution globally.

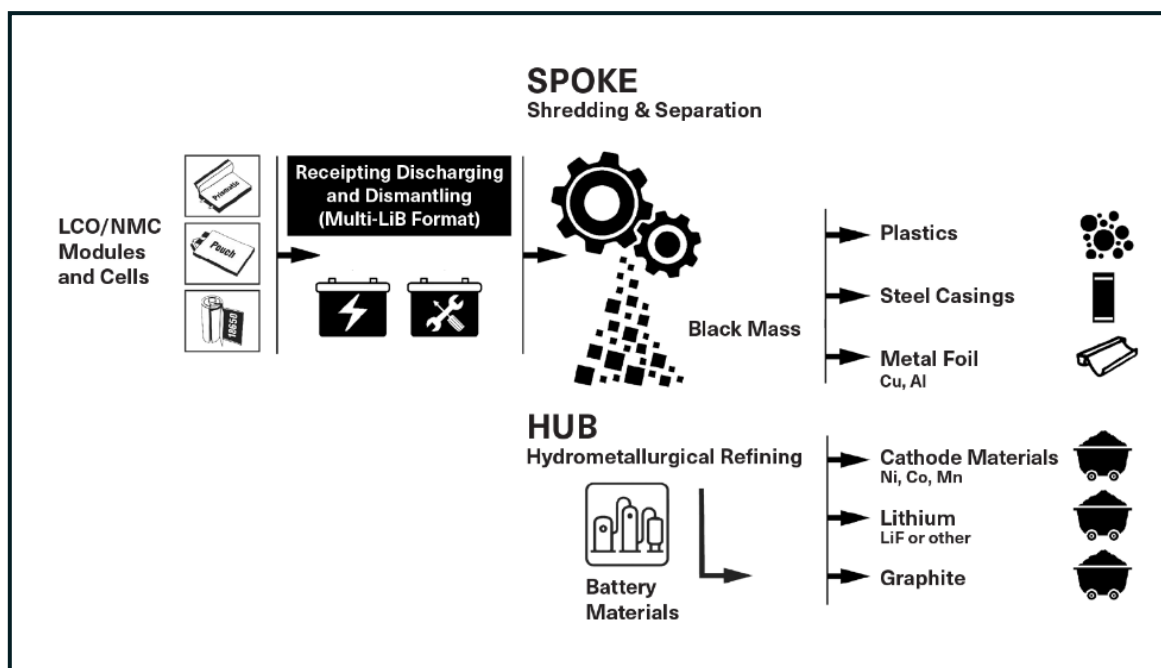


Figure 3 – High level flowsheet showing the movement of materials from Shredding and Beneficiation ('Spoke') through to refining ('Hub') stages for the LiB Recycling Technology.

Commercialisation Status

The LiB Recycling Technology is at Technology Readiness Level (TRL) 8: Industrial Validation.

Primobius / ACN 630 is currently deriving revenue from gate fees and product sales from its LiB Disposal Operation in Hilchenbach, Germany, and its business model is targeting future revenues from:

1. Mechanical equipment and plant supply agreements (e.g. Mercedes-Benz Plant); and
2. Royalties from the sale by customers of refined products.

Hilchenbach Disposal Operation

Primobius operates a commercial LiB disposal service to the German EV and lithium battery supply chain at its site in Hilchenbach, Germany ("**Hilchenbach Spoke**"). Primobius receives a gate fee to accept batteries for disposal. The Hilchenbach Spoke produces an intermediate mixed nickel/cobalt product ("**Black Mass**") and a mixed copper/aluminium product ("**Black Copper**") which are sold on a spot basis, with pricing set according to nickel/cobalt and copper content respectively.

During the year the Primobius Board approved an investment in equipment to increase throughput to its approved limit of 9 tonnes per day.

Mechanical Equipment and Plant Supply

Primobius entered into a Co-operation Agreement with Mercedes-Benz ("**Mercedes**") ("**Mercedes Cooperation**") in March 2022. Under the Mercedes Cooperation, Primobius entered into a five (5) year research collaboration aimed at jointly developing an industrial-scale solution for Mercedes¹. Primobius accepted purchase orders from Mercedes for the Spoke section of the plant in August 2023 and the Hub section in January 2024.

¹ For full details refer to Neometals ASX announcement headlined "Cooperation Agreement with Mercedes Benz" released on 13th May 2022



Figure 4 – Mercedes-Benz LiB Recycling Building,
Kuppenheim Germany.



Figure 5 – Part of the Integrated LiB Plant installed
by Primobius.

Technology Licensing

Technology licensing and joint venture option agreements are in place with a subsidiary of Stelco Inc. (“Stelco”) (“Stelco Agreements”). The Stelco Agreements allow Primobius to acquire a 25-50% equity interest in the technology licensee at any time up to 30 June 2025.

Three (3) exclusive licences have been issued for Scandinavia, the Balkans and Italy and one non-exclusive licence to the UK. Neometals is the largest individual shareholder in the licensees and ACN 630 is entitled to receive a 10% gross revenue royalty from the technology licences.



Lithium Chemicals

(Intellectual Property via Reed Advanced Materials Pty Ltd (“RAM”) – NMT 70%,
Mineral Resources Ltd 30%)

RAM is an incorporated joint venture commercialising the patented ELi™ Process (“ELi™”) which produces lithium hydroxide and carbonate from lithium chloride solutions using electrolysis. RAM has successfully converted lithium chloride solutions from both natural spodumene and brine feedstocks into battery quality lithium hydroxide at semi-pilot scale. ELi™ has the flexibility to produce lithium hydroxide and/or lithium carbonate at potentially significantly lower operating cost and carbon footprint compared to conventional production processes. ELi’s key economic advantage lies in the potential to replace costly, imported bulk chemical reagents with electricity and low-cost internally generated reagents.

Highlights:

- The long-duration (1000hr) electrolysis component of the ELi™ Pilot was undertaken in the USA at the Electrosynthesis Company Inc, the associated testing facility of RAM’s proposed electrolyser vendor, NORAM Electrolysis Systems Inc.;
- The electrolysis campaign will provide data to increase confidence in the expected power consumption, membrane performance and product quality assumptions applied in the 2023 Engineering Cost Study; and

The results are expected in the September quarter 2024 and RAM will use the results of the ELi™ Pilot to advance its commercial partner selection and technology licensing activities.

Intellectual Property Status

RAM now holds nineteen (19) granted patents in hard rock and brine producing countries and has a further fourteen (14) pending national phase patents at various stages of prosecution globally.

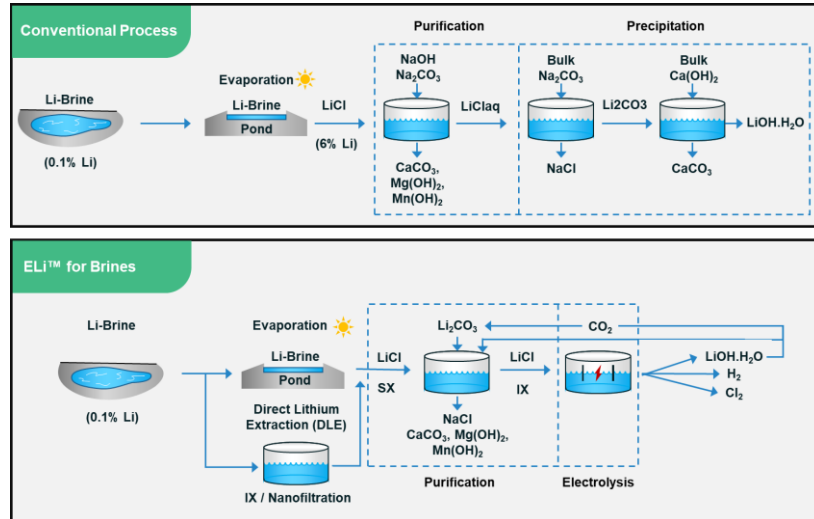


Figure 6 – Schematic showing a comparison of the conventional flowsheet for the production of lithium hydroxide from brines with the patented ELi™ process.

Commercialisation Status

The ELi™ Process is at TRL 5: Batch Pilot. RAM's current business model is to generate royalties from licensing the ELi™ Process to lithium brine and hard-rock operators, developers and processing equipment suppliers.

RAM is completing pilot scale trials on a natural brine provided by the owners of an operating South American lithium operation. RAM successfully concluded the first stage purification trials in 2023. In the June quarter 2024 RAM completed the second stage electrolysis of the purified lithium chloride. The final stage of the trials will evaporate and crystallise the lithium hydroxide catholyte solution produced in the electrolysis trials into lithium hydroxide monohydrate, for assessment and evaluation by LiB cathode producers.

During the year, Neometals advised that RAM had ceased discussions with Liffthium Energy SA ("Liffthium"), sister company to leading Portuguese chlor-alkali producer, Bondalti Chemicals SA ("Bondalti"), in relation to co-funding the final stage of pilot test work and constructing a commercial demonstration plant.



Vanadium Recovery
(Intellectual Property held via Avanti Materials Ltd – NMT 100%)

Vanadium Recovery Project 1 via Recycling Industries Scandinavia AB (“RISAB”) – 88% NMT

Neometals has developed a proprietary sustainable vanadium recovery process (“**VRP Technology**”) that produces vanadium products for battery and aerospace alloying applications from stockpiles of vanadium-bearing steel waste. The VRP Technology offers:

- A processing flowsheet utilising conventional equipment at atmospheric pressure, mild temperatures, and non-exotic construction materials; and
- Potential lowest-quartile operating costs² and carbon-footprint from processing steelmaking waste (“**Slag**”), eliminating the cost, risks and environmental impact of mined upstream feedstocks.

Highlights:

- During the June 2024 quarter, Neometals assisted RISAB to explore value realisation options and advanced discussions with potential licensees of the VRP Technology;
- RISAB applied for grant funding from EIT RawMaterials GmbH, which is co-funded by the European Union, to advance Europe’s transition into a sustainable economy. If successful, the application under the ‘Booster 2024 Program’ will enable a new project financing process to progress under the management of leading Nordic bank, SEB. New equity providers required to support the project are expected to become the majority equity holders of RISAB;
- RISAB entered a non-binding memorandum of understanding with the German steel producer, Salzgitter Flachstahl GmbH, regarding collaboration towards potential future arrangements for the supply of feedstock Slag to the project; and
- During the year Neometals increased its equity in RISAB from 72.5% to 88%, following the subscription for new shares.

Intellectual Property Status

Neometals’ Vanadium Recovery IP holding company, Avanti Materials Ltd, has nine (9) pending national phase patents for the VRP Technology across one patent family, with two patents at examination stage.

Commercialisation Status

The VRP Process is at TRL 6: Continuous Pilot. The current business model is to generate royalties from licensing the VRP Process to steel slag producers.

Vanadium Recovery Project 1 (“VRP1”) – Finland

RISAB was incorporated to evaluate the feasibility of recovering high-purity vanadium pentoxide (“**V₂O₅**”) from high-grade vanadium-bearing steel Slag in Scandinavia. In March 2023, Neometals announced the results of a feasibility study that confirmed the potential for lowest-quartile operating costs with a low-to-negative carbon footprint². In the ensuing 6 months the vanadium price fell more than 50% and equity financing could not be secured. Neometals advised the market in October 2023 that it could not commit to a positive final investment decision on VRP1 and would pursue commercialisation through a technology licensing business model.

² For full details refer to Neometals ASX announcement headlined “Vanadium Recovery Project Delivers Strong Feasibility Results” released on 8th March 2023

RESEARCH AND DEVELOPMENT



Precious Metals Recovery **Option to acquire 80% Precious Metals Recovery, LLC (“PMR”)**

During the year the consolidated entity undertook research and development activities on a precious metals recovery process that potentially recovers precious metals from industrial waste streams. The due diligence performed on the metallurgical process did not provide sufficient confidence in technical feasibility or economic viability of the technology at its current stage of maturity. Neometals therefore allowed its option to acquire this project to lapse.

UPSTREAM MINING PROJECTS



Barrambie Titanium/Vanadium Project **(Neometals 100%)**

The Barrambie project, located approximately 80km north-west of Sandstone in Western Australia (“WA”), is one of the largest vanadiferous titanomagnetite (“VTM”) mineral resources globally (280.1Mt at 9.18% TiO_2 and 0.44% V_2O_5), containing the world’s second highest-grade hard rock titanium mineral resource (53.6Mt at 21.17% TiO_2 and 0.63% V_2O_5). The mineral resource is secured under a granted mining lease and has a granted mining proposal to extract approximately 1.2Mtpa of mineralisation.

Highlights:

During the year the following activities were undertaken to support the divestment of Barrambie:

- Tenement maintenance to keep Barrambie in ‘good standing’;
- Discussions continued with prospective acquirers of the Vanadium and Titanium rights on the project; and
- Activities associated with preparation of an Exploration Target for gold. The Barrambie Greenstone Belt hosts a number of historic gold mines and the town was established upon the discovery of gold by contractors building the rabbit-proof fence in 1905.

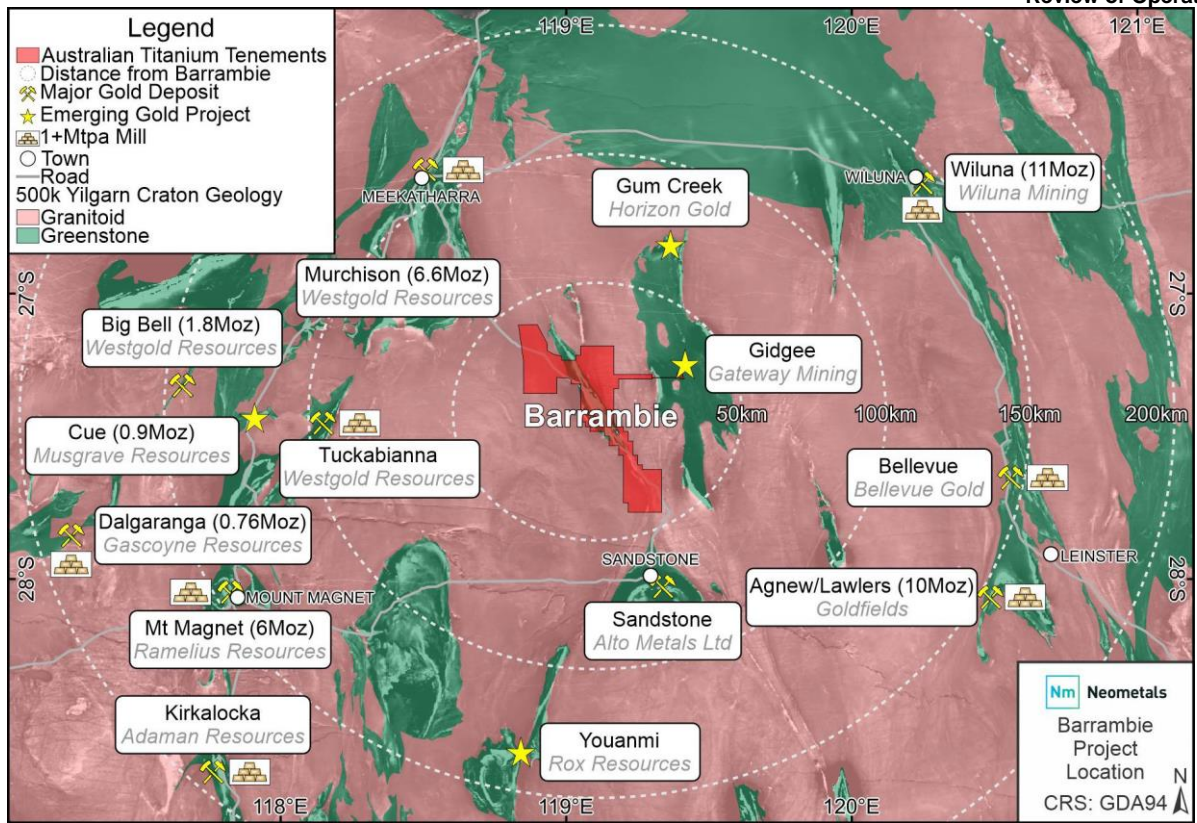


Figure 7 – The Barrambie Greenstone belt and surrounding gold mines and mills.

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Neometals Ltd - Annual Mineral Resource Statement

Barrambie Mineral Resource Estimate as at 17 April 2018

Classification	Tonnes (Mt)	TiO ₂ (%)	V ₂ O ₅ (%)
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	280.1	9.18	0.44

Reporting criteria: $\geq 10\%$ TiO₂ or $\geq 0.2\%$ V₂O₅; small discrepancies may occur due to rounding

See ASX Release 17 April 2018 titled: Updated Barrambie Mineral Resource Estimate

There has been no change in the Barrambie Mineral Resource Estimate since the 2023 Annual Statement.

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Neometals Ltd - Annual Ore Reserve Statement

Barrambie Ore Reserve Estimate as at 15 May 2023

Classification	Tonnes (Mt)	TiO ₂ (%)	V ₂ O ₅ (%)	Fe ₂ O ₃ (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
Probable	27.6	22.3	0.57	43.7	16.5	10.4

Note tonnes and grades are as at the run of mine ("ROM") and are dry.

Cut-off is based on achieving an average concentrate grade of 32% TiO₂. To achieve this these filters were applied:

- TiO₂ head grade > 0.37 x Fe₂O₃ head grade; and
- SiO₂ head grade < 30%.

See ASX Release 15 May 2023 titled: Barrambie Titanium Project PFS and Ore Reserve Update

There has been no change in the Barrambie Ore Reserve since the 2023 Annual Statement.

Competent persons statement

The Barrambie mineral resource statement has been approved by Mr Matthew Walker and Mr Kahan Cervoj, who consent to the inclusion in the report of the matters based on this information in the form and context in which it appears. Both Mr Matthew Walker and Mr Kahan Cervoj are full-time employees at Snowden Optiro. Mr Matthew Walker is a Member of the Australasian Institute of Mining and Metallurgy (Member No. 316669). Kahan Cervoj is a both a Member of the Australasian Institute of Mining and Metallurgy (Member No. 211785) and a Fellow of the Australian Institute of Geoscience (Member No. 6302).

The Barrambie Ore Reserve statement has been approved by Mr Frank Blanchfield, who consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Blanchfield is an employee of Snowden Optiro and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented are not materially different from the original market announcement."

Directors' Report

The directors of Neometals Ltd submit their report for the financial year ended 30 June 2024.

The names and particulars of the directors of the Company during or since the end of the financial year are:

Current Directors

Name	Particulars
Steven Cole	<p>Non-executive Chairman (independent)</p> <p>Steven Cole has over 40 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments.</p> <p>His extensive boardroom and board sub-committee experience includes ASX listed, statutory, proprietary and non for profit (NFP) organisations covering the industrial, financial, educational, professional services, agribusiness, health and resources sectors.</p> <p>Steven's professional qualifications include:</p> <ul style="list-style-type: none"> • Llb (hons)– University of Western Australia • AICD Company Directors Diploma and Fellow; • Wharton Business School – University of Pennsylvania – Corporate Governance Program 2010 • Harvard – Corporate Governance Program 2015 <p>Appointed: 24 July 2008</p> <p>Special responsibilities: Chairman of each of the Nomination and Remuneration Committees and Member of each of the Audit and Risk and Sustainability Committees.</p> <p>Directorships of other listed companies: Non-executive Director Matrix Composites and Engineering Ltd</p>
Christopher J. Reed	<p>Managing Director (not independent)</p> <p>Christopher Reed is an accountant with over 25 years' experience in the resource industry including more than 15 years in corporate administration and management. Christopher served as Managing Director of Reed Resources Ltd (now Neometals Ltd) from September 2007 until May 2012 at which time he assumed the role executive director. Christopher resumed the role as Managing Director from 1 October 2013.</p> <p>Mr. Reed holds a Bachelor of Commerce from the University of Notre Dame and a Graduate Certificate in Mineral Economics from the WA School of Mines. He is a member of the AusIMM.</p> <p>Appointed: 20 December 2001</p> <p>Special responsibilities: Managing Director/CEO</p>
Dr. Natalia Streltsova	<p>Non-executive Director (independent)</p> <p>Natalia Streltsova is a PhD qualified chemical engineer with over 25 years' experience in the minerals industry, including over 10 years in senior technical and corporate roles with mining majors - WMC, BHP and Vale. She has a strong background in mineral processing, technology commercialisation, innovation management and project development in multiple commodities. During her executive career she managed projects that specifically targeted the development of low carbon emission technologies and environmental clean-up through tailings and mineralised waste re-processing.</p> <p>Dr Streltsova has considerable international experience covering project development and acquisitions in South America, Africa and Central Asia. In the last 10 years, since finishing full-time executive roles, her focus has been on non-executive board memberships and consulting.</p> <p>Appointed: 14 April 2016</p>

	<p>Resigned: 27 June 2024</p> <p>Special responsibilities: Chair of the Risk and Sustainability Committee and member of each of the Remuneration and Audit Committees.</p> <p>Directorships of other listed companies: Ramelius Resources Limited (Chair of Risk & Sustainability Committee), Centaurus Metals Limited and Australian Potash Limited (resigned 29 January 2024)</p>
<p>Mr Douglas Ritchie</p>	<p>Non-executive Director (independent)</p> <p>Doug has over four decades experience working in the mining industry, including as a member of Rio Tinto's Executive Committee, Product Group Head of Energy, and the Group Executive responsible for China, Doug's expertise across the industry is extensive.</p> <p>He has previously been an Executive Director of Jinchuan Group International Resources (HKSE), Rossing Uranium Limited, Coal & Allied Limited (ASX 50), and Director of various other ASX listed companies. He was also formerly Chairman of the Coal Industry Advisory Board to the International Energy Agency, a Director of the World Coal Association and a Director of the Queensland Resources Council. Between 2013 and April 2016, Doug was Chairman of UniQuest, the main commercialisation vehicle of the University of Queensland.</p> <p>Doug is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.</p> <p>Appointed: 14 April 2016</p> <p>Special responsibilities: Chairman of the Audit Committee and Member of each of the Nomination and Risk and Sustainability Committees.</p> <p>Directorships of other listed companies: Chair and member of Audit and Risk Committee, Metro Mining Limited</p>
<p>Dr Jenny Purdie</p>	<p>Non-executive Director (until 29 May 2024) (independent)</p> <p>Executive Director (from 29 May 2024) (not independent)</p> <p>Dr Purdie's extensive career has seen her hold roles in engineering, senior technology, strategy and operations for leading international mining companies. Dr. Purdie's most recent role was as Asset president for BHP, managing the Olympic Dam copper/gold/silver/uranium project in South Australia. This involved budgetary and overall leadership accountability for the Olympic Dam asset inclusive of non-financial metrics relevant to ESG performance Dr. Purdie has also served as a senior executive for Jemena Management Holdings – Executive General Manager Gas Distribution, CEO of Adani Renewables Australia, Executive Vice President - Enterprise Services at Aurizon, Global Practice Leader for Rio Tinto's Technology and Innovation team (leading a global network of in-house technologists and suppliers to deploy innovative technologies across Rio Tinto operations). Earlier in her career she filled engineering and management roles with Rio Tinto, Alcoa and Altona Petrochemical.</p> <p>In her senior management and operational roles, Dr Purdie has been deeply immersed in technology development. She has a PhD and Bachelor of Engineering (Chemical and Materials, Hons 1) from Auckland University and an Executive MBA from the University of Queensland. She is a Fellow of the Institution of Chemical Engineers, a graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.</p> <p>Appointed: 27 September 2018</p> <p>Special Responsibilities: Executive Director/COO.</p> <p>Directorships of other listed companies: Nil</p>

<p>Mr Les Guthrie</p>	<p>Non-executive Director</p> <p>Mr Guthrie is an engineer with over 45 years experience in the project delivery space. He has held corporate executive and project management roles, across the UK, Australia, North America and Asia. It is a background steeped in the strategy, development and delivery of major capital programs spanning mining, infrastructure and oil & gas.</p> <p>He is Managing Director of Bedford Road Associates, where he has provided advice and delivery support to clients in Mongolia, South Korea, New Zealand as well as in Australia.</p> <p>Prior to establishing Bedford Road Mr Guthrie was Vice President Projects for BHP Billiton. Previously he held roles as Group Head of Capital Projects and President LNG for BG Group in the UK, President of Aker Kvaerner Inc. in the US, and Managing Director of Aker Kvaerner Australia.</p> <p>Mr Guthrie was a founding contributor to the John Grill Centre for Project Leadership at Sydney University and was previously engaged as a subject matter expert by EY Advisory. He holds a B.Sc. from the University of West of Scotland and is a member of the Australian Institute of Company Directors.</p> <p>Appointed: 27 September 2018</p> <p>Special responsibilities: Member of the Risk and Sustainability Committee and Remuneration Committee.</p> <p>Directorships of other listed companies: DRA Global Ltd (Chair of People, Culture & Remuneration Committee, and member of Sustainability, Safety, Health & Environmental Committee) (resigned 4 October 2023), Advanced Braking Technology Ltd (effective 1 August 2023) & Australian Mines Ltd (member of Risk Committee; resigned July 2023)</p>
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Company Secretary

<p>Jason Carone</p>	<p>Chief Financial Officer and Company Secretary</p> <p>Mr. Carone is a Chartered Accountant with over 20 years' experience in accounting and company administration in Australia and South East Asia.</p> <p>Mr. Carone holds a Bachelor of Commerce in Accounting and Business Law from Curtin University and is a member of the Chartered Accountants Australia & New Zealand, and Chartered Secretaries Australia.</p> <p>Appointed: 4 March 2009</p> <p>Resigned Chief Financial Officer: 30 June 2024</p> <p>Resigned Company Secretary: 11 July 2024</p>
<p>Christopher Kelsall</p>	<p>Chief Financial Officer and Company Secretary</p> <p>Chris Kelsall has over 30 years of professional, corporate and business experience through law, investment banking and commercial consultancy, as well as a range of executive management and non-executive appointments in public listed and private organisations in the resources, minerals processing, clean technology, oil and gas, and oil services sectors.</p> <p>Chris's professional qualifications include:</p> <ul style="list-style-type: none"> • Bachelor of Economics and Bachelor of Laws – University of Western Australia • Graduate Diploma in Applied Finance and Investment - Financial Services Institute of Australasia • London Business School – University of London – Masters in Finance (Distinction) <p>Appointed Chief Financial Officer: 1 July 2024</p> <p>Appointed Company Secretary: 12 July 2024</p>

Review of operations

The consolidated loss after income tax for the year attributable to members of Neometals Ltd was \$69.1 million (2023: \$34.8 million). A detailed review of the Company's operations during the financial year can be found on pages 1 to 11 of this Annual Financial Report.

Principal activities and changes in state of affairs

During the financial year the Consolidated Entity's primary focus was the continuous development and commercialisation of its proprietary innovative processing technologies with strong global partners to recycle and recover critical materials from high-value waste streams.

Neometals aims to support sustainable critical material supply chains and reduces the environmental burden of traditional mining in the global transition to a circular economy.

There have not been any significant changes in the affairs of the Consolidated Entity from the previous year.

Events after the reporting period

On 11 July 2024, Neometals announced that recently appointed Chief Financial Officer (on 1 July 2024), Chris Kelsall, was also appointed Company Secretary (on 12 July 2024) to replace the departing Mr Jason Carone.

On 19 August 2024, Neometals announced the successful completion of a subscription agreement with existing long-term shareholder Mr William Robert Richmond for approximately US\$3m (AUD\$4.5m) through the issue of 66,666,666 new ordinary fully paid shares. The shares were issued on 20 August 2024.

On 22 August 2024, Neometals announced a strategy update for a restructure of the company to right size the organisation and its underlying cost base to reflect a new strategic refocus.

On 16 September 2024, Neometals 88% owned entity, Recycling Industries Scandinavia AB ("RISAB"), executed a project agreement with EIT RawMaterials GmbH to support the development of the Finnish vanadium recovery project ("VRP1") via a €0.5M (c. A\$829k) grant to RISAB's 100% owned VRP1 holding company, Novana Oy ("Novana").

On 17 September 2024, Neometals was served with documents relating to proceedings in the Federal Court of Australia which have been commenced against it by an employee affected by the corporate restructure announced on 22 August 2024.

On 23 September 2024, Neometals announced a gold exploration target related to the Barrambie Project.

Other than stated above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

Future developments

The Consolidated Entity intends to continue its focus on disciplined development and commercialisation of its three processing technologies, Lithium-ion Battery Recycling, Vanadium Recovery and Lithium Chemicals (via EliTM). Neometals will be Prioritising the progression of Primobius, the LiB Recycling joint venture with SMS group GmbH, through industrial validation to commercialisation. The pre-commercial lithium and vanadium recovery technologies have been developed to pilot scale but require significant additional capital to demonstrate proof-at-scale. Neometals is actively supporting these distinct business units to become independently funded and will consider options to potentially sell down beneficial ownership, by procuring commercial partners for those business units. The divestment of Barrambie remains part of the Consolidated Entity's strategy to generate cashflow from non-core assets and supports the focus on circular, sustainable materials recovery and recycling.

Environmental regulations

As required by section 299(1)(f) of the Corporations Act the Company confirms that it has performed all of its environmental obligations in accordance with applicable environmental regulations.

Dividends

No dividends were paid during the year.

Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and of any related body corporate against a liability incurred as a director or officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Unissued shares under option

There were no unissued ordinary shares of the company, Neometals Ltd, under option at the date of this report.

No shares of the Company were issued during or since the end of the financial year as a result of the exercise of an option over the unissued shares of the Company.

Please refer to the Remuneration Report at page 20 below for details of Performance rights issued as part of Key Management Personnel ("KMP") remuneration.

Directors' security holdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report:

Directors	Fully paid Ordinary Shares	Share Options	Performance rights
	Number	Number	Number
S. Cole	2,257,055	-	835,642
C. Reed	10,136,079	-	1,385,465
D. Ritchie	423,162	-	371,822
N. Streltsova ⁽¹⁾	361,287	-	91,175
J. Purdie	571,574	-	121,567
L. Guthrie	267,066	-	137,585

(1) Natalia Streltsova resigned from her position as Non-Executive Director on 27 June 2024. The shares in this table represent her final security holdings as at the date of her resignation.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 14 board meetings, 2 nomination committee meeting, 2 remuneration committee meetings, 1 risk and sustainability committee and 3 audit committee meetings were held.

Directors	Board of Directors		Nomination Committee		Remuneration Committee		Risk and Sustainability Committee		Audit Committee	
	Held	Attended	Held ⁽¹⁾	Attended	Held ⁽¹⁾	Attended	Held ⁽²⁾	Attended	Held	Attended
S. Cole	14	13	2	2	2	2	1	1	3	3
C. Reed	14	14	n/a	n/a	n/a	n/a	n/a	1	n/a	3
N. Streltsova	14	14	n/a	n/a	n/a	n/a	1	1	3	2
D. Ritchie	14	13	2	2	2	2	1	0	3	3
J. Purdie	14	13	2	2	n/a	n/a	n/a	1	3	3
L. Guthrie	14	13	n/a	n/a	n/a	n/a	1	0	n/a	2

Meeting numbers in the "Held" column are the number of meetings held whilst the relevant director was a member of the Board or committee.

- (1) Excludes several informal meetings of the members of the Nomination and Remuneration Committees to discuss matters including the establishment of executive KPIs for incentive-based remuneration and the TSR comparator group, board evaluation and board succession planning.
- (2) Excludes several informal meetings of the members of the Risk and Sustainability Committee and management to discuss matters including the Company's strategic direction and resultant changes in risk exposure.

Proceedings on behalf of the company

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate governance statement

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments (together "Charter").

The Company's Charter is based on a template which has been professionally verified to be complementary to and in alignment with the ASX Corporate Governance Council Principles and Recommendations 4th Edition 2019 ("ASX CGC P&R") in all material respects. The Charter also substantially addresses the suggestions of good corporate governance mentioned in the "Commentary" sections of the ASX CGC P&R.

The Charter was formally adopted by the Board on 19 December 2019 and subsequently updated for the Companies compliance listing on the London Stock Exchange and adopted by the Board on 16 February 2022.

The Board of Neometals is responsible for the corporate governance of the company and its subsidiaries. The Board has governance oversight of all matters relating to the strategic direction, corporate governance, policies, practices, management and operations of Neometals with the aim of delivering value to its Shareholders and respecting the legitimate interest of its other valued stakeholders, including employees, suppliers and joint venture partners.

The Company acknowledges the extended tenure of Steven Cole, the nomination committee chair, is beyond that which may normally be considered independent in accordance with the ASX Principles of Corporate Governance. The Company board has assessed the circumstances and determined it is confident Mr Cole has retained sufficient independence to maintain unfettered and independent judgement on issues arising.

Under ASX Listing Rule 4.10.3, Neometals is required to provide in its annual report details of where shareholders can obtain a copy of its Corporate Governance Statement, disclosing the extent to which the Company has followed the ASX Corporate Governance Council Principles and Recommendations in the reporting period. Neometals has published its Corporate Governance Statement on the Corporate section of its website:

neometals.com.au/investors/corporate-governance

Statements as to risk appetite and tolerance

Neometals accepts that to meet its Strategic Objectives including for the benefit of its stakeholders generally as well as delivering appropriate returns and value for its shareholders, it must accept and prudentially manage risks.

To this end Neometals has adopted and applied a comprehensive and cohesive risk identification, assessment, management and mitigation framework ("Risk Framework" or "RF") consistent with prudential professional Australian and international standards; ASX Corporate Governance Principles and Recommendations 7 and ISO31000 guidance.

The Board of Neometals is prepared to accept a certain level of risk assessed under its RF to further its Strategic Objectives. In doing so the Company sets boundaries as to the degree of assessed risk that it is prepared to accept for that purpose ("Risk Appetite"). In some instances, identified and assessed risks are outside the assessed boundary of Neometals' Risk Appetite but nevertheless Neometals' is prepared to accept the risk, perhaps with some qualifications. That is Neometals' Risk Tolerance. There are two categories where this may be contemplated:

- i) Where the Neometals board, by properly considered and duly passed resolution, is prepared to accept as being within its Risk Appetite a designated risk that is inherently essential to its Strategic Objectives notwithstanding the assessment of the risk being beyond its risk appetite boundary (e.g. international commodity pricing over which NMT may have little control, influence or mitigation means);
- ii) Where a designated risk is currently assessed as being beyond Neometals' risk appetite boundary but would be assessed as being within such boundary within the next 6 month period (or such longer period specifically approved of by the Board with respect to that risk) should extra "control effectiveness" to mitigate the risk be implemented within that period and Neometals commits to appropriate resources being deployed to achieve that outcome.

Notwithstanding the above, as a matter of policy, matters identified as impacting health, safety, environment and communities ("HSEC") risks and which are assessed beyond Neometals' Risk Appetite generally will not be accepted as within the Company's Risk Tolerance unless the mitigations to address the risk are actively being progressed with every confidence of the likelihood rating being materially reduced in early course.

Overarching risk management

The Company is exposed to a range of market, financial, operational, environmental, and socio-political risks that could have an adverse effect on the Company's future performance. The nature and potential impact of these risks can change over time and vary in the degree to the extent the Company can control them.

During the reporting period, the Risk and Sustainability Committee reviewed the effectiveness of the Company's risk management policy, risk framework, and the processes required to govern risk identification, assessment, monitoring, and reporting with due regard to the Company's risk appetite and tolerance levels.

The Company considers that any material exposure to environmental, social, or other sustainability risks it may have are addressed in the following observations:

a) Economic risks:

The Company operates in a global market for mineral commodities with their pricing and supply/demand attributes inherently the subject of many factors beyond the absolute control of the Company.

The majority of the Company's technologies and battery material projects are also in development phase with anticipated future capital requirements for their commercialisation. The Company will be dependent on future raisings (equity and debt) from the capital markets to support the ongoing development of those projects.

It is noted and accepted that "unfavourable commodity prices" and "volatile capital markets" are material risks for the Company and inherently essential to its strategic objectives.

b) Environmental and sustainability risks:

The Company's focus is on the continuing development and commercialisation of proprietary innovative technologies relating to the sustainable production of battery materials to meet the demands of an energy transition from fossil fuel dependence. The nature and design of the Company's technologies prioritise safety, environmental footprint, process efficiency and economics. The technologies are anticipated to produce key battery materials with lowest quartile operating costs and carbon footprint from processing of recycled and waste feedstocks. Given the Company's strategic and operating approach, downside outcomes arising from environmental and climate change risks have been duly considered and assessed towards the lower end of the spectrum.

In fact, risks relating to environmental and climate change issues pose more as opportunities than risks and which the Company is seeking to leverage against.

c) Social risks:

The Company's primary business operations are in jurisdictions with robust environmental and social legislation and regulations including labour and employment practices, human rights and cultural heritage.

The Company endeavours to identify and prevent or mitigate any social risks including human rights impacts resulting from its business activities through the application of robust strategies, maintaining strong relationships with communities and delivering on commitments made. With respect to the Company's Barrambie Project, previously enacted (and now repealed) Aboriginal Cultural Heritage legislation may have posed some procedural process delay risk but with the repeal of that legislation such risk has been reasonably ameliorated.

The Company places significant value on the protection of the health, safety and wellbeing of the workforce.

Project risk management.

A consistent approach to risk applies across Neometals' projects

Type	Risk Areas / Causes	Controls / Mitigation Approach
Technical Feasibility	<ul style="list-style-type: none"> • Geological and mining risk • Processing risk • IP management risk 	<ul style="list-style-type: none"> • Focus on recycling and waste recovery as feedstock source – 'urban mining' • Dedicated experienced technical personnel inhouse. • Apply a disciplined Technology Readiness Level ("TRL") and stage gating approach – pilot/demonstration plants
Economic Viability	<ul style="list-style-type: none"> • Operating Costs – reagent supply chain, workforce attraction/retention, inflation • Capital Costs - inflation • Marketing – offtake/feedstock • Price risk – commodity prices 	<ul style="list-style-type: none"> • Apply a disciplined TRL and stage gating approach – AACE® Engineering Cost Studies • Dedicated business analysts, human resources ("HR") and marketing personnel in-house • Specialised external advisors where necessary
Financing	<ul style="list-style-type: none"> • Capital markets – short selling, dysfunctional markets. • Geopolitical risk – government policy changes, global conflict and turmoil 	<ul style="list-style-type: none"> • Conservative investment policy and cash management initiatives • Engage specialised corporate advisors • Dedicated corporate development and investor relations personnel in-house
Operational	<ul style="list-style-type: none"> • HSE risks • ESG landscape / requirements • Stakeholder relation risks • IP risks and Freedom to Operate 	<ul style="list-style-type: none"> • Develop environmental and safety systems. • Dedicated HR, ESG, investor relations ("IR") and IP personnel inhouse.

Remuneration Report (audited)

Key Management Personnel

The following persons were deemed to be Key Management Personnel (“KMP”) during or since the end of the financial year for the purpose of Section 300A of the Corporations Act 2001 and unless otherwise stated were KMP for the entire reporting period.

Non-executive Directors

- Steven Cole Non-executive Director/Chairman
- Natalia Streltsova Non-executive Director (resigned 27 June 2024)
- Douglas Ritchie Non-executive Director
- Les Guthrie Non-executive Director

Executive Directors

- Christopher Reed Managing Director and CEO
- Jenny Purdie Executive Director and Chief Operating Officer⁽¹⁾

Other executives

- Jason Carone Chief Financial Officer (resigned 30 June 2024) and Company Secretary (resigned 11 July 2024)
- Chris Kelsall Chief Financial Officer (appointed 1 July 2024) and Company Secretary (appointed 12 July 2024)
- Michael Tamlin Head of Lithium
- Darren Townsend Chief Development Officer
- Merrill Gray Head of Recycling (resigned 22 September 2023)
- Christian Reiche Head of Recycling (appointed 6 October 2023)

(1) Jenny Purdie was a Non-executive Director until her appointment as Chief Operating Officer on 29 May 2024.

Remuneration policy for key management personnel

Non-executive directors

The Board’s policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee on behalf of the Board determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, shareholder sentiment, board workload, company cashflow capacity and corporate performance generally. Independent external advice and/or benchmark comparisons are sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is \$800,000 as approved by shareholders at the Annual General Meeting on 30 November 2021. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors’ interests with shareholder interests, the Directors are encouraged to hold shares in the Company and invited to salary sacrifice fees for performance rights pursuant to the Company’s Performance Rights Plan (“PRP”).

General

The Remuneration Policy for employees is developed by the Remuneration Committee taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Company adopted a revised PRP for its staff, executive KMP and Non-executive Directors in November 2020 and shareholders reapproved the issue of securities under the plan in November 2020. The Board believes that the PRP will assist the Consolidated Entity in remunerating and providing ongoing incentives to employees of the Group.

The rules of the PRP enable the Company to issue performance rights to eligible personnel subject to performance and vesting conditions determined by the Company. Each performance right entitles the holder, for nil cash consideration, to one fully paid ordinary share in the Company for every performance right offered, if the applicable performance and vesting conditions set for that holder are satisfied.

During the financial year a total of 2,449,947 (2023: 944,284) performance rights were offered to and accepted by KMP. Of this amount 1,566,892 performance rights are subject to relative and absolute Total Shareholder Return (“TSR”) and other strategic hurdles, details of which can be found in the “Service agreements - performance based remuneration” section below. Testing undertaken for the period ended 31 December 2023 resulted in zero performance rights subject to the TSR criteria vesting. Testing undertaken for the period ended 30 June 2024 resulted in zero (2023: 3,209,743) performance rights subject to the TSR criteria vesting. The remaining amount will be retested at 31 December 2024.

The Group's Remuneration Policy for executive KMPs seeks to balance its desire to attract, retain and motivate high quality personnel with the need to ensure that remuneration incentivises them to pursue growth and success of the Company without taking undue risks and without it being excessive remuneration.

To align the interests of the executive with that of the company remuneration packages for executive KMPs contain the following key elements:

- a) Fixed Base Salary – salary, superannuation and non-monetary benefits;
- b) Short Term Incentives – cash incentives applied to a maximum percentage of Fixed Base Salary and structured against relative satisfaction (at the reasonable discretion of the Board) of certain corporate and personally related key performance indicators of the executive.
- c) Long Term Incentives – the grant of performance rights in the Company, with value capped to a maximum percentage of Fixed Base Salary, vesting progressively while the executive remains employed, with the degree of vesting structured against the Company's relative and absolute TSR performance against a comparator group of companies as well as other strategic hurdles.

The Company's remuneration is specifically designed to encourage loyalty and longevity of employment as well as aligning the employee's interests with those of the Company and the creation of genuine long term sustainable value for security holders.

All remuneration provided to KMP in the form of share based payments are valued pursuant to AASB 2 *Share-based Payment* at fair value on grant date and are expensed on a pro rata basis over the vesting period of the relevant security.

Relationship between the remuneration policy and company performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2024:

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$
Revenue ⁽¹⁾	-	-	-	-	-
Net profit / (loss) before tax ⁽²⁾	(38,483,612)	(36,179,024)	(16,234,234)	20,976,747	(19,837,973)
Net profit / (loss) after tax ⁽³⁾	(38,167,032)	(34,804,369)	4,360,700	16,343,172	(14,553,693)
Share price at start of year	0.48	0.91	0.48	0.16	0.21
Share price at end of year	0.09	0.48	0.91	0.48	0.16
Market capitalisation at year end (undiluted)	53,561,687	273,606,882	496,280,638	261,768,607	87,122,706
Basic profit / (loss) per share	(0.117)	(0.063)	0.80	0.030	(0.027)
Diluted profit / (loss) per share	(0.117)	(0.063)	0.79	0.030	(0.027)
Dividends Paid	-	-	-	-	10,890,338

(1) Although one financial year has returned a net profit before tax there has been no revenues from ordinary activities. The group was profitable in that financial year from profits booked from the sale of the Mt Marion project in 2021.

(2) Exclusive of profits resulting from discontinued operations.

(3) Inclusive of profits resulting from discontinued operations.

Key management personnel remuneration

The KMP received the following amounts during the year as compensation for their services as directors and executives of the Company and/or the Group.

2024	Short-term employee benefits				Post-employment benefits	Share based payments	Termination benefits	Total	% remuneration linked to performance
	Salary & fees	Bonus	Non-Monetary ⁽¹⁾	Other ⁽²⁾	Super-annuation	Performance rights			
Non-executive Directors									
S. Cole	98,198	-	-	-	10,802	80,000	-	189,000	-
N. Streltsova	60,811	-	-	-	6,689	45,000	-	112,500	-
D. Ritchie	60,811	-	-	-	6,689	45,000	-	112,500	-
L. Guthrie	90,090	-	-	-	9,910	12,500	-	112,500	-
	309,910	-	-	-	34,090	182,500	-	526,500	-
Executive directors									
C. Reed	622,601	-	14,247	5,587	27,399	275,321	-	945,155	29
J. Purdie ⁽³⁾	68,798	-	-	1,946	7,568	60,000	-	138,312	-
	691,399	-	14,247	7,533	34,967	335,321	-	1,083,467	-
Other executives:									
M. Tamlin	392,601	-	22,050	(14,597)	27,399	118,429	-	545,882	22
J. Carone	392,500	-	14,477	(503)	27,500	(148,687)	-	285,287	-
D. Townsend	392,601	-	14,327	(5,335)	27,399	118,903	-	547,895	22
M. Gray ⁽⁴⁾	105,119	-	-	(23,080)	13,699	(34,077)	114,869	176,530	-
C. Reiche ⁽⁴⁾	282,066	-	-	20,434	20,549	14,030	-	337,079	4
	1,564,887	-	50,854	(23,081)	116,546	68,598	114,869	1,892,673	-
Total	2,566,196	-	65,101	(15,548)	185,603	586,419	114,869	3,502,640	-

2023	Short-term employee benefits				Post-employment benefits	Share based payments	Termination benefits	Total	% remuneration linked to performance
	Salary & fees	Bonus	Non-Monetary ⁽¹⁾	Other ⁽²⁾	Super-annuation	Performance rights			
Non-executive Directors									
S. Cole	135,747	-	-	-	14,253	60,000	-	210,000	-
N. Streltsova	72,398	-	-	-	7,602	45,000	-	125,000	-
D. Ritchie	72,398	-	-	-	7,602	45,000	-	125,000	-
J. Purdie	72,398	-	-	-	7,602	45,000	-	125,000	-
L. Guthrie	104,977	-	-	-	11,023	9,000	-	125,000	-
	457,918	-	-	-	48,082	204,000	-	710,000	-
Executive directors									
C. Reed	624,708	146,250	30,397	67,182	25,292	351,132	-	1,244,961	40
	624,708	146,250	30,397	67,182	25,292	351,132	-	1,244,961	-
Other executives:									
M. Tamlin	394,708	75,600	46,701	1,457	25,292	162,274	-	706,032	34
J. Carone	392,500	110,250	31,495	(44,664)	27,500	153,566	-	670,647	39
D. Townsend	394,708	126,000	29,461	(1,582)	25,292	159,822	-	733,701	39
M. Gray	398,208	104,816	-	18,968	25,292	34,077	-	581,361	24
	1,580,124	416,666	107,657	(25,821)	103,376	509,739	-	2,691,741	-
Total	2,662,750	562,916	138,054	41,361	176,750	1,064,871	-	4,646,702	-

(1) Relates to fringe benefits received by key management personnel

- (2) Other short-term employee benefits relates to annual and long service leave.
- (3) Jenny Purdie was appointed Chief Operating Officer on 29 May 2024.
- (4) In September 2023, Merrill Gray resigned from the position of Head of Recycling. In October 2023, Christian Reiche was appointed Head of Recycling.

Service agreements - performance based remuneration

The KMP of the Company, other than Non-executive Directors, are employed under service agreements. A summary of performance conditions for relevant KMP are detailed below:

Name: Mr. J. Carone
Position: Chief Financial Officer / Company Secretary
Term: No defined term
Termination: 3 months notice period and 3 months termination payment

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus up to 35% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$147,000 of which 0% or nil was acknowledged and agreed by the CEO and Mr J Carone. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below.

Calculation of potential entitlement to performance rights

$$P = \frac{40}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Mr. C. Reed
Position: Managing Director
Term: Expiry date of 30 June 2026
Termination notice period: 6 months by executive

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 50% of the KMP's annual salary package (\$650,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$325,000 of which 0% or nil was acknowledged and agreed by the Board and Mr C Reed. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{50}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Dr. J. Purdie

Position: Chief Operating Officer

Term: Expiring 31 December 2024

Termination notice period: 3 months

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 35% of the KMP's annual salary package (pro rata based on \$500,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$175,000 of which 0% or nil was acknowledged and agreed by the CEO and Dr J Purdie. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{35}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Mr. M. Tamlin

Position: Head of Lithium

Term: No defined term

Termination notice period: 6 months

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 40% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$168,000 of which 0% or nil was acknowledged and agreed by the CEO and Mr M Tamlin. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{35}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Mr. D. Townsend

Position: Chief Development Officer

Term: No defined term

Termination notice period: 6 months

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 40% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$168,000 of which 0% or nil was acknowledged and agreed by the CEO and Mr D Townsend. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{35}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Ms. M. Gray

Position: Head of Recycling

Term: No defined term

Termination notice period: 3 months

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package (\$423,500 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$139,755 representing approximately 33% of the annual base salary package of which 0% or nil was acknowledged and agreed by the CEO and Mr C. Reiche. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Name: Mr. C. Reiche

Position: Head of Recycling

Term: No defined term

Termination notice period: 3 months

Incentive based remuneration

Short Term Incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2023-24). The STI for 2023-24 was set at a maximum of \$138,600 representing approximately 33% of the annual base salary package of which 0% or nil was acknowledged and agreed by the CEO and Mr C. Reiche. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

Long Term Incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where:

P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Criteria

The grant of Performance Rights is designed to reward long term sustainable business performance measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The KMP's entitlement to the performance rights is dependent on 3 criteria:

(a) Tranche 1 – Relative TSR (issued during financial years ending 2022-2024)

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (**TSR**) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

(b) Tranche 2 – Absolute TSR (issued during financial years ending 2022-2024)

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (**Absolute TSR**).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.

- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- For each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

(c) Tranche 3 – Business plan (issued during financial years ending 2022-2024)

The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% to vest at the discretion of the Board based on the overall achievement by NMT of its strategic objectives (both financial and non-financial) under the leadership of the CEO and in delivering value to NMT's shareholders and broader stakeholders.

Performance rights granted to the KMP have a vesting period of 3 years from grant date and will lapse on the KMP ceasing to be an employee of the Group prior to the vesting date.

The Company provides the KMP with performance based incentives in order to incentivise KMP to pursue strategies that are aligned with the overall business strategy and the interests of the shareholders. Where deemed appropriate the Company has set specific Key Performance Indicators as performance criteria for staff that have a direct role/responsibility in achieving a specific outcome. To ensure that KMP are also incentivised to pursue longer term strategies that increase shareholder wealth a portion of the KMP's remuneration is linked to a "comparative TSR model" which links the level of the KMP remuneration to the Company's performance against a group of comparable ASX listed entities, using Total Shareholder Return as the basis of comparison. KMP are also issued with performance rights with service conditions as vesting criteria which assist the company retain staff as well as aligning the interests of the KMP with shareholders. The Company has deemed the issue of service based performance rights as an appropriate form of remuneration due to the uncertain nature of the Group's business, that is, mineral exploration, mining and developing new mineral processing technologies.

The comparator group adopted by the company for LTI granted during FY2022 (vest FY2024) is as follows:

- | | |
|---|---|
| • Albermale (NYSE: ALB) | • Global X Lithium ETF (NYSE Arca: LIT) |
| • TNG Ltd (ASX: TNG) | • S&P ASX Small Resources Index (ASXR: ASX) |
| • AMG Metallurgical Group NV (AMS: AMG) | • S&P ASX 300 (ASX: XKO) |
| • Iluka Resources Limited (ASX: ILU) | • Lithium Australia NL (ASX: LIT) |
| • Bushveld Minerals (LSE: BMN) | • Umicore Belgium (BSE:UMI) |
| • Standard Lithium Inc. (TSX: SLI) | |

The comparator group adopted by the company for LTI granted during FY2023 (vest FY2025) is as follows:

- | | |
|---|--|
| • Albermale (NYSE: ALB) | • Global X Lithium ETF (NYSE: LIT) |
| • TNG Ltd (ASX: TNG) | • S&P ASX 300 (ASX: XKO) |
| • AMG Metallurgical Group NV (AMS: AMG) | • Li-Cycle Holdings Corp (NYSE:LICY) |
| • Iluka Resources Limited (ASX: ILU) | • Umicore Belgium (BSE:UMI) |
| • Bushveld Minerals (LSE: BMN) | • American Battery Technology Company (OTC:ABML) |
| • Standard Lithium Inc. (TSX: SLI) | |

The comparator group adopted by the company for LTI granted during FY2024 (vest FY2026) is as follows:

- | | |
|---|--|
| • Albermale (NYSE: ALB) | • Global X Lithium ETF (NYSE: LIT) |
| • TNG Ltd (ASX: TNG) | • S&P ASX 300 (ASX: XKO) |
| • AMG Metallurgical Group NV (AMS: AMG) | • Li-Cycle Holdings Corp (NYSE:LICY) |
| • Iluka Resources Limited (ASX: ILU) | • Umicore Belgium (BSE:UMI) |
| • Bushveld Minerals (LSE: BMN) | • American Battery Technology Company (OTC:ABML) |
| • Standard Lithium Inc. (TSX: SLI) | |

The Company has selected the above group of companies as the comparator group for the following reasons:

1. It represents a reasonable cross section of resource companies with reasonably comparable market capitalisation, resource base and stage of development to that of the Company
2. The group is primarily focused on developing industrial minerals projects.

The Company's performance rights plan was approved by shareholders at the 2020 AGM.

Performance rights issued as part of KMP remuneration

Performance rights granted to key management personnel

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

Name	During the Financial Year					
	Grant date	No. granted	No. vested	Fair value at grant date ⁽³⁾ \$	Earliest exercise date	Consideration payable on exercise
KMP:						
C. Reed ⁽¹⁾	11/09/2023	571,512	-	204,030	30/06/2026	-
J. Carone ⁽¹⁾	11/09/2023	314,759	-	112,369	30/06/2026	-
M. Tamlin ⁽¹⁾	11/09/2023	275,414	-	98,323	30/06/2026	-
D. Townsend ⁽¹⁾	11/09/2023	275,414	-	98,323	30/06/2026	-
M. Gray ⁽¹⁾⁽⁴⁾	11/09/2023	261,840	-	93,477	30/06/2026	-
C. Reiche ⁽¹⁾⁽⁴⁾	19/01/2024	259,676	-	92,704	30/06/2026	-
N. Streltsova ⁽²⁾	12/07/2023	91,175	91,175	45,000	30/06/2024	-
D. Ritchie ⁽²⁾	12/07/2023	91,175	91,175	45,000	30/06/2024	-
S. Cole ⁽²⁾	12/07/2023	162,089	162,089	80,000	30/06/2024	-
J. Purdie ⁽²⁾	12/07/2023	121,567	121,567	60,000	30/06/2024	-
L. Guthrie ⁽²⁾	12/07/2023	25,326	25,326	12,500	30/06/2024	-
Total		2,449,947	491,332	941,726		-

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) These Non-executive Directors have forgone Directors Fees for performance rights pursuant to the company's PRP.

(3) These values have been calculated using the Monte Carlo valuation method.

(4) In September 2023, Merrill Gray resigned from the position of Head of Recycling. In October 2023, Christian Reiche was appointed Head of Recycling.

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

2024	Balance at 1/07/2023	Grant date	Granted	Fair value of rights at grant date ⁽³⁾	Forfeited/lapsed during the financial year	Ordinary shares issued on exercise of rights	Balance at 30/06/2024 ⁽⁴⁾	Vested during the financial year
No.	No.		No.	\$	No.	No.	No.	No.
KMP:								
C. Reed ⁽¹⁾	2,470,707	11/09/2023	571,512	204,030	(165,675)	(1,491,079)	1,385,465	-
J. Carone ⁽¹⁾	1,046,859	11/09/2023	314,759	112,369	(133,211)	(532,844)	695,563	-
M. Tamlin ⁽¹⁾	1,144,568	11/09/2023	275,414	98,323	(151,134)	(604,536)	664,312	-
D. Townsend ⁽¹⁾	1,115,503	11/09/2023	275,414	98,323	(145,321)	(581,284)	664,312	-
M. Gray ⁽¹⁾⁽⁵⁾	120,554	11/09/2023	261,840	93,477	(382,394)	-	-	-
C. Reiche ⁽¹⁾⁽⁵⁾	-	19/01/2024	259,676	92,704	-	-	259,676	-
N. Streltsova ⁽²⁾	40,875	11/09/2023	91,175	45,000	-	(40,875)	91,175	91,175
D. Ritchie ⁽²⁾	40,875	11/09/2023	91,175	45,000	-	(40,875)	91,175	91,175
S. Cole ⁽²⁾	54,499	11/09/2023	162,089	80,000	-	(54,499)	162,089	162,089
J. Purdie ⁽²⁾	40,875	11/09/2023	121,567	60,000	-	(40,875)	121,567	121,567
L. Guthrie ⁽²⁾	8,175	12/07/2023	25,326	12,500	-	(8,175)	25,326	25,326
Total	6,083,490		2,449,947	941,726	(977,735)	(3,395,042)	4,160,660	491,332

- (1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.
- (2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights.
- (3) These values have been calculated using the monte carlo valuation method.
- (4) Includes vested performance rights that have not been exercised at 30 June 2024.
- (5) In September 2023, Merrill Gray resigned from the position of Head of Recycling. In October 2023, Christian Reiche was appointed Head of Recycling.

2023	Balance at 1/07/2022	Grant date	Granted	Fair value of rights at grant date ⁽³⁾	Forfeited/lapsed during the financial year	Ordinary shares issued on exercise of rights	Balance at 30/06/2023 ⁽⁴⁾	Vested during the financial year
	No.		No.	\$	No.	No.	No.	No.
KMP:								
C. Reed ⁽¹⁾	3,463,824	5/09/2022	239,904	276,034	(246,604)	(986,417)	2,470,707	1,491,079
J. Carone ⁽¹⁾	1,395,275	5/09/2022	144,919	166,744	(98,667)	(394,668)	1,046,859	532,844
M. Tamlin ⁽¹⁾	1,577,475	5/09/2022	126,804	145,901	(111,942)	(447,769)	1,144,568	604,536
D. Townsend ⁽¹⁾	1,526,883	5/09/2022	126,804	145,901	(107,637)	(430,547)	1,115,503	581,284
M. Gray ⁽¹⁾	-	5/09/2022	120,554	138,709	-	-	120,554	-
N. Streltsova ⁽²⁾	55,450	4/08/2022	40,875	45,000	-	(55,450)	40,875	40,875
D. Ritchie ⁽²⁾	55,450	4/08/2022	40,875	45,000	-	(55,450)	40,875	40,875
S. Cole ⁽²⁾	61,611	4/08/2022	54,499	60,000	-	(61,611)	54,499	54,499
J. Purdie ⁽²⁾	55,450	4/08/2022	40,875	45,000	-	(55,450)	40,875	40,875
L. Guthrie ⁽²⁾	11,090	4/08/2022	8,175	9,000	-	(11,090)	8,175	8,175
Total	8,202,508		944,284	1,077,289	(564,850)	(2,498,452)	6,083,490	3,395,042

- (1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.
- (2) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights.
- (3) These values have been calculated using the monte carlo valuation method.
- (4) Includes vested performance rights that have not been exercised at 30 June 2023.

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

Other transactions and balances with key management personnel

There were no loans made to key management personnel or their personally related parties during the current or prior financial year. There were no other transactions with key management personnel.

Use of remuneration consultants

During the year no remuneration consultants were used in relation to the company's Performance Rights Plan. No remuneration consultants were used to provide insight into general KMP remuneration, however a subscription for Remsmart was purchased to provide industry benchmarking for Board and executive remuneration for a cost of \$1,350.

This is the end of the audited remuneration report.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 35 of the Annual Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd.



Mr. Christopher Reed
Managing Director
West Perth, WA
26 September 2024

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Independent Auditor's Report to the members of Neometals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Neometals Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group has incurred losses after tax from continuing operations of \$38,167,032 and losses from discontinuing operations of \$30,945,885 (30 June 2023: \$34,608,562 and \$195,807 respectively) and experienced net cash outflows from operating and investing activities of \$25,626,960 (30 June 2023: \$35,330,442) for the year ended 30 June 2024. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Discontinued Operations and Assets Held for Sale</p> <p>As disclosed in Note 6, the Barrambie Titanium/Vanadium Project (Project) has been classified as held for sale at 30 June 2024.</p> <p>As a result, the financial results of the Project have been presented in the consolidated statement of profit or loss and consolidated statement of cashflows for the 2024 financial year as discontinued operations, with comparative information represented accordingly.</p> <p>Accounting in accordance with AASB 5 <i>Non-current Assets Held For Sale and Discontinued Operations</i> requires judgement, including the assessment of whether the Project met the requirements to be classified as held for sale at 30 June 2024, and whether the Project has been appropriately valued at the lower of carrying amount or fair value less cost of disposal.</p> <p>Determination of the Project’s fair value less cost of disposal requires the Group to exercise judgement in estimating the Project’s value at year end.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding from management of the planned disposal of the Project, including obtaining and assessing evidence to support that the sale is committed, it is highly probable, and it is expected to close within 12 months; • Assessing, in conjunction with our valuation specialist, the fair value less cost of disposal determined for the Project at 30 June 2024, which included the inspection of documentation received by the Group in support of the Project’s fair value; • Assessing the assumed cost of disposal; and • Challenging the appropriateness of the amounts, including re-presented comparative figures, presented as discontinued operations in the financial statements. <p>We also assessed the adequacy of the disclosures included in Note 6 to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2024, but does not include the financial report and our auditor’s report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and

- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 29 of the Directors' Report for the year ended 30 June 2024.

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



D K Andrews

Partner

Chartered Accountants

Perth, 26 September 2024

The Board of Directors
Neometals Ltd
Level 1, 1292 Hay Street
West Perth WA 6005

26 September 2024

Dear Board Members

Auditor's Independence Declaration to Neometals Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Neometals Ltd.

As lead audit partner for the audit of the financial report of Neometals Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU

D K Andrews
Partner
Chartered Accountants

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Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 2 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;
- (d) the consolidated entity disclosure statement is true and correct; and
- (e) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s. 298(2) and s.295(5) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd,



Mr. Christopher Reed
Managing Director
26 September 2024

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2024**

	Note	2024 \$	2023 \$ (Re-presented*)
Continuing operations			
Interest and other income	5(a)	544,119	1,061,585
Employee expenses	5(b)	(7,900,995)	(11,155,009)
Occupancy expenses		(209,279)	(177,323)
Finance costs		(102,305)	(26,007)
Other expenses	5(b)	(7,840,342)	(10,392,034)
Marketing expenses		(216,297)	(442,359)
Foreign exchange (loss)/gain		(162,029)	61,466
Impairment expense	5(b)	(12,820,053)	(3,989,748)
Fair value adjustment of non-listed investments		(721,200)	-
Share of loss in associate	22	(438,965)	(3,412,514)
Share of loss in joint ventures	21(ii, iii and iv)	(8,616,266)	(7,298,801)
Loss on disposal of subsidiary	21(iv)	-	(212,473)
Loss before income tax		(38,483,612)	(35,983,217)
Income tax benefit	7	316,580	1,374,655
Loss for the year from continuing operations		(38,167,032)	(34,608,562)
Discontinued operations			
Loss for the year from discontinuing operations	6	(30,945,885)	(195,807)
(Loss)/profit for the year from continuing and discontinuing operations		(69,112,917)	(34,804,369)
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the year		(69,112,917)	(34,804,369)
Loss per share			
From continuing operations:			
Basic (cents per share)	18	(6.43)	(6.27)
Diluted (cents per share)	18	(6.43)	(6.27)
From continuing and discontinued operations:			
Basic (cents per share)	18	(11.65)	(6.30)
Diluted (cents per share)	18	(11.65)	(6.30)

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

*Refer to note 6 for details of re-presentation.

Consolidated statement of financial position as at 30 June 2024

		2024	2023
		\$	\$
	Note		
Current assets			
Cash and cash equivalents	27 (a)	9,103,833	24,438,695
Trade and other receivables	10	967,858	2,031,604
Other financial assets	11	543,089	763,650
Total current ordinary assets		10,614,780	27,233,949
Assets classified as held for sale	6	20,214,451	-
Total current assets		30,829,231	27,233,949
Non-current assets			
Exploration and evaluation expenditure	12	-	47,364,711
Intangibles		285,318	945,994
Investments in joint ventures	21	2,736,164	5,449,045
Investment in associate	22	2,639,437	9,677,933
Other financial assets	11	4,813,803	5,298,971
Right of use assets	20	409,026	895,690
Property, plant and equipment	13	421,485	877,269
Total non-current assets		11,305,233	70,509,613
Total assets		42,134,464	97,743,562
Current liabilities			
Trade and other payables	14	340,789	2,190,866
Provisions	15	954,044	1,021,613
Lease liability	20	128,296	285,625
Liabilities associated with the assets classified as held for sale	6	214,451	-
Total current liabilities		1,637,580	3,498,104
Non-current liabilities			
Provisions	15	39,132	72,685
Lease liability	20	3,982,625	652,049
Total non-current liabilities		4,021,757	724,734
Total liabilities		5,659,337	4,222,838
Net assets		36,475,127	93,520,724
Equity			
Issued capital	16	158,706,319	146,234,171
Reserves	17	2,290,951	10,835,122
Accumulated losses		(124,522,143)	(63,548,569)
Total equity		36,475,127	93,520,724

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

**Consolidated statement of changes in equity
for the year ended 30 June 2024**

	Issued Capital \$	Investment revaluation reserve \$	Other equity reserve \$	Share based payments reserve \$	Accumulated losses \$	Total \$
Balance at 30/06/22	145,564,286	1,019,637	300,349	8,455,957	(28,744,200)	126,596,029
Loss for the period	-	-	-	-	(34,804,369)	(34,804,369)
Total comprehensive income for the period	-	-	-	-	(34,804,369)	(34,804,369)
Recognition of share-based payments (see note 9 and 17)	-	-	-	1,747,438	-	1,747,438
Recognition of shares issued under performance rights plan	688,259	-	-	(688,259)	-	-
Share issue costs, net of tax	(18,374)	-	-	-	-	(18,374)
Balance at 30/06/23	146,234,171	1,019,637	300,349	9,515,136	(63,548,569)	93,520,724
Loss for the period	-	-	-	-	(69,112,917)	(69,112,917)
Total comprehensive income for the period	-	-	-	-	(69,112,917)	(69,112,917)
Issue of share capital	12,131,024	-	-	-	-	12,131,024
Recognition of share-based payments (see note 9 and 17)	-	-	-	894,935	-	894,935
Recognition of shares issued under performance rights plan	1,299,763	-	-	(1,299,763)	-	-
Share issue costs, net of tax	(958,639)	-	-	-	-	(958,639)
Historical reserve clearing (see note 17)	-	(1,019,637)	(300,349)	(6,819,357)	8,139,343	-
Balance at 30/06/24	158,706,319	-	-	2,290,951	(124,522,143)	36,475,127

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

Consolidated statement of cash flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$ (Re-presented*)
Cash flows from operating activities			
Research and development refund		908,332	-
Payments to suppliers and employees		(14,245,712)	(20,311,512)
Payments to suppliers – discontinued operations		(176,178)	(87,030)
Net cash used in operating activities	27 (b)	(13,513,558)	(20,398,542)
Cash flows from investing activities			
Payments for property, plant & equipment		(29,914)	(135,832)
Payments for property, plant & equipment – discontinued operations		(18,830)	(299,698)
Payments for intellectual property		(96,205)	(159,198)
Payments for exploration and evaluation		(361,429)	(1,437,993)
Payments for exploration and evaluation – discontinued operations		(3,495,083)	(4,389,397)
Interest received		517,798	1,050,819
Payments for purchase of investments		(60,000)	(425,838)
Receipts from sale of investments		134,060	1,215,791
Investment in associate		-	(694,515)
Investment in joint ventures	21	(8,703,799)	(9,656,039)
Net cash used in by investing activities		(12,113,402)	(14,931,900)
Cash flows from financing activities			
Share issue costs		(958,638)	(18,374)
Capital raising proceeds		12,131,024	-
Amounts paid for security deposits		(455,707)	-
Lease payments		(172,780)	(287,190)
Lease payments – discontinued operations		(114,764)	(60,664)
Interest and other finance costs paid		(64,530)	(26,999)
Net cash generated by / (used in) financing activities		10,364,605	(393,227)
Net (decrease) in cash and cash equivalents		(15,262,355)	(35,723,669)
Cash and cash equivalents at the beginning of the financial year		24,438,695	60,158,159
Effect of exchange rates on cash balances		(48,563)	4,205
Cash and cash equivalents		9,127,777	24,438,695
Less: cash and cash equivalents at the end of the financial year – held for sale		(23,944)	-
Cash and cash equivalents at the end of the financial year	27 (a)	9,103,833	24,438,695

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

*Refer to note 6 for details of re-presentation

Index to Notes to the consolidated financial statements

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1. General information

Neometals Ltd is a limited public company incorporated in Australia and listed on the Australian Securities Exchange and AIM. The principal activities of the Consolidated Entity are the development and commercialisation of sustainable processing solutions that recycle and recover critical materials from high-value waste streams. Neometals Ltd is the ultimate parent.

Registered office and principal place of business

Level 1, 1292 Hay St, West Perth WA 6005

2. Material accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial statements comprise the consolidated financial statements of the Consolidated Entity, comprising Neometals Ltd and its controlled entities. For the purpose of preparing the financial statements the consolidated entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (“IFRS”).

The financial statements were authorised for issue by the directors of Neometals Ltd on 26 September 2024.

Basis of preparation

The financial report has been prepared on a going concern basis. These accounting policies are consistent with Australian Accounting Standards and with IFRS.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards (“AASB”) that are relevant to its operations and effective for the current reporting period beginning 1 July 2023.

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Comparative information

The cashflow in respect of lease payments in the prior year has been reclassified as a cash outflow from financing activities in the statement of cashflows to align with the requirements of *AASB 107 Statement of Cashflows*.

Going concern

The Directors believe that Neometals Ltd will continue as a going concern and as a result the financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred losses after tax from continuing operations of \$38,167,032 and losses from discontinuing operations of \$30,945,885 (30 June 2023: \$34,608,562 and \$195,807 respectively) and experienced net cash outflows from operating and investing activities of \$25,626,960 (30 June 2023: \$35,330,442) for the year ended 30 June 2024. As at 30 June 2024 the Group had cash and cash equivalents of \$9,103,833 (30 June 2023: \$24,438,695) and net current assets of \$29,191,651 (30 June 2023: \$23,735,845).

During the year ended 30 June 2024, the Group has continued to progress its strategy of developing a portfolio of sustainable processing solutions that recycle and recover critical materials from high-value waste streams. Priority focus has been on advancing the patented Lithium-ion battery recycling technology in Primobius GmbH (Neometals 50% interest) (“Primobius”). Due to the early-stage nature of the Group’s projects, ongoing capital investment is necessary to commercialise these technologies.

The directors recognise that additional funding is required to meet the Group’s budgeted ongoing activities. Subsequent to 30 June 2024, the Group has taken action in managing its cashflow requirements which include the following;

- Raising an additional US\$3 million (A\$4.5 million) on 19 August 2024 through a placement of fully paid ordinary shares to an existing long-term shareholder; and

2. Material accounting policies (continued)

- Announcing a strategy update on 22 August 2024 which outlined a restructuring and right-sizing of the organisation and its cost base to reflect the Group's priority focus on Primobius, as well as the intention to dispose of non-core assets.

In light of the above, the directors have prepared a cash flow forecast to 30 September 2025. This forecast includes the necessary expenditures to maintain the Group's assets in good standing, meet its obligations and commitments, achieve its stated cost reduction strategy, and manage available working capital. Included in this forecast are Neometals' estimated future share of capital contributions to Primobius as disclosed in the joint venture approved budget.

The Group's cash flow forecast indicates a minimum funding requirement of A\$11 million will be required progressively from December 2024 by way of debt, equity, sale of assets, or other forms of funding to continue to meet its cashflow requirements and strategic objectives through to 30 September 2025. This cashflow forecast does not currently assume cash inflows from the sale of non-core assets as the timing is uncertain. However, the directors are confident additional liquidity will be generated following the completion of a successful divestment program.

Based on the progress of discussions with various parties and the directors' expectation that the additional funding will be secured within the required timeframes, the directors reasonably believe that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the additional funding referred to above, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Standards and interpretations adopted in the current year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023 and this has not resulted in a material impact on the financial statements of the Group.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2024:

2. Material accounting policies (continued)

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
○ AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025	30 June 2026
○ AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2024	30 June 2025
○ AASB 2020-1 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024	30 June 2025
○ AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Agreements	1 January 2024	30 June 2025
○ AASB 2021-2 Amendments to Australian Accounting Standards – Lack of Exchangeability	1 January 2025	30 June 2026

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2024.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgments in applying the entity's accounting policies, and key sources of estimation uncertainty.

Material accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash comprises cash on hand and term deposits with a 30 day cancellation policy.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Neometals Ltd's functional and presentation currency.

(c) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial assets

Financial instruments and non-financial assets such as investments in unlisted entities, are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income 'FVOCI' or through the income statement 'FVTPL') and those to be held at

2. Material accounting policies (continued)

amortised cost. The classification depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows.

All assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 – Quoted market prices in active markets for identical assets.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Non-current assets held for sale

Non-current assets and their disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Neometals Ltd is the head entity in the tax-consolidated group. Income tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a 'group allocation' approach based on the allocation specified in the tax funding arrangement.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax consolidated group are treated as having no consequence. Current tax liabilities and

2. Material accounting policies (continued)

assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent and the other members of the tax consolidated group in accordance with the arrangement. In addition to the Company own current and deferred tax amounts, the company does not recognise the losses of the members of the tax consolidated group as intercompany liabilities, it is recognised as part of the equity of the company. When the company becomes reasonably certain that it will have to reimburse the subsidiary for its losses, the company recognises an intercompany liability.

Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from the unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from, or distribution to, equity participants.

Research & Development Tax offset

In respect of Research and Development tax offsets, the Income tax approach (AASB 112) of accounting has been utilised, where the tax benefit is presented within the tax line in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Exploration and evaluation expenditure

Exploration and evaluation expenditures, excluding general overhead, in relation to separate areas of interest are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied;

- i) the rights to tenure of the area of interest are current; and
- ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration costs for each area of interest (considered to be the cash generating unit) are reviewed each reporting date to test whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any).

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to capitalised development and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, costs are determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a diminishing value basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Furniture & Fittings	5-20 years
Plant and Equipment	2-10 years
Buildings	10-20 years

An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant

2. Material accounting policies (continued)

and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

(h) Intangibles

Patents, trademarks, licences and customer contracts

Separately acquired patents, trademarks and licences are shown at historical cost. Patents, trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development

Research expenditure is recognised as an expense as incurred. Development expenditure is recognised as an asset as incurred if the following have been demonstrated:

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

Research and development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(i) Provisions

Provision for onerous contract

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(j) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any increase in percentage shareholding is accounted for in the cost of the investment.

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of AASB 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate

2. Material accounting policies (continued)

or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Recovery of capitalised exploration and evaluation expenditure

The Group capitalises exploration and evaluation expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

(b) Share-based payments

Equity-settled share-based payments granted are measured at fair value at the date of grant. The fair value of share options is measured by use of the Monte Carlo model and requires substantial judgement. Management has made its best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

The fair value of performance rights issued during the period was made with reference to the Company's closing share price on the date of grant. Management has been required to estimate the probability that the Company will meet the performance criteria determined by the board.

(c) Unlisted Investments

The investments in non-listed shares, being financial assets, are required to be fair valued at each reporting date in accordance with the Accounting Standards. The valuation of shares held in non-listed companies includes a number of estimates and judgements as, generally, limited information exists on such non-listed companies and their underlying assets or projects. Accordingly, management has engaged an external valuation specialist in assessing the fair value of all investments in non-listed shares.

3. Critical accounting judgments and key sources of estimation uncertainty (continued)

(d) Recovery of investments in Joint Ventures and Associates

The recoverability of the investment in associates and joint venture is entirely dependent on the success of the entity's financial performance where dividends will be received from retained earnings, or from the sale of the Group's holdings in the project.

4. Parent entity disclosure

	2024	2023
	\$	\$
Financial Position		
Assets		
Current assets	10,266,387	26,199,905
Non-current assets	24,548,760	30,012,521
Total assets	34,815,147	56,212,426
Liabilities		
Current liabilities	1,533,732	3,198,663
Non-current liabilities	282,130	519,747
Total liabilities	1,815,862	3,718,410
Net Assets	32,999,285	52,494,016
Equity		
Issued capital	158,706,320	146,234,171
Retained earnings	(127,997,986)	(103,555,639)
Reserves		
Share based payments	2,290,951	9,815,484
Total equity	32,999,285	52,494,016
Financial Performance		
Loss for the year	(22,216,162)	(27,642,526)
Other comprehensive income	-	-
Total comprehensive loss	(22,216,162)	(27,642,526)

5. (Loss)/profit for the year continuing operations

	Note	2024 \$	2023 \$
(a) Income			
Income from operations consisted of the following items:			
Other income:			
Other income		17,156	5,000
Interest income		526,963	1,056,585
Total		544,119	1,061,585
(b) Profit / (loss) before income tax			
Profit / (loss) before income tax has been arrived at after charging the following expenses:			
Employee benefits expense:			
Equity settled share-based payments	9	(894,935)	(1,747,438)
Superannuation expense		(766,439)	(743,997)
Employee salaries		(5,072,910)	(7,578,550)
Other employee benefits		(1,166,711)	(1,085,024)
Total		(7,900,995)	(11,155,009)
Impairments:			
Impairment expense of associate	22	(6,599,531)	(1,273,045)
Impairment expense of joint venture	21(i)(iv)	(2,800,414)	(2,716,703)
Impairment expense of exploration and evaluation expenditure	12	(653,334)	-
Impairment of right of use assets	20	(2,766,774)	-
Total		(12,820,053)	(3,989,748)
Other expenses			
Research and development expense		(1,275,192)	(303,719)
Legal fees		(974,576)	(1,944,369)
Travel		(783,096)	(1,237,470)
Write-off of abandoned patents		(754,905)	-
Consultant fees		(737,739)	(2,564,459)
Insurances		(619,442)	(642,782)
Depreciation of non-current assets		(491,176)	(420,122)
ASX/AIM fees		(445,576)	(433,444)
Accounting fees		(416,708)	(348,500)
Net fair value realised loss on listed financial assets		(274,140)	(150,247)
Net fair value unrealised loss on listed financial assets		(57,041)	(512,769)
Other expenses		(1,010,751)	(1,834,153)
Total		(7,840,342)	(10,392,034)

6. Discontinued operations

During the year, the Board approved the divestment of the 100% owned Barrambie Titanium/Vanadium Project. Activities have focussed on the divestment of the project, with interest from third parties to acquire the asset. The results of the discontinued operation which have been included in the financial statements for the year were as follows:

	2024 \$	2023 \$ (Re-presented ¹)
Results of discontinued operations		
Loss from discontinued operations	(30,945,885)	(195,807)
Cash flows from discontinued operations		
Cashflows from operating activities	(176,178)	(87,030)
Cashflows from investing activities	(3,513,913)	(4,689,095)
Cashflows from financing activities	(114,764)	(60,664)
Effect on the financial position of the group		
Assets classified as held for sale	20,214,451	-
Liabilities associated with the assets classified as held for sale	(214,451)	-

- i) The 2023 financial year expenses and cashflows related to the Barrambie Project have been re-presented to discontinued operations due to the business unit being transferred to held for sale in the current financial year.

The impact of the adjustment is as follows:

	As previously reported \$	Discontinued operations adjustment \$	As re-represented adjustment \$
Impact on loss for the year			
Employee expenses	(11,155,509)	500	(11,155,009)
Occupancy expenses	(188,662)	11,339	(177,323)
Finance costs	(29,859)	3,852	(26,007)
Other expenses	(10,563,595)	171,561	(10,392,034)
Marketing expenses	(450,914)	8,555	(442,359)
Loss from discontinued operations	-	(195,807)	(195,807)
Impact on cashflows for the year			
Payments to suppliers and employees	(20,398,542)	87,030	(20,311,512)
Payments to suppliers – discontinued operations	-	(87,030)	(87,030)
Payments for property, plant & equipment	(435,530)	299,698	(135,832)
Payments for property, plant & equipment – discontinued operations	-	(299,698)	(299,698)
Payments for exploration and evaluation	(5,827,390)	4,389,397	(1,437,993)
Payments for exploration and evaluation – discontinued operations	-	(4,389,397)	(4,389,397)
Lease payments	(347,854)	60,664	(287,190)
Lease payments – discontinued operations	-	(60,664)	(60,664)

7. Income taxes

(a) Income tax (benefit) / expense recognised in profit or loss

Current income tax:

	2024 \$	2023 \$
Current income tax charge	(316,580)	(591,751)
Deferred tax	-	(782,904)
Total tax (benefit) / expense	(316,580)	(1,374,655)

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

(Loss) / profit before income tax	(69,190,212)	(36,179,024)
Income tax calculated at 30%	(20,733,875)	(10,853,707)
Effect of income and expenses that are not deductible in determining taxable profit	2,269,354	3,384,630
Effect of income and expenses that are not recognised as deferred tax assets	18,752,112	6,493,707
Adjustments for current tax of prior periods	(287,591)	192,466
Refund of prior year R&D claim	(316,580)	(591,751)
Income tax benefit in profit or loss	(316,580)	(1,374,655)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable income under Australian tax law. There has been no change in the corporate tax rate during the reporting period.

(b) Deferred tax balances

The net deferred tax balance as presented in the statement of financial position is detailed below:

	2024 \$	2023 \$
Deferred tax liabilities	(16,529,051)	(16,529,051)
Deferred tax assets	16,529,051	16,529,051
Net deferred tax balance	-	-

	Exploration and evaluation expenditure \$	Investment in associate \$	Other \$	Tax losses \$	Total \$
Balance at 30/06/22	(12,424,751)	(3,516,952)	1,173,209	13,985,590	(782,904)
Charge to profit or loss	(1,784,661)	1,197,313	(281,547)	1,651,799	782,904
Balance at 30/06/23	(14,209,412)	(2,319,639)	891,662	15,637,389	-
Charge to profit or loss	-	-	-	-	-
Balance at 30/06/24	(14,209,412)	(2,319,639)	891,662	15,637,389	-

(c) Deferred tax assets not brought to account

At 30 June 2024 the amount of tax losses not recognised was \$4,982,102 (June 2023: \$6,493,707). The utilisation of tax losses depends upon the generation of future taxable profits and can be carried indefinitely while also being subject to relevant tax legislation associated with recoupment.

7. Income taxes (continued)

Tax Consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Neometals Ltd. The members of the tax-consolidated group are identified at note 23.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Neometals Ltd and each of the entities in the tax consolidation group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax assets of the entity. Such amounts are reflected in amounts receivable from or payable to each entity in the tax consolidated group, and are eliminated on consolidation. The tax sharing agreement entered into between the members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's tax liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

8. Key management personnel compensation

Details of key management personnel compensation are provided on pages 20-29 of the Directors' Report.

The aggregate compensation made to key management personnel of the Group is set out below:

	2024 \$	2023 \$
Short-term employee benefits	2,615,749	3,405,081
Post-employment benefits	185,603	176,750
Share-based payments	586,419	1,064,871
Termination benefits	114,869	-
Total	3,502,640	4,646,702

9. Share based payments

Neometals Ltd has an ownership based remuneration scheme for executives and employees.

Performance Rights Plan ("PRP")

In accordance with the provisions of the PRP, as approved by shareholders at the Company's AGM on 25 November 2020, employees, Non-Executive and Executive Directors and consultants may be offered performance rights at such times and on such terms as the board considers appropriate.

All performance rights issued under the PRP are measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The vesting of the performance rights is dependent on 3 criteria:

- (a) Tranche 1 – The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (TSR) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

9. Share based payments (continued)

- (b) Tranche 2 – The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (**Absolute TSR**).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.
- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- For each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

- (c) Tranche 3 – The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% to vest at the discretion of the Board based on the overall achievement by the company of its strategic objectives (both financial and non-financial) under the leadership of the CEO and in delivering value to NMT's shareholders and broader stakeholders.

General terms of performance rights granted under the PRP:

- The performance rights will not be quoted on the ASX.
- Performance rights can only be granted to employees, Non-Executive and Executive Directors and consultants of the Company.
- Performance rights are transferable to eligible nominees.
- Performance rights not exercised on or before the vesting date will lapse.
- All shares allotted upon the vesting of performance rights rank equally in all respects to all previously issued shares.
- Performance rights confer no right to vote, attend meetings, participate in a distribution of profit or a return of capital or another participating rights or entitlements on the grantee unless and until the performance rights vest.

9. Share based payments (continued)

The following share-based payment arrangements in relation to performance rights were in existence at the end of the period:

2024	Grant date	Number	Vesting date	Expiry date	Grant date share price	Expected volatility	Risk-free rate	Fair value at grant date
Staff and consultants ⁽¹⁾	7-Dec-20	80,000	31/12/2023	30/06/2024	0.230	50%	0.10%	0.18
Chris Reed ⁽²⁾	11-Oct-21	574,049	31/12/2024	30/06/2025	0.855	55%	0.34%	0.77
Jason Carone ⁽²⁾	11-Oct-21	235,885	31/12/2024	30/06/2025	0.855	55%	0.34%	0.77
Mike Tamlin ⁽²⁾	11-Oct-21	262,094	31/12/2024	30/06/2025	0.855	55%	0.34%	0.77
Darren Townsend ⁽²⁾	11-Oct-21	262,094	31/12/2024	30/06/2025	0.855	55%	0.34%	0.77
Staff and consultants ⁽²⁾	11-Oct-21	817,307	31/12/2024	30/06/2025	0.855	55%	0.34%	0.77
Chris Reed	5-Sep-22	239,904	31/12/2025	30/06/2026	1.310	61%	3.26%	1.15
Jason Carone	5-Sep-22	144,919	31/12/2025	30/06/2026	1.310	61%	3.26%	1.15
Mike Tamlin	5-Sep-22	126,804	31/12/2025	30/06/2026	1.310	61%	3.26%	1.15
Darren Townsend	5-Sep-22	126,804	31/12/2025	30/06/2026	1.310	61%	3.26%	1.15
Staff and consultants	5-Sep-22	495,625	31/12/2025	30/06/2026	1.310	61%	3.26%	1.15
Chris Reed	11-Sep-23	571,512	31/12/2026	30/06/2027	0.433	71%	3.84%	0.36
Jason Carone	11-Sep-23	314,759	31/12/2026	30/06/2027	0.433	71%	3.84%	0.36
Mike Tamlin	11-Sep-23	275,414	31/12/2026	30/06/2027	0.433	71%	3.84%	0.36
Darren Townsend	11-Sep-23	275,414	31/12/2026	30/06/2027	0.433	71%	3.84%	0.36
Staff and consultants	11-Sep-23	1,322,662	31/12/2026	30/06/2027	0.433	71%	3.84%	0.36
Staff and consultants	19-Jan-24	318,946	31/12/2026	30/06/2027	0.165	71%	3.84%	0.36
Staff and consultants ⁽³⁾	11-Sep-23	249,937	30/06/2024	30/06/2024	0.433	71%	3.84%	0.45
Staff and consultants	11-Sep-23	214,233	30/06/2025	30/06/2025	0.433	71%	3.84%	0.45
Staff and consultants	11-Sep-23	214,233	30/06/2026	30/06/2026	0.433	71%	3.84%	0.45
Steven Cole ⁽⁴⁾	12-Jul-23	162,089	30/06/2024	30/06/2024	0.511	n/a	n/a	0.49
Doug Ritchie ⁽⁴⁾	12-Jul-23	91,175	30/06/2024	30/06/2024	0.511	n/a	n/a	0.49
Natalia Streltsova ⁽⁴⁾	12-Jul-23	91,175	30/06/2024	30/06/2024	0.511	n/a	n/a	0.49
Jenny Purdie ⁽⁴⁾	12-Jul-23	121,567	30/06/2024	30/06/2024	0.511	n/a	n/a	0.49
Les Guthrie ⁽⁴⁾	12-Jul-23	25,326	30/06/2024	30/06/2024	0.511	n/a	n/a	0.49
Total		7,613,927						

The valuation of the Non-executive Directors performance rights has been based on the amount of their fees that have been forgone calculated using a 5-day VWAP. The fair value of other KMP performance rights issued have been independently valued by a third party using a Monte Carlo simulation to determine fair value. A dividend yield of 0% has been applied to all share-based payments. The total expense recognised for the period arising from share-based payment transactions and accounted for as equity-settled share-based payment transactions is \$894,935 (2023: \$1,747,438).

- 1) 100% (80,000) of these performance rights have vested at 30 June 2023, of which 80,000 have been converted into ordinary shares after 30 June 2024.
- 2) 0% (nil) of these performance rights have vested at 30 June 2024 and will be retested at 31 December 2024.
- 3) 100% (249,937) of these performance rights have vested at 30 June 2024, of which 249,937 have been converted into ordinary shares after 30 June 2024.
- 4) 100% (491,332) of these performance rights have vested at 30 June 2024, of which 91,175 have been converted into ordinary shares. The remaining portion remain unexercised.

9. Share based payments (continued)

The following reconciles the outstanding performance rights granted at the beginning and end of the financial year:

	2024	2023
	Performance Rights No.	Performance Rights No.
Balance at beginning of the financial year	11,412,220	15,293,385
Granted during the financial year as compensation	4,694,711	1,705,325
Exercised during the financial year ⁽ⁱ⁾	(6,180,793)	(4,364,780)
Lapsed during the financial year ⁽ⁱⁱ⁾	(1,186,779)	(956,433)
Forfeited during the financial year ⁽ⁱⁱⁱ⁾	(1,125,432)	(265,277)
Balance at the end of the financial year ^(iv)	7,613,927	11,412,220

(i) 6,180,793 shares in the Company were issued on vesting of performance rights at a fair value of \$1,299,763 at grant (2023: 4,364,780 for a fair value of \$688,259 at grant). Refer to note 17.

(ii) 1,186,779 performance rights lapsed during the financial year (2023: 956,433).

(iii) 1,125,432 performance rights were forfeited on cessation of employment (2023: 265,277)

(iv) 821,269 of this balance is exercisable at the end of the period.

10. Trade and other receivables

	2024	2023
	\$	\$
Current		
Sundry debtors ⁽ⁱ⁾	695,372	1,008,422
Other receivables	39,487	720,376
Prepayments	232,999	302,806
Total	967,858	2,031,604

(i) Sundry debtors is inclusive of \$337,409 owed from Primobius GmbH for reimbursement of expenditure paid for by Neometals Ltd.

11. Other financial assets

	2024	2023
	\$	\$
Current		
Financial assets measured at FVTPL ⁽ⁱ⁾	218,089	763,650
Term deposits	325,000	-
Total Current	543,089	763,650
Non-current		
Financial assets measured at FVTPL ⁽ⁱⁱ⁾	3,769,028	4,429,896
Convertible note ⁽ⁱⁱⁱ⁾	749,063	669,075
Rental bond term deposit	295,712	200,000
Total Non-current	4,813,803	5,298,971
Total	5,356,892	6,062,621

(i) Level 1 – Quoted market prices in active markets for identical assets:

The Group has invested in a portfolio of listed shares which are held for trading. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The valuation technique and key inputs used to determine the fair value are quoted bid prices in an active market.

(ii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable:

The Group has invested in a portfolio of non-listed shares which are not actively traded. The fair values of these investments have been determined by external valuation specialists from time to time using various valuation techniques, including but not limited to the market approach, the cost or net assets value approach and the income approach.

(iii) The Group has invested US\$500,000 in a financing round for private US start up, Tyfast Energy Corp. The investment is by way of convertible note providing the Group with the ability to obtain a minority equity stake in Tyfast.

12. Exploration and evaluation expenditure

	Consolidated
	Capitalised exploration and evaluation expenditure \$
Gross carrying amount	
Balance at 30 June 2022	47,176,469
Additions	5,948,962
Balance at 30 June 2023	53,125,431
Additions	3,474,348
Remeasurement to fair value less cost of disposal	(30,558,282)
Balance transferred to asset held for sale	(25,388,163)
Balance at 30 June 2024	653,334
Accumulated impairment	
Balance at 30 June 2022	5,760,720
Balance at 30 June 2023	5,760,720
Impairment expense	653,334
Impairment expense on asset held for sale	(5,760,720)
Balance at 30 June 2024	653,334
Net book value	
As at 30 June 2023	47,364,711
As at 30 June 2024	-

The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

13. Property, plant and equipment

	Consolidated
	Plant and equipment at cost
	\$
Gross carrying amount	
Balance at 30 June 2022	1,233,015
Additions	454,133
Written off	(147,524)
Balance at 30 June 2023	1,539,624
Additions	48,744
Transferred to asset held for sale	(484,631)
Balance at 30 June 2024	1,103,737
Accumulated depreciation	
Balance at 30 June 2022	582,883
Depreciation expense	190,205
Written off	(110,733)
Balance at 30 June 2023	662,355
Depreciation expense	183,637
Transferred to asset held for sale	(163,740)
Balance at 30 June 2024	682,252
Net book value	
As at 30 June 2023	877,269
As at 30 June 2024	421,485

14. Trade and other payables

	2024	2023
	\$	\$
Trade payables	26,795	322,691
Accrued expenses	313,994	1,868,175
Total	340,789	2,190,866

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to help ensure that all payables are paid within the settlement terms.

15. Provisions**Current**

Annual leave

Long service leave

Total current**Non-current**

Long service leave

Total non-current**Total**

	2024	2023
	\$	\$
Annual leave	682,283	847,923
Long service leave	271,761	173,690
Total current	954,044	1,021,613
Long service leave	39,132	72,685
Total non-current	39,132	72,685
Total	993,176	1,094,298

16. Issued capital

622,810,316 fully paid ordinary shares (2023: 552,741,176)

	2024	2023
	\$	\$
622,810,316 fully paid ordinary shares (2023: 552,741,176)	158,706,319	146,234,171

Fully paid ordinary shares

Balance at beginning of financial year

Share issue costs

Issue of capital

Other share based payments (see note 9)

Balance at the end of the financial year

	2024		2023	
	No.	\$	No.	\$
Balance at beginning of financial year	552,741,176	146,234,171	548,376,396	145,564,286
Share issue costs	-	(958,639)	-	(18,374)
Issue of capital	63,888,347	12,131,024	-	-
Other share based payments (see note 9)	6,180,793	1,299,763	4,364,780	688,259
Balance at the end of the financial year	622,810,316	158,706,319	552,741,176	146,234,171

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

At balance date there were no share options in existence over ordinary shares (2023: nil).

Performance rights

At balance date there were 7,613,927 performance rights in existence over ordinary shares (2023: 11,412,220).

17. Reserves

The share based payments reserve arises on the grant of share options and performance rights for the provision of services by consultants and to executives and employees under the employee share option plan, performance rights plan, employment contracts or as approved by shareholders. Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued pursuant to the terms of the performance rights. Further information about share-based payments to employees is provided in note 9 to the financial statements.

	2024 \$	2023 \$
Share based payments reserve:		
Balance at the beginning of the financial year	9,515,136	8,455,957
Increase in share based payments	894,935	1,747,438
Amounts transferred to share capital on exercise	(1,299,763)	(688,259)
Historical reserve clearing ⁽ⁱ⁾	(6,819,357)	-
Balance at the end of the financial year	2,290,951	9,515,136
Convertible note reserve:		
Balance at the beginning of the financial year	300,349	300,349
Historical reserve clearing ⁽ⁱⁱ⁾	(300,349)	-
Balance at the end of the financial year	-	300,349
Investment revaluation reserve:		
Balance at the beginning of the financial year	1,019,637	1,019,637
Historical reserve clearing ⁽ⁱⁱⁱ⁾	(1,019,637)	-
Balance at the end of the financial year	-	1,019,637
Total Reserves	2,290,951	10,835,122

- i) At 30 June 2024, the value of the reserve is reflective of the current performance rights in existence. The remaining amount has been transferred to accumulated losses.
- ii) In August 2013 former Chairman, David Reed, committed to provide a standby facility to support the Company's working capital position. As a result, and following shareholder approval, 2 million convertible notes were issued to David Reed that were converted into 50,000,000 fully paid ordinary shares in November 2015. At 30 June 2024, these historical amounts were cleared from the reserve to accumulated losses.
- iii) The investments revaluation reserve represents historical gains and losses which had accumulated under a previous policy of revaluing available-for-sale financial assets in other comprehensive income and which ceased on 30 June 2017. At 30 June 2024, these historical amounts were cleared from the reserve to accumulated losses.

18. Earnings per share

	2024 Cents per share	2023 Cents per share
Basic earnings per share:		
Continuing operations	(6.43)	(6.27)
Continuing and discontinued operations	(11.65)	(6.30)
Diluted earnings per share:		
Continuing operations	(6.43)	(6.27)
Continuing and discontinued operations	(11.65)	(6.30)

Basic and diluted loss per share

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

	2024 \$	2023 \$
Loss ⁽ⁱ⁾		
Continuing operations	(38,167,032)	(34,608,562)
Continuing and discontinued operations	(69,112,917)	(34,804,369)

	2024 No.	2023 No.
Weighted average number of ordinary shares for the purpose of basic loss per share	593,279,914	552,167,746
Weighted average number of ordinary shares for the purpose of diluted loss per share	593,279,914	552,167,746

(i) Loss used in the calculation of profit / (loss) per share reconciles to net loss in the consolidated statement of comprehensive income.

19. Commitments for expenditure

(a) Exploration and evaluation expenditure commitments

The Consolidated Entity holds mineral exploration licences in order for it to undertake its exploration and evaluation activities. To continue to hold tenure over these areas the Group is required to undertake a minimum level of expenditure on or in relation to the leases. Minimum expenditure commitments for the exploration and mining leases for the 2024 financial year are outlined in the table below.

	2024 \$	2023 \$
<u>Exploration expenditure commitments</u>		
Not longer than 1 year ⁽ⁱ⁾	739,212	707,509

(i) Due to the nature of this expenditure, in that the expenditure commitments may be reduced by the relinquishment of tenements, estimates for the commitment have not been forecast beyond June 2025.

(b) Joint venture commitments

Pursuant to the shareholders agreement providing shareholders funding, in July 2024, Neometals Ltd contributed €2,000,000 to Primobius GmbH to continue to fund ongoing joint venture activities.

20. Leases

Leasing arrangements

Leases relate to the lease of commercial premises in West Perth, Welshpool, and a photocopier. The lease agreement for the Company's West Perth premises was renewed until 30 June 2026. The lease of a photocopier is for a period of 36 months expiring in June 2026. The Welshpool lease expired in February 2023 and was renewed until February 2026. A lease was entered into in June 2023 for another floor in the West Perth office until 30 June 2026. The commitments are based on the fixed monthly lease payment. At 30 June 2024, the leases belonging to Australian Titanium (Welshpool warehouse and West Perth office floor) were transferred to asset held for sale. On 1 January 2022, Recycling Industries Scandinavia AB (RISAB) entered into a land lease agreement with the Port of Pori until 31 December 2035, which has been included due to the consolidation of RISAB, now that Neometals Ltd has control. The right of use asset related to this land use agreement has been impaired.

Right-of-use assets	30 June 2024		
	Land & Buildings	Equipment	Total
	\$	\$	\$
Cost	4,265,755	14,359	4,280,114
Accumulated Depreciation	(1,100,724)	(3,590)	(1,104,313)
Impairment	(2,766,774)	-	(2,766,774)
Carrying Amount	398,257	10,769	409,026

Lease liability	30 June 2024		
	Land & Buildings	Equipment	Total
	\$	\$	\$
Opening	937,673	-	937,673
Additions	-	14,359	14,359
Amount recognised on gaining control	3,598,854	-	3,598,854
Interest	116,093	1,004	117,097
Lease repayments	(347,889)	(4,188)	(352,077)
Transferred to held for sale	(204,985)	-	(204,985)
Closing	4,099,746	11,175	4,110,921
Current	124,856	3,440	128,296
Non-current	3,974,890	7,735	3,982,625

Right-of-use assets	30 June 2023		
	Buildings	Equipment	Total
	\$	\$	\$
Cost	1,813,441	9,044	1,822,485
Accumulated Depreciation	(917,751)	(9,044)	(926,795)
Carrying Amount	895,690	-	895,690

20. Leases (continued)

Lease liability	30 June 2023		
	Buildings	Equipment	Total
	\$	\$	\$
Opening	362,713	9,044	371,757
Additions	935,241	-	935,241
Interest	26,827	172	26,999
Lease repayments	(387,107)	(9,216)	(396,323)
Closing	937,674	-	937,674
Current	285,625	-	285,625
Non-current	652,049	-	652,049
		2024	2023
Amounts recognised in profit and loss		\$	\$
Depreciation expense on right-of-use asset		177,518	332,817
Interest expense on lease liabilities		63,266	26,999
Impairment expense		2,766,774	-
Total		3,007,558	359,816

21. Joint arrangements

Name of operation	Principal activity	Interest	
		2024 %	2023 %
Reed Advanced Materials Pty Ltd ⁽ⁱ⁾	Evaluation of lithium hydroxide process	70	70

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

(i) Reed Advanced Materials Pty Ltd ("RAM")

On 6 October 2015 Neometals and Process Minerals International Pty Ltd entered into a shareholders agreement for the purposes of establishing and operating a joint venture arrangement through RAM to operate a business of researching, designing and developing the capabilities and technology relating to the processing of lithium hydroxide. Following the execution of the shareholders agreement RAM was held 70:30 between Neometals and Process Minerals International.

Summarised financial information for the joint venture:

	2024 \$	2023 \$
Carrying value of investment in the joint venture	1	1
Opening loan to joint venture	-	350,000
Loan to joint venture during the period	1,143,956	2,366,703
Impairment of loan to joint venture	(1,143,956)	(2,716,703)
Closing loan to joint venture	-	-
Share of loss of joint venture not recognised in profit or loss	(1,192,497)	(1,532,266)

Reed Advanced Materials Pty Ltd Summary Balance Sheet

	2024 \$	2023 \$
Current assets	1,475,676	1,465,895
Non-current assets	601,304	678,909
Current liabilities	(7,790,196)	(6,147,087)
Non-current liabilities	-	-

21. Joint arrangements (continued)

Name of operation	Principal activity	Interest	
		2024	2023
		%	%
Primobius GmbH ⁽ⁱ⁾	Lithium battery recycling	50	50

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

(ii) Primobius GmbH

On 31 July 2020, Neometals and SMS group GmbH entered into a formal agreement to establish a 50:50 JV ('Primobius GmbH') to commercialise Neometals proprietary lithium battery recycling process.

Summarised financial information for the joint venture:

	2024	2023
	\$	\$
Opening balance of investment in joint venture	4,699,280	5,458,508
Cash contributions	4,124,491	3,091,947
Share of loss of joint venture recognised in profit or loss	(6,157,321)	(3,851,175)
Carrying value of investment in the joint venture	2,666,450	4,699,280

Primobius GmbH Summary Balance Sheet

	2024	2023
	\$	\$
Current assets ^(a)	2,195,514	6,200,733
Non-current assets	7,028,391	8,667,753
Current liabilities	(3,788,294)	(5,307,806)
Non-current liabilities	-	-

Revenue	19,149,274	1,567,123
Expenses ^(b)	(31,463,917)	(9,269,473)
Loss from continuing operations	(12,314,643)	(7,702,350)
Share of loss of joint venture recognised in profit or loss	(6,157,321)	(3,851,175)

^(a) The current asset balance is inclusive of cash and cash equivalents of \$1,688,116 (2023: \$5,566,896)

^(b) The expenses balance is inclusive of depreciation of \$2,451,581 (2023: \$2,472,877)

21. Joint arrangements (continued)

Name of operation	Principal activity	Interest	
		2024	2023
		%	%
Recycling Industries Scandinavia AB ⁽ⁱⁱⁱ⁾	Vanadium recovery	88.0	72.5

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

(iii) Recycling Industries Scandinavia AB ("RISAB")

In March 2023, Neometals and Critical Metals Ltd executed an agreement to formalise a 50:50 Vanadium Recovery Project JV (RISAB). In April 2023, Neometals' interest in RISAB increased to 72.5% following additional equity contributions of \$3.0 million. During the financial year, Neometals ownership increased to 88% from additional contributions resulting in consolidation of RISAB within the Group's financial statements. The balance of the investment in RISAB has been impaired to nil.

Summarised financial information for the joint venture:

	2024	2023
	\$	\$
Opening balance of investment in joint venture	642,964	-
Cash contributions	3,375,352	4,090,590
Share of (profit)/loss of joint venture recognised in profit or loss	(2,361,858)	(3,447,626)
Impairment of joint venture	(1,656,458)	-
Carrying value of investment in the joint venture	-	642,964

Name of operation	Principal activity	Interest	
		2024	2023
		%	%
ACN 630 589 507 Pty Ltd ^(iv)	Lithium-ion battery recycling IP	50	50

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

(iv) ACN 630 589 507 Pty Ltd ("ACN 630")

On 8 December 2022, Neometals transferred 50% equity interest in battery recycling IP holding company, ACN 630 589 507 Pty Ltd, to SMS group GmbH on an unconditional basis. As a result of this, ACN 630 left the Neometals consolidated group due to a loss of control event.

Summarised financial information for the joint venture:

	2024	2023
	\$	\$
Opening balance of investment in joint venture	106,801	-
Cash contributions	60,000	106,801
Share of loss of joint venture recognised in profit or loss	(97,087)	-
Carrying value of investment in the joint venture	69,714	106,801

21. Joint arrangements (continued)**ACN 630 589 507 Pty Ltd Summary Balance Sheet**

	2024	2023
	\$	\$
Current assets	57,124	119,077
Non-current assets	286,277	275,722
Current liabilities	-	(10,000)
Non-current liabilities	(333,600)	(213,598)

22. Investment in associate**Redivium Limited (formerly Hannans Ltd)**

Name of operation	Principal activity	Interest	
		2024	2023
		%	%
Redivium Limited (formerly Hannans Ltd)	Lithium-ion battery recycling	26.04	26.09

The above associate is accounted for using the equity method in this consolidated financial report.

Summarised information for the associate:

	2024	2023
	\$	\$
Opening carrying value of investment in associate	9,677,933	13,668,977
Shares purchased / (disposed of) at fair value	-	694,515
Share of loss of associate recognised in profit or loss ⁽ⁱ⁾	(438,965)	(3,412,514)
Impairment expense ⁽ⁱⁱ⁾	(6,599,531)	(1,273,045)
Closing carrying value of investment in associate⁽ⁱⁱⁱ⁾	2,639,437	9,677,933

- (i) The equity accounted share of the associate's loss is adjusted as if applying the same accounting policies as Neometals is credited against the carrying value of the investment in the associate.
- (ii) In the current financial year, the carrying value of the investment in associate has been impaired down to its carrying value on a per share basis, resulting in a \$6,599,531 expense (2023: \$1,273,045)
- (iii) The fair value of the Groups investment in Redivium as at 30 June 2024 on a per share basis is \$2,639,437 (2023: \$9,677,933) based on a share price of \$0.003 at 30 June 2024 (30 June 2023: \$0.011)

Shares held in Redivium Limited

	2024	2023
	No.	No.
Shares held in Redivium Limited	879,812,014	879,812,014

Redivium Limited Summary Balance Sheet

	2024	2023
	\$	\$
Current assets	3,374,202	3,681,473
Non-current assets	13,177,886	13,095,013
Current liabilities	(90,702)	(142,230)
Non-current liabilities	-	-

23. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2024	2023
		%	%
Parent entity			
Neometals Ltd	Australia		
Subsidiaries			
Australian Titanium Pty Ltd (formerly Australian Vanadium Corporation (Holdings) Pty Ltd) ⁽ⁱ⁾	Australia	100	100
Alphamet Management Pty Ltd (formerly Australian Vanadium Corporation (Investments) Pty Ltd)	Australia	100	100
Innovation Pty Ltd (formerly Australian Vanadium Exploration Pty Ltd)	Australia	100	100
Neometals Energy Pty Ltd (formerly Barrambie Gas Pty Ltd)	Australia	100	100
Neomaterials Pty Ltd (formerly GMK Administration Pty Ltd)	Australia	100	100
Neometals Investments Pty Ltd (formerly Gold Mines of Kalgoorlie Pty Ltd)	Australia	100	100
Urban Mining Pty Ltd (formerly Mount Finnerty Pty Ltd)	Australia	100	100
Adamant Technologies Pty Ltd	Australia	100	100
Avanti Materials Ltd	Australia	100	100
Ecometals Pty Ltd	Australia	100	100
Avanti Minerals Ltd	Australia	100	-
Recycling Industries Scandinavia AB ⁽ⁱⁱ⁾	Sweden	88	N/A
Novana Oy	Finland	88	N/A

All of these companies are members of a tax consolidated group. Neometals Ltd is the head entity of the tax consolidated group.

(i) Australian Titanium Pty Ltd has been classified as asset held for sale. Refer to note 6 for further information.

(ii) Refer to note 21 for further information on change in ownership percentage.

24. Segment information

Basis for segmentation

AASB 8 *Operating Segments* requires the presentation of information based on the components of the entity that management regularly reviews for its operational decision making. This review process is carried out by the Chief Operating Decision Maker (“**CODM**”) for the purpose of allocating resources and assessing the performance of each segment. The amounts reported for each operating segment is the same measure reviewed by the CODM in allocating resources and assessing performance of that segment.

For management purposes, the Group operates under three operating segments comprised of the Group’s lithium, titanium/vanadium and ‘other segments’ which comprises other minor exploration projects and mineral process technology businesses. The titanium/vanadium operating segment is separately identified given it possess different competitive and operating risks and meets the quantitative criteria as set out in the AASB 8. The ‘other segments’ category is the aggregation of all remaining operating segments given sufficient reportable operating segments have been identified.

24. Segment information (continued)

For the year ended 30 June 2024

Reportable operating segments	Lithium \$	Vanadium & Titanium \$	Other \$	Corporate \$	Total \$
Revenue from external customers	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-
Other income	-	-	-	544,119	544,119
Share of loss of JV and associate	(6,254,409)	(2,361,858)	(438,965)	-	(9,055,232)
Impairment on investment in associate & JV ⁽ⁱ⁾	(1,143,956)	(1,656,458)	(6,599,531)	-	(9,399,945)
Depreciation and Amortisation	-	(14,382)	-	(298,764)	(313,146)
Total expenses	(659,818)	(6,653,438)	(803,460)	(12,142,692)	(20,259,408)
Loss before tax	(8,058,183)	(10,686,136)	(7,841,956)	(11,897,337)	(38,483,612)
Loss for the year from discontinued operations	-	(30,945,885)	-	-	(30,945,885)
Income tax benefit	-	-	-	316,580	316,580
Consolidated loss after tax	(8,058,183)	(41,632,021)	(7,841,956)	(11,580,757)	(69,112,917)

As at 30 June 2024

Reportable operating segments	Lithium \$	Vanadium & Titanium \$	Other \$	Corporate \$	Total \$
Total segment assets	2,744,994	341,332	7,376,284	11,457,403	21,920,013
Assets classified as held for sale	-	20,214,451	-	-	20,214,451
Total assets	2,744,994	20,555,783	7,376,284	11,457,403	42,134,464

24. Segment information (continued)

For the year ended 30 June 2023

Reportable operating segments	Lithium \$	Vanadium /Titanium \$	Other \$	Corporate \$	Total \$
Revenue from external customers	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-
Other income	-	-	-	1,061,585	1,061,585
Share of loss of JV and associate	(3,851,175)	(3,447,626)	(3,412,514)	-	(10,711,315)
Impairment on investment in associate & JV ⁽ⁱ⁾	(2,716,703)	-	(1,273,045)	-	(3,989,748)
Depreciation and Amortisation	-	(7,571)	-	(412,551)	(420,122)
Total expenses	(213,765)	(3,182,316)	(670,161)	(17,857,375)	(21,923,617)
Profit/(loss) before tax	(6,781,643)	(6,637,513)	(5,355,720)	(17,208,341)	(35,983,217)
Loss for the year from discontinued operations	-	(195,807)	-	-	(195,807)
Income tax benefit	-	-	-	1,374,655	1,374,655
Consolidated profit/(loss) after tax	(6,781,643)	(6,833,320)	(5,355,720)	(15,833,686)	(34,804,369)

As at 30 June 2023

Reportable operating segments	Lithium \$	Vanadium /Titanium \$	Other \$	Corporate \$	Total \$
Total segment assets	6,000,490	48,796,923	15,291,630	27,654,518	97,743,561
Total assets	6,000,490	48,796,923	15,291,630	27,654,518	97,743,561

- i) The carrying value of the investment in associate has been impaired down to its carrying value on a per share basis, resulting in a \$6,599,531 expense (2023: \$1,273,045). (See note 22)

Geographical information

The Group operates in four geographical areas being Germany, Finland, Portugal and Australia (country of domicile).

25. Related party disclosures**(a) Equity interests in related parties**

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 23 to the financial statements.

Equity interests in joint arrangements

Details of the percentage of ordinary shares held in joint arrangements are disclosed in note 21 to the financial statements.

(b) Key management personnel remuneration

Details of Key Management Personnel remuneration are disclosed on 20-29 of the Remuneration Report.

(c) Key management personnel equity holdings**Fully paid ordinary shares of Neometals Ltd**

2024	Balance at 01/07/2023	Balance on appointment	Received on exercise of perf rights	Net other change	Balance at 30/06/2024	Balance held nominally
	No.	No.	No.	No.	No.	No.
Non-executive directors						
S. Cole	1,951,771	-	54,499	250,785	2,257,055	-
D. Ritchie	335,269	-	40,875	47,018	423,162	-
N. Streltsova	280,269	-	40,875	40,143	361,287	-
L. Guthrie	231,357	-	8,175	27,534	267,066	-
Executive director						
C. Reed	7,868,589	-	1,491,079	776,411	10,136,079	-
J. Purdie ⁽¹⁾	471,732	-	40,875	58,967	571,574	-
Other executives						
M. Tamlin	983,622	-	604,536	40,000	1,628,158	-
J. Carone	766,462	-	532,844	(129,306)	1,170,000	-
D. Townsend	410,405	-	581,284	(490,642)	501,047	-
M. Gray ⁽²⁾	7,770	-	-	-	7,770	-
C. Reiche ⁽²⁾	-	-	-	-	-	-
Total	13,307,246	-	3,395,042	620,910	17,323,198	-

(1) Jenny Purdie was appointed Chief Operating Officer on 24 May 2024

(2) In September 2023, Merrill Gray resigned from the position of Head of Recycling. In October 2023, Christian Reiche was appointed Head of Recycling.

25. Related party disclosures (continued)

2023	Balance at 01/07/2022	Balance on appointment	Received on exercise of perf rights	Net other change	Balance at 30/06/2023	Balance held nominally
	No.	No.	No.	No.	No.	No.
Non-executive directors						
S. Cole	1,890,160	-	61,611	-	1,951,771	-
D. Ritchie	209,819	-	55,450	70,000	335,269	-
N. Streltsova	224,819	-	55,450	-	280,269	-
J. Purdie	330,072	-	55,450	86,210	471,732	-
L. Guthrie	220,267	-	11,090	-	231,357	-
Executive director						
C. Reed	6,882,172	-	986,417	-	7,868,589	-
Other executives						
M. Tamlin	535,853	-	447,769	-	983,622	-
J. Carone	515,000	-	394,668	(143,206)	766,462	-
D. Townsend	251,057	-	430,547	(271,199)	410,405	-
M. Gray	-	-	-	7,770	7,770	-
Total	11,059,219	-	2,498,452	(250,425)	13,307,246	-

Share options of Neometals Ltd

No options were issued to related parties during the current period (2023: nil).

Performance rights of Neometals Ltd

In the current reporting period the Company granted 2,449,947 (2023: 944,284) performance rights to executives and KMP pursuant to the Company's Performance Rights Plan.

Further details of performance rights granted are contained in note 9 to the financial statements.

Performance rights granted to related parties

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

25. Related party disclosures (continued)

Name	During the Financial Year					
	Grant date	No. granted	No. vested	Fair value at grant date	Earliest exercise date	Consideration payable on exercise
KMP:						
N. Streltsova ⁽¹⁾	12/07/2023	91,175	91,175	45,000	30/06/2024	-
D. Ritchie ⁽¹⁾	12/07/2023	91,175	91,175	45,000	30/06/2024	-
S. Cole ⁽¹⁾	12/07/2023	162,089	162,089	80,000	30/06/2024	-
J. Purdie ⁽¹⁾	12/07/2023	121,567	121,567	60,000	30/06/2024	-
L. Guthrie ⁽¹⁾	12/07/2023	25,326	25,326	12,500	30/06/2024	-
C. Reed ⁽²⁾	11/09/2023	571,512	-	204,030	30/06/2026	-
J. Carone ⁽²⁾	11/09/2023	314,759	-	112,369	30/06/2026	-
M. Tamlin ⁽²⁾	11/09/2023	275,414	-	98,323	30/06/2026	-
D. Townsend ⁽²⁾	11/09/2023	275,414	-	98,323	30/06/2026	-
M. Gray ⁽²⁾	11/09/2023	261,840	-	93,477	30/06/2026	-
C. Reiche ⁽²⁾	19/01/2024	259,676	-	92,704	30/06/2026	-
Total		2,449,947	491,332	941,726		-

(1) At 30 June 2024 Non-Executive Directors became entitled to securities whose vesting conditions were the subject to the rules of the Performance Rights Plan.

(2) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

25. Related party disclosures (continued)

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

	Grant date	Fair value of rights at grant date	Granted	Vested during the financial year	Forfeited/ lapsed during the financial year	Ordinary shares issued on exercise of rights
		\$		No.	No.	No.
KMP:						
C. Reed ⁽¹⁾	7/12/2020	307,659	1,656,754	-	165,675	1,491,079
J. Carone ⁽¹⁾	7/12/2020	123,686	666,055	-	133,211	532,844
M. Tamlin ⁽¹⁾	7/12/2020	140,328	755,670	-	151,134	604,536
D. Townsend ⁽¹⁾	7/12/2020	134,931	726,605	-	145,321	581,284
C. Reed ⁽¹⁾	11/10/2021	442,592	574,049	-	-	-
J. Carone ⁽¹⁾	11/10/2021	181,867	235,885	-	-	-
M. Tamlin ⁽¹⁾	11/10/2021	202,074	262,094	-	-	-
D. Townsend ⁽¹⁾	11/10/2021	202,074	262,094	-	-	-
C. Reed ⁽¹⁾	5/09/2022	276,034	239,904	-	-	-
J. Carone ⁽¹⁾	5/09/2022	166,744	144,919	-	-	-
M. Tamlin ⁽¹⁾	5/09/2022	145,901	126,804	-	-	-
D. Townsend ⁽¹⁾	5/09/2022	145,901	126,804	-	-	-
M. Gray ⁽¹⁾	5/09/2022	138,709	120,554	-	120,554	-
N. Streltsova ⁽²⁾	4/08/2022	45,000	40,875	-	-	40,875
D. Ritchie ⁽²⁾	4/08/2022	45,000	40,875	-	-	40,875
S. Cole ⁽²⁾	4/08/2022	60,000	54,499	-	-	54,499
J. Purdie ⁽²⁾	4/08/2022	45,000	40,875	-	-	40,875
L. Guthrie ⁽²⁾	4/08/2022	9,000	8,175	-	-	8,175
C. Reed ⁽¹⁾	11/09/2023	204,030	571,512	-	-	-
J. Carone ⁽¹⁾	11/09/2023	112,369	314,759	-	-	-
M. Tamlin ⁽¹⁾	11/09/2023	98,323	275,414	-	-	-
D. Townsend ⁽¹⁾	11/09/2023	98,323	275,414	-	-	-
M. Gray ⁽¹⁾	11/09/2023	93,477	261,840	-	261,840	-
C. Reiche ⁽¹⁾	19/01/2024	92,704	259,676	-	-	-
N. Streltsova ⁽³⁾	12/07/2023	45,000	91,175	91,175	-	-
D. Ritchie ⁽³⁾	12/07/2023	45,000	91,175	91,175	-	-
S. Cole ⁽³⁾	12/07/2023	80,000	162,089	162,089	-	-
J. Purdie ⁽³⁾	12/07/2023	60,000	121,567	121,567	-	-
L. Guthrie ⁽³⁾	12/07/2023	12,500	25,326	25,326	-	-
Total		3,754,226	8,533,437	491,332	977,735	3,395,042

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals TSR compared to the comparative group of companies over the 3-year period as set out in the employee's employment contract. As a result of the testing of the Company's performance over this period no rights vested (2023: 3,209,743).

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights. At 30 June 2023 all performance rights have vested. As a result of the testing of the Company's performance over this period, 185,299 rights vested and shares were issued (2023: 239,051).

25. Related party disclosures (continued)

- (3) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights. At 30 June 2024 all performance rights have vested.

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

(d) Transactions with other related parties

Other related parties include:

- The parent entity;
- Associates;
- Joint ventures in which the entity is a venturer;
- Subsidiaries;
- Key Management Personnel of the Group; and
- Other related parties.

The Group has provided loans to its joint venture, Reed Advanced Materials Pty Ltd, and equity contributions to its joint ventures, Primobius GmbH, Recycling Industries Scandinavia AB and ACN 630 589 507 Pty Ltd (see note 21)

Transactions involving the parent entity

The directors elected for wholly-owned Australian entities within the Group to be taxed as a single entity from 1 July 2003.

No other transactions occurred during the financial year between entities in the wholly owned Group.

(e) Controlling entities

The ultimate parent entity of the Group is Neometals Ltd, a company incorporated and domiciled in Australia.

26. Auditors remuneration

Details of the amounts paid or payable to the auditor for the audit and other assurance services during the year are as follows:

	2024 \$	2023 \$
Audit services - Deloitte Touche Tohmatsu		
Fees to the group auditor for the audit or review of the statutory financial reports of the Company, subsidiaries and joint operations	256,420	289,006
Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements - Australia	-	14,621
Total remuneration of Deloitte Touche Tohmatsu	256,420	303,627
Audit services – Other firms		
Fees for auditing the financial reports of any controlled entities	-	24,684
Total remuneration of other firms	-	24,684

27. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows:

	2024 \$	2023 \$
Cash and cash equivalents at the end of the financial year	9,103,833	24,438,695
	9,103,833	24,438,695

(b) Reconciliation of profit / (loss) for the period to net cash flows from operating activities

	2024 \$	2023 \$
(Loss) / Profit for the year	(69,112,917)	(34,804,369)
Impairment (reversal)/expense	12,820,053	3,989,748
Loss on disposal of financial assets	274,140	150,247
Loss on disposal of subsidiary	-	212,473
Share of loss in associate	438,965	3,412,514
Share of loss in Joint Venture	8,616,266	7,298,801
Net (profit) / loss on financial assets measured at FVTPL	778,241	512,769
Interest received on investments	(526,963)	(1,056,585)
Finance costs recognised in profit or loss	102,305	29,859
Depreciation and amortisation of non-current assets	491,176	523,023
Equity settled share-based payment	894,935	1,747,437
Loss from discontinued operation	30,945,885	-
Net foreign exchange (gain)/loss	48,563	(4,204)
(Increase) / decrease in assets:		
Current receivables	1,609,307	(1,513,597)
Other	47,987	49,748
Increase / (decrease) in liabilities:		
Current payables	(1,706,013)	(131,597)
Deferred tax liability	-	(782,904)
Provisions and other	764,512	(31,905)
Net Cash used in operating activities	(13,513,558)	(20,398,542)

28. Financial instruments

(a) Financial risk management objectives

The Consolidated Entity does not enter into derivative financial instruments for speculative or hedging purposes.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(c) Interest rate risk

The following tables detail the Group's exposure to interest rate risk:

2024	Weighted average effective interest rate	Variable interest rate	Maturity dates			Non interest bearing	Total
			Less than 1 year	1-5 years	More than 5 years		
			\$	\$	\$		
	%	%					
Financial assets:							
Cash and cash equivalents AUD	2.06%	-	5,399,939	-	-	-	5,399,939
Cash and cash equivalents EUR	0.00%	-	3,652,724	-	-	-	3,652,724
Cash and cash equivalents USD	0.00%	-	7,094	-	-	-	7,094
Cash and cash equivalents GBP	0.00%	-	44,076	-	-	-	44,076
Bond term deposits ⁽ⁱ⁾	4.92%	-	620,712	-	-	-	620,712
Cash deposits trust	0.00%	-	-	-	-	-	-
Trade and other receivables	0.00%	-	-	-	-	967,858	967,858
Financial liabilities:							
Trade payables ⁽ⁱⁱ⁾	-	-	-	-	-	340,789	340,789
Lease liability	7.77%	-	128,296	872,262	3,110,363	-	4,110,921

(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 11 and 27(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.

(ii) Non interest bearing liabilities are due within 30 days.

28. Financial instruments (continued)

2023	Weighted average effective interest rate	Variable interest rate	Maturity dates			Non interest bearing	Total
			Less than 1 year	1-5 years	More than 5 years		
	%	%	\$	\$	\$	\$	\$
Financial assets:							
Cash and cash equivalents AUD	3.77%	-	24,013,096	-	-	-	24,013,096
Cash and cash equivalents EUR	0.00%	-	208,846	-	-	-	208,846
Cash and cash equivalents USD	0.00%	-	127,552	-	-	-	127,552
Cash and cash equivalents GBP	0.00%	-	89,199	-	-	-	89,199
Bond term deposits ⁽ⁱ⁾	4.17%	-	200,000	-	-	-	200,000
Cash deposits trust	0.00%	-	-	-	-	-	-
Trade and other receivables	0.00%	-	-	-	-	2,031,604	2,031,604
Financial liabilities:							
Trade payables	-	-	-	-	-	2,190,866	2,190,866
Lease liabilities	7.77%	-	285,625	652,049	-	-	937,674

(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 11 and 27(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.

(d) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Joint Venture. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The undiscounted lease liabilities balance is \$4,110,921, split between \$128,296 with a maturity date of less than 1 year, \$872,262 with a maturity date of 1-5 years, and \$3,110,363 with a maturity date of more than 5 years.

In addition to financial liabilities in note 14, the Company is required to meet minimum spend commitments to maintain the tenure over the Company's mineral exploration areas as described in note 19.

(f) Fair value

The carrying amount of financial assets measured at amortised cost recorded in the financial statements approximates their respective fair values.

Financial assets carried at fair value through profit or loss comprise investments predominantly in Australian companies. Their fair value is determined using key inputs of quoted bid prices in an active market multiplied by the number of shares held, which is Level 1 in the fair value hierarchy. Where quoted prices in an active market are unable to be used to determine fair value, alternative valuation methods are used to most accurately represent the equities fair value which for the investments held by the entity include other observable inputs and is therefore categorised as level 3 on the fair value hierarchy.

28. Financial instruments (continued)

Other than the investments held at fair value, the Group does not hold any instruments that are measured at fair value. There have been no transfers between fair value classes during the year. The sensitivity analysis below has been calculated based on the exposure to equity price risk at the end of the reporting period for financial assets carried at fair value through profit or loss. A 25 percent increase and decrease has been used to assess the sensitivity of the equity price risk and represents management's assessment of a reasonably possible change in equity pricing.

If equity prices had been 25 percentage higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2024 would decrease/increase by \$996,779 (2023: \$1,298,386).

(g) Capital management

The board's policy is to endeavour to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group sources any additional funding requirements from either debt or equity markets depending on the market conditions at the time the funds are sourced and the purpose for which the funds are to be used. The Group is not subject to externally imposed capital requirements.

(h) Interest rate risk management

The Group is exposed to interest rate risk as the Group has funds on deposit as security for the head office lease.

The sensitivity analysis below has been calculated based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase and decrease has been used when reporting the interest rate risk and represents management's assessment of the potential change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2024 would decrease/increase by \$48,917 (2023: decrease/increase \$123,193). This is mainly attributable to the Group's exposure to interest rates on the maturity of its term deposits.

29. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2024 (2023: nil)

30. Events after the reporting period

On 19 August 2023, Neometals announced the successful completion of a subscription agreement with existing long-term shareholder Mr William Robert Richmond for approximately US\$3m through the issue of 66,666,666 new ordinary fully paid shares. The shares were issued on 20 August 2024.

On 22 August 2024, Neometals announced a strategy update for a restructure of the company to right size the organisation and its underlying cost base to reflect a new strategic refocus.

On 16 September 2024, Neometals 88% owned entity, Recycling Industries Scandinavia AB ("RISAB"), executed a project agreement with EIT RawMaterials GmbH to support the development of the Finnish vanadium recovery project ("VRP1") via a €0.5M (c. A\$829k) grant to RISAB's 100% owned VRP1 holding company, Novana Oy ("Novana").

On 17 September 2024, Neometals was served with documents relating to proceedings in the Federal Court of Australia which have been commenced against it by an employee affected by the corporate restructure announced on 22 August 2024.

On 23 September 2024, Neometals announced a gold exploration target related to the Barrambie Project.

Other than stated above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

Consolidated entity disclosure statement

As at 30 June 2024

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

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

Name of entity	Entity Type	Body Corporate		Tax residency	
		Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
Neometals Ltd	Body Corporate	Australia	N/A	Australia ¹	N/A
Australian Titanium Pty	Body Corporate	Australia	100	Australia ¹	N/A
Alphamet Management Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Inneovation Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Neometals Energy Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Neomaterials Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Neometals Investments Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Urban Mining Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Adamant Technologies Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Avanti Materials Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Ecometals Pty Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Avanti Minerals Ltd	Body Corporate	Australia	100	Australia ¹	N/A
Recycling Industries Scandinavia AB	Body Corporate	Sweden	88	Foreign	Sweden
Novana Oy	Body Corporate	Finland	88	Foreign	Finland

¹ This entity is part of the tax-consolidated group under Australian taxation law, for which Neometals Ltd is the head entity.