



# AUSTIN METALS

## L I M I T E D

(Formerly known as Silver City Minerals Limited)

ABN 68 130 933 309

ANNUAL REPORT 2022

# CONTENTS & CORPORATE DIRECTORY

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## Board of Directors

Leo Horn (Director)  
Darren White (Director) (Appointed 23 July 2021)  
Sonu Cheema (Director and Company Secretary)

## Principal and Registered Office

Suite 9, 330 Churchill Avenue  
Subiaco, WA 6008

## ASX Share Register

Automic Pty Ltd  
Level 5, 191 St George Terrace,  
Perth WA 6000  
Telephone: +61 1300 288 664  
[www.automicgroup.com.au](http://www.automicgroup.com.au)

Telephone: +61 8 6489 1600  
Email: [reception@cicerogroup.com.au](mailto:reception@cicerogroup.com.au)  
Website: [www.austinmetals.com.au](http://www.austinmetals.com.au)

## Auditor

BDJ Partners  
Level 8, 124 Walker Street  
North Sydney, NSW 2060

## Securities Exchange Listing

Australian Securities Exchange  
ASX Code: AYT

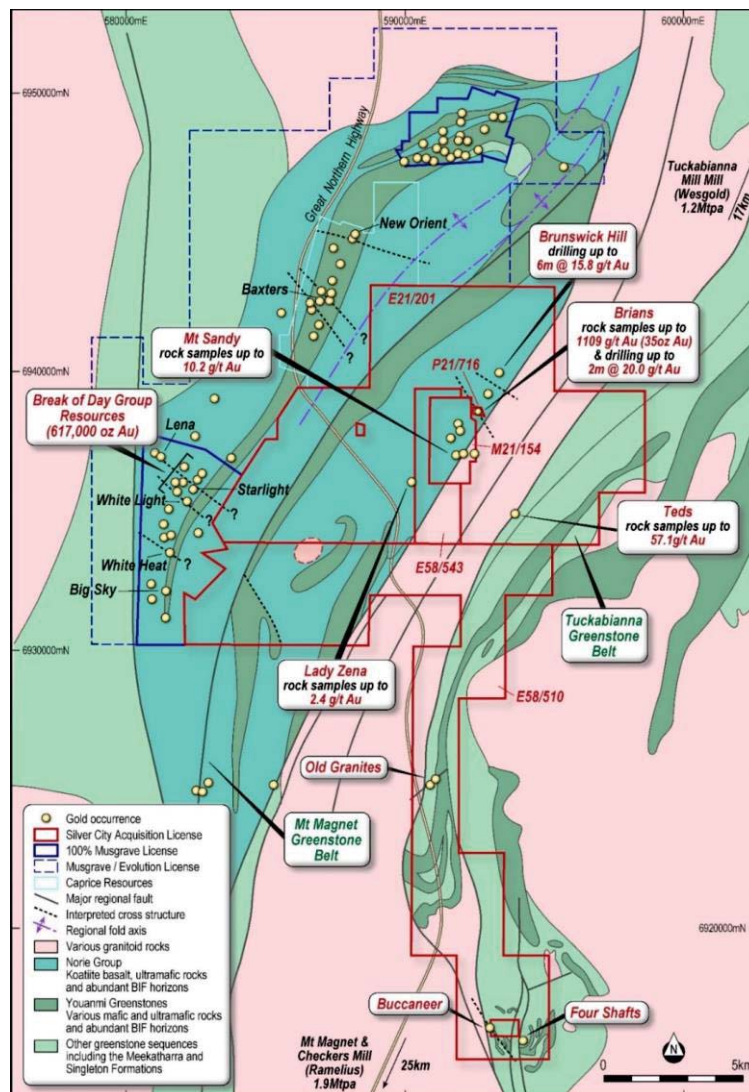
During the Period ended 30 June 2022, the Company completed the following operational and corporate activities.

## Operations

Austin Metals Limited (**AYT**, or, the **Company**) is a base and precious metals explorer focused on the prolific mining districts of Broken Hill, the Cobar Basin and the Lachlan Fold Belt of New South Wales, Australia. AYT's flagship Austin Gold Project is located in the highly prospective Murchison greenstone province of Western Australia, directly adjacent to the Cue Gold Project owned by Musgrave Minerals Limited (ASX:MGV), which includes the high grade Break of Day Deposit and Starlight discovery. The Company has also secured a significant ground holding of the Talling Greenstone belt in the prolific Murchison gold mining region of Western Australia located 150 km south of the Golden Grove deposit.

### Austin Gold Project (WA)

On 26 July 2021, Austin Metals completed the acquisition for an 80% interest in the Austin Gold Project through the acquisition of 80% of the shares in the capital of GT from the Vendor ("**Acquisition**"), as previously announced to the ASX on 7 April 2021. The Austin Gold Project is located in the highly prospective Murchison greenstone province of Western Australia, directly adjacent to the Cue Gold Project owned by Musgrave Minerals Limited (ASX:MGV), which includes the high grade Break of Day Deposit and Starlight discovery (Figure 1).



**Figure 1:** Interpreted geology map of the Mt Magnet and Tuckabianna Greenstone Belts showing the location of the Austin Gold Project tenement outlines with respect to the licenses held by Musgrave Minerals and Caprice Resource. Resource estimates by Musgrave Minerals are total combined Indicated and Inferred JORC 2012 estimates.

### Strategic Project Location

The Austin Gold Project is located 45 km north of Mt Magnet and comprises 175 square kilometres in the highly prospective Tuckabianna and Mt Magnet greenstone belts of the prolific Murchison gold mining district (Figure 1). The Murchison Province is reported to have historically produced over 17Moz of gold with significant current resources and exciting recent new discoveries by a variety of companies including Musgrave Minerals. The Austin Gold Project is also well located within 50 km of two operating mills held by Ramelius and Wesgold adjacent to the Great Northern Highway (Figure 1).

The Austin Gold Project is centred around one granted mining license at Mt Sandy and surrounded by three larger granted exploration licenses and one small prospecting license (Figure 1). The project has been privately held by various companies for over 20 years with very little modern day exploration programs conducted throughout the package. However, widespread alluvial and hard rock gold has been recovered near surface exposures throughout the tenure by prospectors over many years. A handful of shallow drill programs have been conducted in the past with significant gold results that had never been followed up adequately. Those results include a spectacular drill result of:

- **6 m at 15.8 g/t Au** from 36m (including **2 m at 43 g/t Au**) at the *Brunswick Hill* prospect; and
- **2 m at 20.1 g/t Au** from 31m (including **1 m at 28.0 g/t Au**) in at the *Brians* prospect.

Importantly, recent interpretation by the geological survey indicates that the majority of gold occurrences including the *Mt Sandy*, *Brians* and *Brunswick Hill* prospects occur on the eastern limb of the regionally folded highly prospective Norie Group rocks within the Mt Magnet Greenstone Belt (Figure 1). The extensive package held by Musgrave Minerals, including the *Break of Day* and *Lena* group of gold resources, occur on the western limb of the Norie Group. A number of new discoveries have been made by Musgrave Minerals including the high-grade *Starlight*, *White Light*, *White Heat* and *Big Sky* structures that have been shown to trend northwest (*Musgrave Minerals ASX Investor Presentation dated 14 December 2020, 1 February 2021, 19 March 2021 and 18 June 2021*). These structures have provided a breakthrough new understanding in the controls of the mineralisation in the district. Importantly, these northwest controlling structures are interpreted to project under cover onto the Austin Gold Project license (Figure 1).

Due diligence work by AYT included a highlight discovery of quartz veins within the Brians prospect pit displaying abundant visible gold (Figure 2) that had not been followed up properly with drilling.



**Figure 2:** Photograph of polished gossanous quartz vein with abundant visible gold recently sampled by the Company from the outcrop exposures in the north face of the *Brians* historic pit.

### Acquisition Overview

As announced on 7 April 2021, the Company executed a binding share sale and joint venture agreement (“**Agreement**”) with the Vendor to acquire an 80% interest in GT, the owner of the tenements that comprise the Austin Gold Project, including M 21/154, E 21/201, P 21/716, E 58/543 and E 58/510 (together, the “**Tenements**”). A summary of the material terms of the Agreement are set out in the AYT announcement dated 7 April 2021.

In consideration for the Acquisition, on 23 July 2021 the Company issued 300,000,000 fully paid ordinary shares in the capital of AYT (**AYT Shares**) at a deemed issued price of \$0.015 per AYT Share (**Consideration Shares**) to the Vendor.

The allotment of Consideration Shares to the Vendor was done so pursuant to obtaining shareholder approval at the General Meeting held on 5 July 2021.

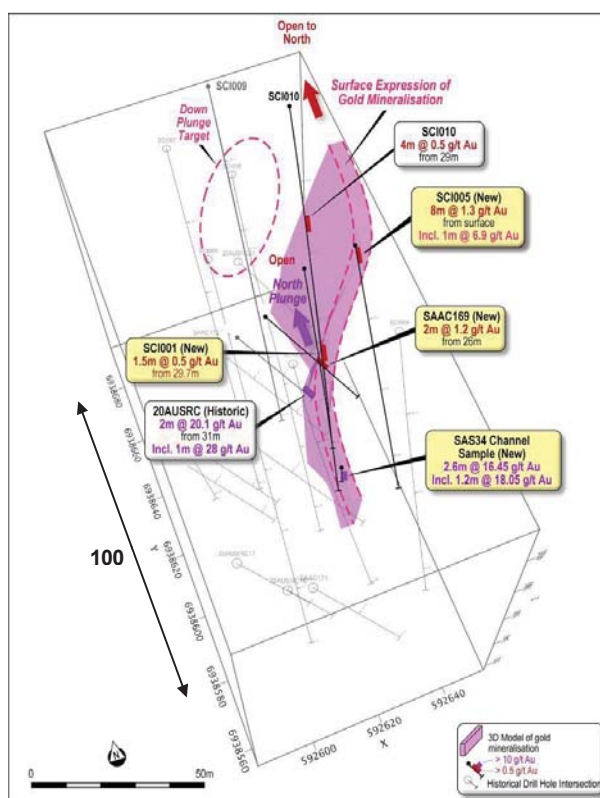
### RC, Diamond, Aircore & Channel Sampling (Brians and Brunswick Hill)

As announced on 5 May 2022, Austin Metals released new assays and 1m composite re-sampling from drilling conducted late last year that have returned excellent results and significantly upgraded gold results up to **16g/t gold**.

#### Brians Prospect (RC, Aircore & Channel Sampling)

The Brians prospect has been subject to various phases of exploration by Austin Metals in 2021 and 2022 in order to vector to further high-grade gold mineralisation previously observed in the pit including rock samples with visible gold (See AYT announcement 12 April 2021). Various new assay results are reported here including, channel sample assays across the gold mineralisation exposed in the pit, 1m composite re-sampling RC assays as well as shallow aircore drilling (4 holes for 195m). The best results returned:

- **2.6m at 16.4 g/t\* Au** from surface in SAS34 incl. **0.5m at 26.5 g/t Au** (channel sampling);
- **8m at 1.3 g/t Au\*** from surface in SCI005 incl. **1m at 7.0 g/t Au** (RC re-sampling); &
- **2m at 1.2 g/t Au** from 26m in SAAC169 (aircore drilling).



**Figure 3:** 3D model interpretation of drilling and channel sampling at Brians showing highlight intersections of the interpreted structure and open drill targets to the north.

#### Brunswick Hill (RC and Diamond Drilling Assays)

Further assays have been received from 1m composite re-sampling of RC drilling that was previously reported (see AYT announcement 24 Dec 2021) as well as specific intervals from outstanding diamond drilling at Brunswick Hill. The results are extremely encouraging and define a 5-8 m thick coherent zone of gold-bearing quartz-carbonate-pyrite veins with good continuity to 90m true depth that occurs within the upper contact of the pyrite-pyrrhotite-altered banded iron formation (BIF). Importantly, the gold grade is increasing to depth and open at depth and to the north (Figure 4). Best intersections include:

- **8m at 1.5 g/t Au** from 64m including **1m at 8.9 g/t Au**
- **5m at 2.5 g/t Au** from 88m including **1m at 9.8 g/t Au** in SCI017 (re-assays); and
- **5.8m at 0.8 g/t Au** from 44.2m including **0.5m at 4.6 g/t Au** in SCI026 (new assays)

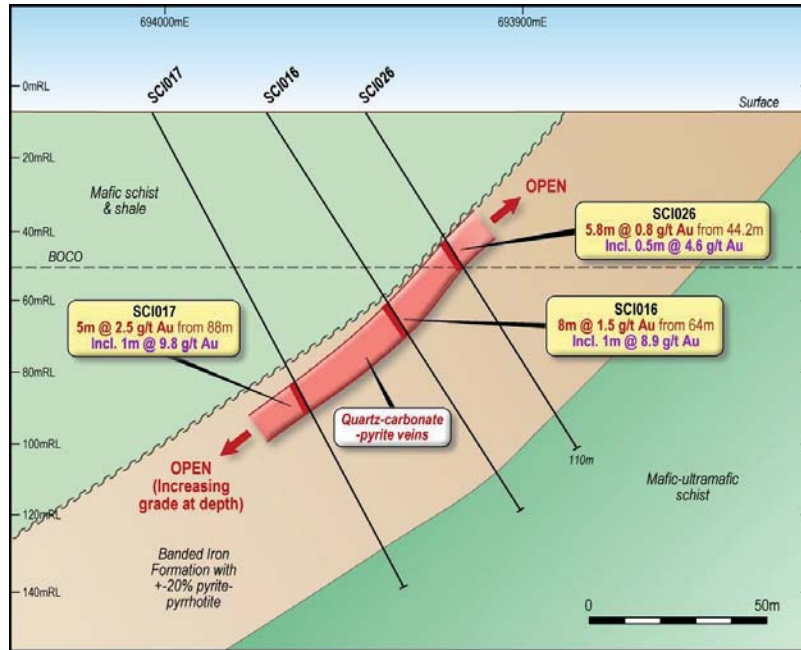


Figure 4: Interpreted cross section at the Brunswick Hill Prospect.

#### Austin Project (WA): Aircore Drilling at the Shadow Prospect Area (Everlong & Generator)

During the months of March of this year as also in July 2021, Austin Metals completed a total of 193 shallow aircore holes for 5,168 metres at the Shadow target area. The primary aim of the drilling was to define shallow, low-level anomalies  $>0.05$  g/t Au in areas defined by:

1. Subtle gravity low 'breaks' identified in the ground gravity survey, particularly those in a similar orientation to the high-grade structures identified by Musgrave Minerals such as *Starlight* (See AYT announcement 14 March 2022).
2. Gold-in-soil geochemical anomalies identified from the ultrafine fraction soil survey as well as extensive gold nuggets observed by prospectors at surface (See AYT announcement 13 September 2021).
3. North-west trending structures identified in the airborne magnetic data (See AYT announcement 5 May 2021).

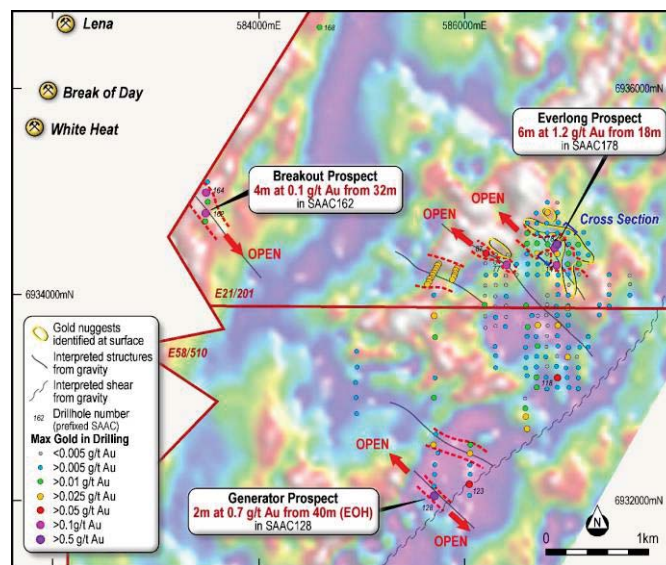


Figure 5: First vertical derivative gravity image at the Austin Gold project at the Shadow Area showing the highlight shallow aircore drilling results and interpreted gold-bearing structures.

## Everlong Prospect

The highlight new assay results have been returned at the newly discovered Everlong Prospect primarily as a direct result of targeting utilising the new gravity data. The aircore drilling has defined a zone of weathered mafic rocks with thick zones of intensive quartz veining (20-100%) that is 20-40m thick and extends for 60m and is open at depth to the southwest (Figure 5). Thick zones of quartz veining is all highly elevated in gold >0.05 g/t Au with internal higher grade intersections:

- **6m at 1.2 g/t Au\*** from 24m in SAAC178;
- **30m at 0.2 g/t Au\*** from 15m in SAAC179
  - incl. **6m at 0.4 g/t Au\***; and
- **18m at 0.13 g/t Au\*** from 24m in SAAC180

The intensive zone of gold-bearing quartz veining at the Everlong Prospect is strongly associated with a subtle northwest-trending gravity low (Figure 5). This trend is strongly associated with elevated gold in the aircore holes with maximum gold assays in the range of 0.01 to 0.08 g/t Au that defines a trend 800m long and 200m wide and open to the northwest and southeast (Figure 6).

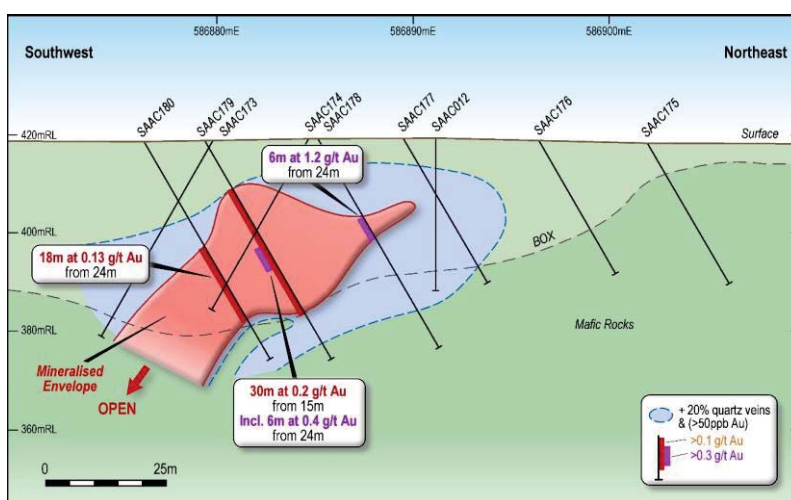


Figure 6: Interpreted cross section at the Everlong Prospect.

It is interesting to note that mineralisation at Everlong is hosted in mafic rocks for the first time on the Austin Project. Most of the mineralisation at the Musgrave Minerals high-grade Beak of Day group of deposits and structures are all primarily hosted within various mafic rocks. It is clear that mafic rocks are likely to be the favourable host rock for gold deposits across the Austin Project. Importantly, mafic rocks have never before been the target host rock by previous explorers who have specifically focused only on the banded iron formations (BIF) units that generally outcrop as topographic highs throughout the district.

## Generator Prospect

SAAC128 intersected ultramafic rocks at the base of hole from 15m to 42m end of hole beneath a volcanic dacite at surface. Gold mineralisation occurs within the ultramafic rock in two intervals:

- **2m at 0.74 g/t Au** from 40m (at end of hole) in SAAC128; and
- an upper zone of **4m at 0.1 g/t Au** from 28 m.

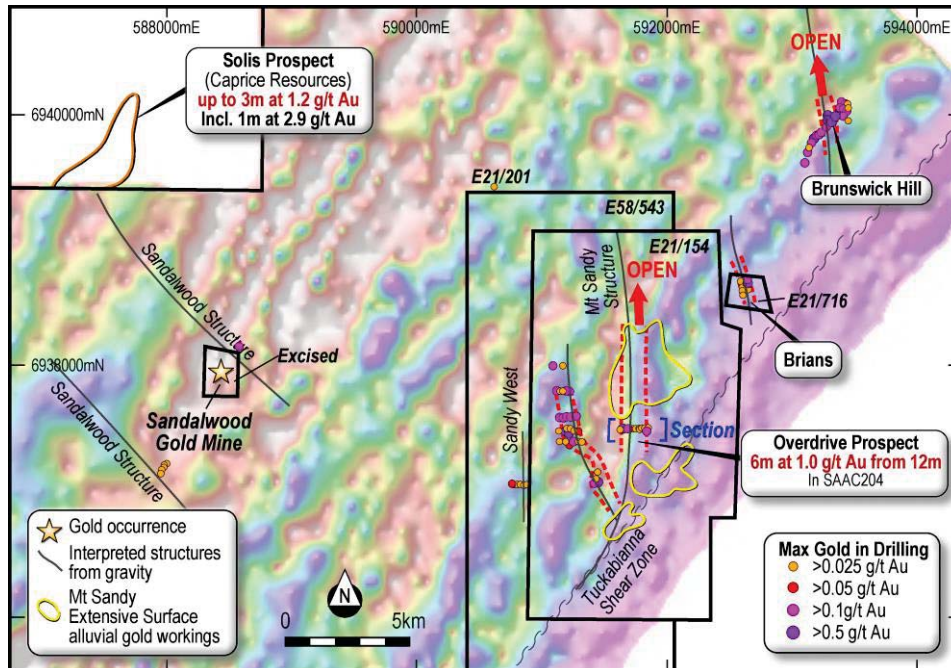
Mineralisation at Generator is associated with a subtle northwest-trending gravity feature but potentially more importantly it is also located close to a regional scale northeast trending gravity low that extends for many kilometres and may represent a regional shear zone (Figure 5). It is interesting to note that the Musgrave Minerals bulk-tonnage Lena gold deposit is hosted by ultramafic rocks within a major shear zone. In addition, gold mineralisation at Generator is wide open to the south, east and west (Figure 5).

## Austin Project (WA): Aircore Drilling at the Mt Sandy Prospect Area (Overdrive)

During March 2022, Austin Metals completed a total of 27 shallow aircore holes for 1,301 metres in the northern Mt Sandy area in an initial reconnaissance program. The primary aim of the drilling was to define shallow, low-level anomalies >0.05 g/t Au in areas defined by subtle gravity low 'breaks' identified in the ground gravity survey, particularly those in a similar orientation to the high-grade structures identified by Musgrave Minerals such as *Starlight* (See AYT announcement 14 March 2022).

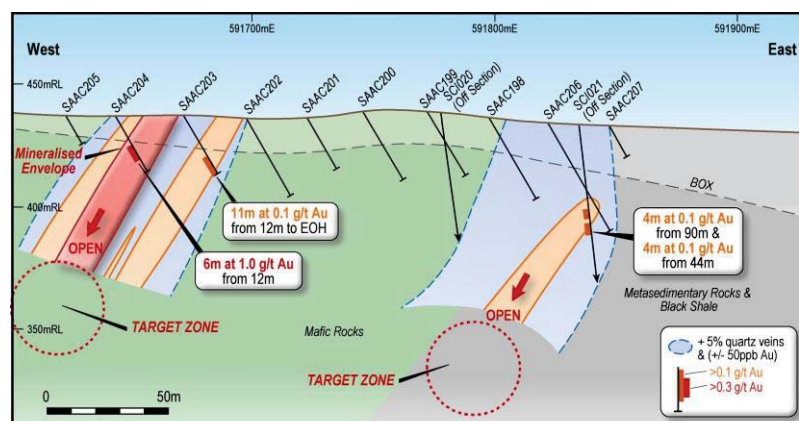
The highlight new assay aircore results have been returned at the newly discovered *Overdrive* prospect as a direct result of targeting structures interpreted from the new gravity data (Figure 6). The aircore drilling has defined a 50m thick zone of weathered to fresh mafic rocks with variable quartz veining (>5%) that is interpreted to dip west where it is open (Figure 6). Thick zones of quartz veining is all highly elevated in gold >40-50ppb Au with internal higher grade intersections:

- **6m at 1.0 g/t Au\*** from 12m in SAAC204;
- **11m at 0.1 g/t Au\*** from 12m in SAAC203 (at end of hole); and
- **4m at 0.1 g/t Au** from 40m & **4m at 0.1 g/t Au** from 44m in SCI021.



**Figure 6:** First vertical derivative gravity image at the Austin Gold project at the Shadow Area showing the highlight shallow aircore drilling results and interpreted gold-bearing structures.

The zone of gold-bearing quartz veining at the *Overdrive* Prospect is strongly associated with a prominent north-trending gravity low that appears to be a secondary splay from the renowned Tuckabianna West regional shear zone that bounds the eastern edge Mt Magnet greenstone belt (Figure 5). Interestingly, the largest area of continuous alluvial workings at Mt Sandy that are observed over an area of 700m by 450m occur immediately to the north of these exciting new drill results at *Overdrive* (Figure 6). Bedrock drilling has never been conducted beneath the extensive workings to the north of gold-bearing veins intersected in SAAC204 so the structure remains open and untested for several hundred metres or more.



**Figure 7:** Interpreted cross section at the *Overdrive* Prospect.

Several important implications have been determined from the aircore programs:

1. Interpretation of subtle gravity breaks are an extremely important tool for exploration across the project since they may represent zone of significant gold-bearing quartz veining like that discovered at *Everlong*.



2. Gold mineralisation on the Austin Project is clearly hosted in very similar favourable host rocks to those on the Musgrave Tenure such as mafic rocks at *Everlong* and ultramafic rocks at *Generator*. These poorly exposed rock types, that are almost all entirely covered by soil and scree of variable depth, have never been targeted by previous explorers due to the focus on well-outcropping BIF's that are known by surface prospectors to host gold in places. Austin plans to better map the mafic and ultramafic lithologies across the tenure and target these favourable host lithologies where they are intersected by potential cross-structures.
3. Mineralisation intersected at *Everlong*, *Generator* and *Breakout* represent the first breakthroughs in gold exploration in the Shadow Prospect Area for Austin Metals. All 3 prospects are exciting new targets in their own right for further follow up drilling at depth and along strike with aircore and RC drilling respectively.
4. The recurring theme in the northern Mt Sandy block is a prominent north-trend to the identified gold-bearing structures in the gravity that appear to be second order splays from the regional west Tuckabianna shear. Highly mineralised secondary splays from major regional thrusts is a common feature of gold deposits across Archean greenstone terrains in WA.

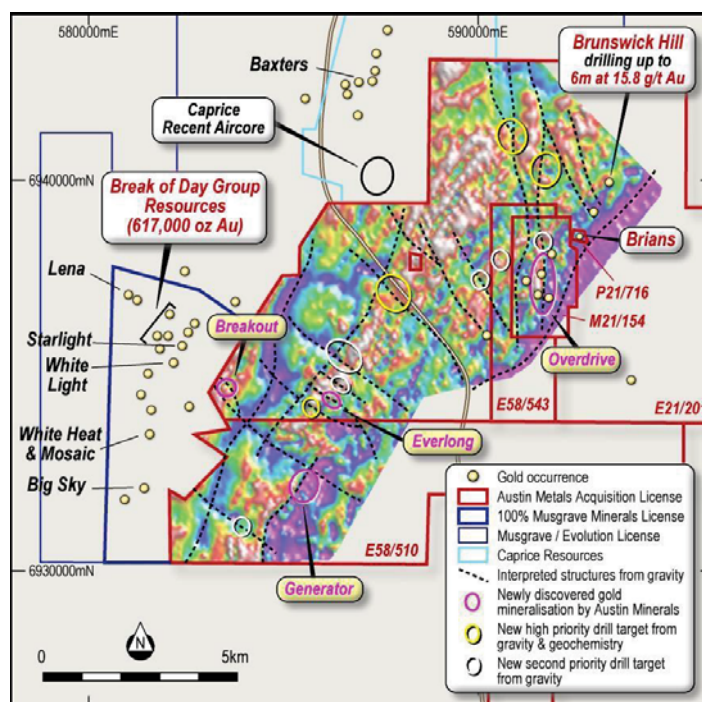
### **Austin Project (WA): New Aircore Drill Program Mobilised**

Subsequent to 30 June 2022 and as announced on 6 July 2022, Austin metals has commenced further aircore drilling to test gravity targets at the Austin Gold Project. (Figure 8).



**Figure 8:** Aircore Drilling Rig at Everlong Prospect of the Austin Gold Project

The drill program aims to follow up gold discovered from previous aircore drilling including at the Everlong, Overdrive and Generator prospects as well as several other untested gravity anomalies (Figure 8). The results of this program to date have been highly encouraging with the identification of extensive quartz veining at Everlong and Overdrive (Figure 9). The current aircore program will comprise circa 7,000m and will be the most extensive undertaken by the Company in testing the gravity targets that are known to host high grade gold in the district.



**Figure 9:** Gravity image of the Austin Gold Project showing the location of gravity anomalies and prospect areas where gold has already been discovered by aircore drilling.



**Figure 10:** Photograph of aircore chips showing extensive quartz veining at the Overdrive prospect in SAAC0263 from 2-18m. NB 25% quartz veining logged from 7-10m and 50% quartz logged from 11-16m. Collar located 591645E/6938066N, -60deg dip, 270az. Depth 40m.

### **Broken Hill Project - Copper Blow Trend (NSW)**

In May 2021 the company released the results of a successful resampling campaign with the release of a large copper-gold-rare earth-iron system at Copper Blow. Significant intersections of REE and iron were returned in association with copper and gold. For example:

- **41.2m at 1.3% Cu, 0.4g/t Au, 32.0% Fe & 0.3% TREO** at North Zone; and
- **7m at 3.7% Cu, 1.1 g/t Au, 23.3% Fe and 0.4% TREO** at South Zone.

3D modelling work successfully defined the variation of metals in the system in order to better understand the metal distribution across the deposit. An exploration target was defined from the work of **10.5Mt and 14.5Mt** at an average grade of **0.6% to 0.8% copper, 0.13 g/t to 0.23 g/t gold** however the assay distribution was insufficient to include REE across the deposit.

A new sampling campaign was conducted to continue building up the assay database to work towards a JORC-compliant resource. A total of 291 sample pulps were submitted for assay and results are pending.

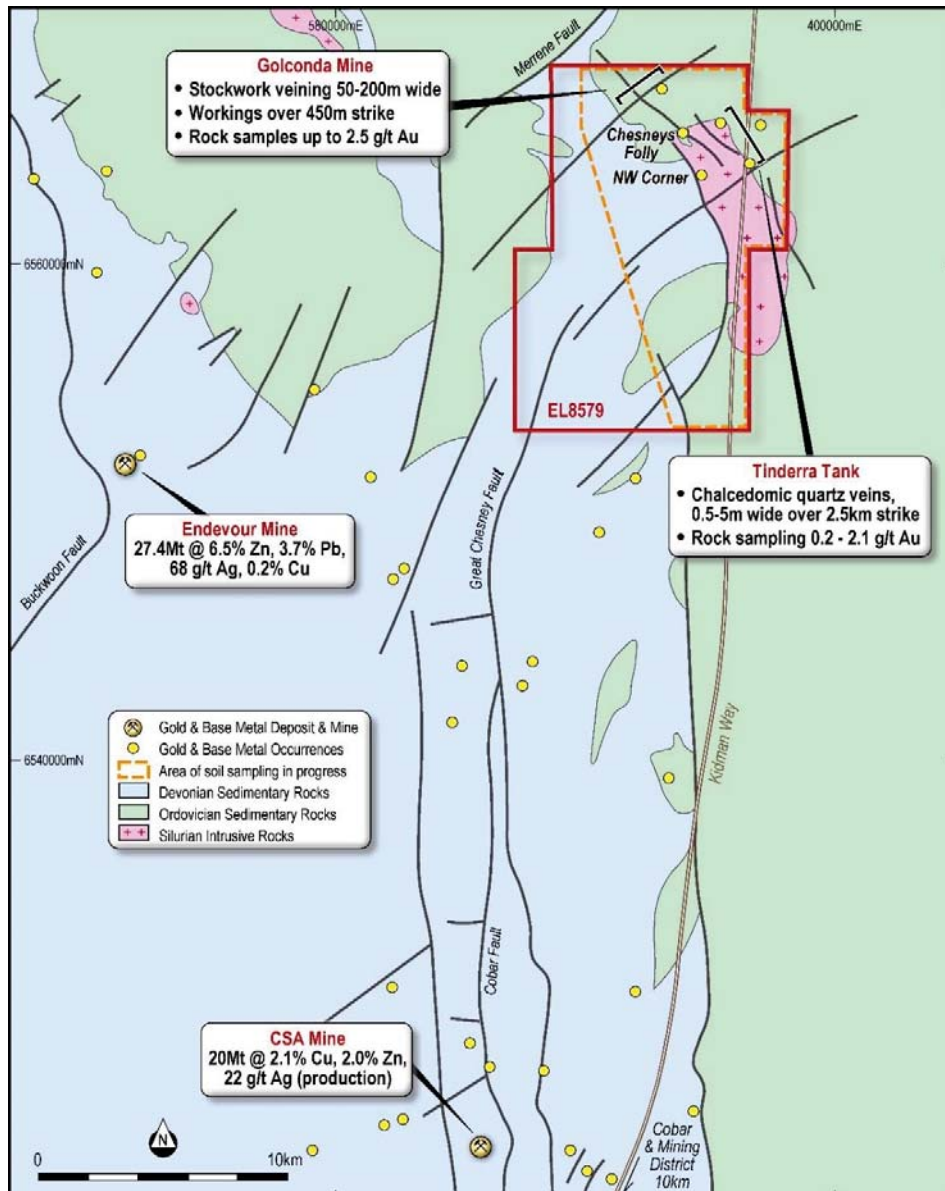
In addition, a soil sampling survey of 354 ultrafine soil samples were conducted to the south and west of Copper Blow was conducted. The aim of the survey was to define new drill targets along strike from Copper Blow.

## Tindery Gold Project (NSW)

Austin Metals continues to undertake an assessment of its strategic tenement holdings in New South Wales, particularly for gold mineralisation.

The Tindery Project is a large land package of 157 km square kilometres in the prolific Cobar Gold-Base Metal mining district with extensive historic production of gold, silver and copper. The project is located in the unexplored northern tip of the Cobar Trend along strike from the CSA Mine held by Glencore and the Endeavour Mine held by CBH Resources (Figure 11). The Chesney Fault System, which extends for 15 km strike on the Tindery Project tenure, is considered highly prospective since it is a major subsidiary structure to the Cobar Fault associated with the CSA deposit (Figure 11). Geologically, the northern part of the Cobar Basin is intruded by a suite of Silurian aged granitoids, including the Tindery Granite. Several gold occurrences and historical small-scale mines and workings are reported within close proximity to the contacts of the Tindery Granite. This association suggest the project is prospective for intrusion-related gold (IRG) deposits.

Previous exploration on the license indicates extensive stockwork veining at the historic Golconda gold mine that is reported to extend over an area 50-200 m wide and 450 m of long with rock samples up to **2.5 g/t Au** (Figure 11). The Golconda gold mine trend has never been drilled. In addition, extensive gold-bearing chalcidonic quartz veins have been historically identified at the Tinderra Tank prospect and reported to occur up to 5 m thick and extend for 2.5km strike with assays **up to 2.1 g/t Au** (Figure 11) (Refer Release 19 August 2020).



**Figure 11:** Simplified geology map showing the Tindery Project license in relation to the major deposits and occurrences. Resource estimates in relation to third parties' projects are total combined Measured, Indicated and Inferred that are reported in the CBH 2008 Annual Report prepared in accordance with the JORC code at the time.

## Board Changes

Mr Darren White was appointed to the board of AYT as a Non-executive Director on 23 July 2021. Mr White is a successful and well-respected WA based businessman with over 30 years' experience in mining operations, in particular, key business areas of drilling and blasting. Mr White's skills in the mining sector are a significant advantage for the company during exploration campaigns.

Mr Thomas Pickett resigned as non-executive director on 17 June 2022.

## Change of Share Registry

As announced on 17 June 2022, Austin Metals confirmed it has changed its provider for shareholder registry services from Boardroom Pty Limited to Automic Pty Ltd ("Automic").

Our new Share registry contact details are as follows:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
GPO Box 5193  
Sydney NSW 2001

Shareholders with any queries in relation to their Austin Metals Limited holding are advised to contact Automic at [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au) or on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

## Corporate Activities

During the reporting period, AYT completed a placement of 100,000,000 FPO shares at \$0.015 per FPO share to raise \$1,500,000 before costs in satisfaction of the Placement condition. The Placement was settled in two tranches as follows:

1. Tranche 1 – as announced on 15 April 2021, AYT completed a placement of 57,281,600 AYT Shares to new and existing sophisticated investors to raise \$859,224 pursuant to the Company's existing capacity under ASX Listing Rule 7.1; and
2. Tranche 2 – as announced on 26 July 2021, AYT issued 42,718,400 AYT Shares to raise \$640,776 to related party participants following shareholder approval obtained at the AYT General Meeting held 5 July 2021. This includes Vendor participation for up to \$590,776 in Tranche 2 (being their pro-rata allocation to maintain the Vendors percentage ownership in the Company post the issue of the Consideration Shares) and Directors Sonu Cheema and Leo Horn participation in the Placement for a total of \$50,000.

On 27 January 2022 Austin Metals announced on 27 January 2022 that it had received commitments for a placement of up to 108,695,652 fully paid ordinary shares (Placement Shares) at a price of \$0.023 per share to raise \$2,500,000 before costs. The placement shares were issued on 3 February 2022.

## Tenement Schedule

Project	Tenement	Tenement Holder	Grant Date	Expiry Date	Blocks	Area (sq km)
Tindery	EL 8579	Austin Metals Limited	26/05/2017	26/05/2023	47	141
Wellington	EL 8971	Austin Metals Limited	23/04/2020	23/04/2026	71	213
Broken Hill	EL 7300	Austin Metals Limited	23/02/2009	23/02/2026	18	54
	EL 8020	Austin Metals Limited	23/11/2012	23/11/2023	6	18
	EL 8075	Austin Metals Limited	15/04/2013	15/04/2022	40	120
	EL 8077	Austin Metals Limited	15/04/2013	15/04/2022	23	69
	EL 8078	Austin Metals Limited	15/04/2013	15/04/2022	36	108
	EL 8236	Austin Metals Limited	11/02/2014	11/02/2026	4	12
EL 8333	Austin Metals Limited	17/12/2014	17/12/2023	5	15	

	EL 8495	Austin Metals Limited	22/12/2016	22/12/2024	5	15
	EL 8685	Austin Metals Limited	23/01/2018	23/01/2024	2	6
	EL 8862	Austin Metals Limited	17/06/2019	17/06/2025	8	24
	EL 8863	Austin Metals Limited	17/06/2019	17/06/2025	29	87
Tallering	E59/2455	Austin Metals Limited	Pending, applied 13/8/2020		47	141
Austin	E58/510	Gardner Tenements Pty Ltd*	31/05/2018	30/05/2023	26	78
Austin	E58/543	Gardner Tenements Pty Ltd*	1/07/2019	30/06/2024	3	9
Austin	E21/201	Gardner Tenements Pty Ltd*	13/08/2019	12/08/2024	31	93
Austin	M21/154	Gardner Tenements Pty Ltd*	20/01/2010	19/01/2031	488	5
Austin	P21/716	Gardner Tenements Pty Ltd*	8/04/2014	7/04/2022	8	0

\*Austin Project JVA

### ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2022, the Company has relied on the following ASX announcements.

ASX Announcement	29 July 2022	Quarterly Activities Report and Appendix 5B
ASX Announcement	6 July 2022	Extensive new drilling program underway at Austin Gold
ASX Announcement	30 June 2022	Appendix 3Y
ASX Announcement	30 June 2022	Appendix 3Y
ASX Announcement	17 June 2022	Notification of cessation of securities - AYT
ASX Announcement	17 June 2022	Appendix 3Z
ASX Announcement	17 June 2022	Board Change
ASX Announcement	17 June 2022	Change of Share Registry
ASX Announcement	5 May 2022	New High Grade Assays up to 16g/t Au at Austin gold Project
ASX Announcement	29 April 2022	Quarterly Activities Report and Appendix 5B
ASX Announcement	26 April 2022	More Gold in Mafic Rocks from Aircore Drilling
ASX Announcement	14 April 2022	First Aircore Results Define 3 New Gold Prospects
ASX Announcement	11 April 2022	Notification regarding unquoted securities – AYT
ASX Announcement	18 March 2022	Drilling Commences at Austin Gold Project
ASX Announcement	17 March 2022	Appointment of Key Technical Consultant
ASX Announcement	15 March 2022	Half Year Financial Report
ASX Announcement	14 March 2022	Multiple New Gold Targets Identified, Drilling to Commence
ASX Announcement	1 March 2022	Notification of cessation of securities – AYT
ASX Announcement	10 February 2022	Significant Expansion to Gravity Survey at Austin Gold
ASX Announcement	3 February 2022	Cleansing Notice
ASX Announcement	3 February 2022	Application for quotation of securities – AYT
ASX Announcement	31 January 2022	Quarterly Activities Report and Appendix 5B
ASX Announcement	27 January 2022	Proposed issue of securities – AYT
ASX Announcement	27 January 2022	\$2.5M CAPITAL RAISING TO ACCELERATE EXPLORATION AT AUSTIN
ASX Announcement	24 January 2022	Trading Halt
ASX Announcement	20 January 2022	Important Gravity Survey to Commence at Shadow
ASX Announcement	18 January 2022	Notification of Unlisted Options Expiry
ASX Announcement	17 January 2022	HIGH GRADE GOLD-COPPER IDENTIFIED AT DOME COMPLEX

### Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website <https://austinmetals.com.au>. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Annual Report for the period ended 30 June 2022.

### Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### Darren White

#### Non-Executive Director

Director since 23 July 2021

Mr Darren White to the board of AYT as a Non-executive Director. Mr White was appointed to the board on 23 July 2021. Mr White is a successful and well respected WA based businessman with over 30 years' experience in mining operations, in particular, key business areas of Drilling and Blasting.

## Leo Horn

### Non-Executive Director

Director since 1 October 2020

Mr Horn is a technical geologist with over 20 years' experience in the exploration and mining industry for precious, base and rare earth metals, diamonds and uranium across Australia, Asia, North and South America and Africa. During that time Mr Horn has contributed to several significant discoveries including leading the team that delineated several large, high grade uranium resources in the prolific Athabasca Basin of Canada. In addition to key exploration management roles, Mr Horn has extensive experience in executive officer positions in which he has developed valuable corporate finance, marketing and capital raising experience. Mr Horn holds a Bachelor of Science with Majors in Geology & Geomorphology and Honours in Geology from the University of Western Australia and is a member of the Australian Institute of Geoscientists.

## Tom Pickett

### Non-Executive Director

Director from 28 February 2019 to 17 June 2022

Mr Pickett has experience in a range of sectors including mining, exploration, law, tourism and hotels, having held executive appointments in these areas for both ASX listed and private companies. Tom is currently the Executive Chairman of Cannindah Resources and has held numerous board positions on other ASX listed companies over the past 15 years. His experience in the management of exploration activity across a number of projects in North Queensland for both gold and copper is a valuable asset to Cannindah Resources Limited. Tom holds a Law Degree from Bond University, along with a Graduate Certificate in Applied Finance and Investment.

## Sonu Cheema

### Non-Executive Director and Company Secretary

Director since 29 May 2020

Mr Cheema has over 10 years' experience working with public and private companies in Australia and abroad. He currently serves as the Company Secretary of eMetals Limited (ASX: EMT), Yojee Limited (ASX: YOJ), Avira Resources Limited (ASX: AVW), Comet Resources Limited (ASX: CRL) and Technology Metals Australia Limited (ASX: TMT). He has completed a Bachelor of Commerce majoring in Accounting and is a CPA member.

## Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares, performance rights and options of Austin Metals Limited were:

Directors	Shares directly and indirectly held	Options directly and indirectly held	Performance Rights directly and indirectly held
T Pickett	-	1,500,000	-
L Horn	1,666,667	3,000,000	3,000,000
D White	339,385,066	-	-
S Cheema	2,500,000	1,500,000	1,500,000

## Principal activities

The principal activity of the Company is exploration for the discovery and delineation of high-grade base and precious metal deposits and the development of those resources into economic, cash flow generating businesses.

## Results

The net result of operations of the consolidated entity after applicable income tax expense was a loss of \$773,551 (2021: loss of \$997,375).

## Dividends

No dividends were paid or proposed during the period.

## Review of operations

A review of the operations commences on page 3 of this Annual Financial Report. This, together with the Director's Letter and the sections headed "Significant changes in the state of affairs" and "Significant events after the balance date" in this report, provides a review of operations of the Company during the year and subsequent to reporting date.

## Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

## Significant events after the balance date

There were, at the date of this report, no other matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## Likely developments and expected results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to establish resources from some of its current prospects and to identify further base and precious metal targets.

## Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Austin Metals Limited as at the date of this report are:

Number of shares under option	Class of security	Exercise price of option	Expiry date of options
42,406,250	Ordinary	\$0.02	31 October 2022
4,250,000	Ordinary	\$0.05	30 June 2023
4,250,000	Ordinary	\$0.10	30 June 2024
8,500,000	Performance Rights	-	-
59,406,250			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

## Indemnification and insurance of directors and officers

### Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

### Insurance premiums

During the financial period the Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

### **Environmental performance**

Austin Metals Minerals holds exploration titles issued by New South Wales Department of Planning and Environment – Resources and GeoScience, which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department’s guidelines and standards. There have been no significant known breaches of the licence conditions.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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.



## Auditor's Independence Declaration

To the directors of Austin Metals Limited

As engagement partner for the audit of Austin Metals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners

Gregory Cliffe  
Partner

26 September 2022

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**Accounting**

**Financial  
Advice**

**Super**

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## Non-audit services

The Company's auditor, BDJ Partners provided non-audit services to the Company during the period ended 30 June 2022 amounting to \$1,650 for tax return preparation and lodgement (2021: \$1,800). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

## Remuneration report (audited)

This remuneration report for the year ended 30 June 2022 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

## Details of key management personnel

Details of KMP including the top five remunerated executives of the Parent and Group are set out below.

Directors	
T Pickett	Non-Executive Director – Resigned 17 June 2022
L Horn	Non-Executive Director – Appointed 20 February 2020
S Cheema	Non-Executive Director and Company Secretary - Appointed 29 May 2020
D White	Non-Executive Director – Appointed 23 July 2021

## Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- ▶ Competitiveness and reasonableness
- ▶ Acceptability to shareholders
- ▶ Performance linkage/alignment of executive compensation
- ▶ Transparency
- ▶ Capital management

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

At the Company's AGM in 2021, 99% of shareholders voted against an advisory resolution to adopt the Company's remuneration report.

The Company has not made or agreed to make any bonus or performance related payments to its Directors or Key Management Personnel during the year ended 30 June 2022.

## Non-executive director remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate

remuneration of the Non-Executive Directors has been fixed at a maximum of \$200,000 per annum to be apportioned among the Non-Executive Directors in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors. The Chairman's fee is set at \$50,000 p.a. and Non-Executive Director fees at \$40,000 p.a. At present, no Committee fees are paid to Directors.

### Service agreements

Remuneration and other terms for key management personnel are formalised in contractor agreements. Details of these agreements are set out below:

#### **Non-Executive Director – Darren White – appointed 23 July 2021**

- ▶ Director Fee. Term: As per Constitution of the Company.
- ▶ Fee rate: \$40,000 per annum. (2021: \$40,000)
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

#### **Non-Executive Director – Tom Pickett – appointed 28 February 2019**

- ▶ Director Fee. Term: As per Constitution of the Company
- ▶ Fee rate: \$40,000 per annum (2021: \$40,000).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

#### **Non-Executive Director – Leo Horn – appointed 1 October 2020**

- ▶ Director Fee. Term: As per Constitution of the Company
- ▶ Fee rate: \$40,000 per annum (2021: \$40,000).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

#### **Non-Executive Director and Company Secretary– Sonu Cheema – Appointed 28 February 2019 as Company Secretary and 29 May 2020 as Non-Executive Director**

Director Fee.

- ▶ Term: As per Constitution of the Company
- ▶ Fee rate: \$Nil per annum (2021: Nil).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

Directorship and Company Secretary Fee:

- ▶ 12 month rolling contract. Either party may terminate the contract with 30 days' notice.
- ▶ Remuneration: \$10,000 per month plus GST as at 28 February 2019.<sup>1</sup>
- ▶ Termination payment: Nil

<sup>1</sup> Includes payments to Cicero Group, for all Financial reporting, corporate office rent and all administration services. Sonu Cheema is a director of Cicero Corporate Services Pty Ltd and a 30% shareholder of Cicero Group Pty Ltd.

### Director and key management personnel remuneration for the year ended 30 June 2022

	Short-term benefits		Post employment	Share-based payments	Share-based payments	Total	Performance based %
	Cash salary and fees \$	Consulting \$	Superannuation \$	Options \$	Performance Rights \$		
<b>Directors</b>							
T Pickett (a)	46,666	-	-	13,425	(3,348)	56,743	17%
S Cheema	-	-	-	13,425	7,182	20,607	100%
L Horn (b)	39,996	123,494	-	40,275	21,547	225,312	27%
D White (c)	36,663	159,074	-	-	-	195,737	0%
<b>Total Directors</b>	<b>123,335</b>	<b>282,568</b>	<b>-</b>	<b>67,125</b>	<b>25,381</b>		
<b>Other key management personnel</b>							
S Cheema	-	130,000	-	-	-	130,000	-
<b>Totals</b>	<b>123,335</b>	<b>412,568</b>	<b>-</b>	<b>67,125</b>	<b>25,381</b>	<b>628,399</b>	<b>-</b>

- (a) Resigned 17 June 2022
- (b) Appointed 1 October 2020
- (c) Appointed 23 July 2021

### Director and key management personnel remuneration for the year ended 30 June 2021

	Short-term benefits		Post employment	Share-based payments	Total	Consisting of options %
	Cash salary and fees \$	Consulting \$	Superannuation \$	Options \$		
<b>Directors</b>						
T Pickett	39,999	-	-	-	39,999	-
R Gotthard (a)	26,667	3,200	2,533	-	32,400	-
S Cheema	-	-	-	-	-	-
L Horn (b)	29,997	44,800	-	-	74,797	-
D White (c)	-	-	-	-	-	-
<b>Total Directors</b>	<b>96,663</b>	<b>48,000</b>	<b>2,533</b>	<b>-</b>	<b>147,196</b>	<b>-</b>
<b>Other key management personnel</b>						
S Cheema	-	118,000	-	-	118,000	-
<b>Totals</b>	<b>96,663</b>	<b>166,000</b>	<b>2,533</b>	<b>-</b>	<b>265,196</b>	<b>-</b>

No performance-based remuneration was paid in the 2021 and 2020 financial period.

- (a) resigned 1 October 2020
- (b) Appointed 1 October 2020
- (c) Appointed 23 July 2021

## Share-based compensation

### Employee share option plan

The Company has established the Austin Metals Minerals Employee Share Incentive Plan (Plan) to assist in the attraction, retention and motivation of employees of the Company and its related bodies corporate (Group). At 30 June 2022 there were options and performance rights on issue pursuant to the Plan. The Plan is administered by the Board in accordance with the rules of the Plan, and the rules are subject to the ASX Listing Rules.

### Compensation options and performance rights: granted and vested during the year

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There was forfeitures during the period of 500,000 Class A and 500,000 Class B performance rights.

### Meetings of directors

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:

Directors	Board of directors		Audit committee		Remuneration committee	
	Held	Attended	Held	Attended	Held	Attended
T Pickett	2	2	1	1	-	-
S Cheema	2	2	1	1	-	-
L Horn	2	2	1	1	-	-
D White	2	2	1	1	-	-

Signed at Perth this 29<sup>th</sup> day of September 2022 in accordance with a resolution of the Directors.

**Sonu Cheema**  
Non-executive Director and Company Secretary

# Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 \$
<b>Revenue</b>	3	1,407	51,680
<b>Expenses</b>			
ASX and ASIC fees		(94,861)	(49,922)
Audit fees		(48,500)	(31,250)
Contract administration services		(182,632)	(193,095)
Employee costs		(123,326)	(69,996)
Exploration expenditure written off		(50,386)	(597,847)
Insurances		(28,014)	(22,952)
Marketing and conference costs		-	-
Rent		-	(2,346)
Depreciation		-	(3,166)
Share based payments		(163,921)	-
Travel & accommodation		-	-
Other expenses from ordinary activities		(83,318)	(78,481)
<b>Loss before income tax expense</b>		<b>(773,551)</b>	<b>(997,375)</b>
Income tax expense	4	-	-
<b>Loss after income tax expense</b>	11	<b>(773,551)</b>	<b>(997,375)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive (loss)</b>		-	-
<b>Other comprehensive income/(loss) for the year</b>		-	-
<b>Total comprehensive loss for the year attributable to members of Austin Metals Limited</b>		<b>(773,551)</b>	<b>(997,375)</b>
Basic loss per share (cents per share)	13	(0.08)	(0.20)
Diluted loss per share (cents per share)	13	(0.08)	(0.20)

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Financial Position

As at 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 \$
<b>Current assets</b>			
Cash assets	5	2,136,208	2,288,432
Receivables	6	61,067	56,858
<b>Total current assets</b>		<b>2,197,275</b>	<b>2,345,290</b>
<b>Non-current assets</b>			
Receivables	6	790	779
Tenement security deposits	7	175,500	175,500
Property, plant and equipment		-	-
Deferred exploration and evaluation expenditure	8	6,565,163	5,911,302
Investment accounted for under the equity method	17	4,500,000	-
Loan – Gardner Tenements Pty Ltd	17	1,950,402	-
<b>Total non-current assets</b>		<b>13,191,855</b>	<b>6,087,581</b>
<b>Total assets</b>		<b>15,389,130</b>	<b>8,432,871</b>
<b>Current liabilities</b>			
Payables	9	120,872	75,863
<b>Total current liabilities</b>		<b>120,872</b>	<b>75,863</b>
<b>Total liabilities</b>		<b>120,872</b>	<b>75,863</b>
<b>Net assets</b>		<b>15,268,258</b>	<b>8,357,008</b>
<b>Equity</b>			
Contributed equity	10	29,546,714	22,018,334
Accumulated losses	11	(14,436,998)	(13,663,447)
Reserves	12	158,542	2,121
<b>Total equity</b>		<b>15,268,258</b>	<b>8,357,008</b>

*The Statement of Financial Position should be read in conjunction with the accompanying notes.*

# Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Consolidated 2022 \$	Consolidated 2021 \$
<b>Cash flows from operating activities</b>		
Payment to suppliers and employees	(601,510)	(559,251)
Grants received	220	13,500
Receipts from other	-	22,000
Interest received	1,187	6,853
<b>Net cash flows (used in) operating activities</b>	23 (600,103)	(516,898)
<b>Cash flows from investing activities</b>		
Proceeds from sale of assets	-	20,000
Loans to joint venture	(1,950,402)	-
Expenditure on mining interests (exploration)	(630,099)	(410,115)
Tenement security deposits	-	(15,500)
<b>Net cash flows (used in) investing activities</b>	(2,580,501)	(405,615)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,028,380	2,572,746
Equity raising expenses	-	(12,526)
<b>Net cash flows from financing activities</b>	3,028,380	2,560,220
<b>Net increase/(decrease) in cash held</b>	(152,224)	1,637,707
Net foreign exchange differences		
Add opening cash brought forward	2,288,432	650,725
<b>Closing cash carried forward</b>	23 2,136,208	2,288,432

*The Statement of Cash Flows should be read in conjunction with the accompanying notes.*



# Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Consolidated			
	Issued capital \$	Accumulated losses \$	Reserves \$	Total equity \$
<b>At 1 July 2020</b>	19,311,702	(12,763,097)	(438)	6,548,167
Loss for the year	-	(997,375)	-	(997,375)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(997,375)	-	(997,375)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital (net of share issue costs)	2,203,495	-	-	2,203,495
Exercise of options	422,462	-	(65,737)	356,725
Share-based payment	172,500	-	73,496	245,996
Expired option value	(91,825)	97,025	(5,200)	-
Foreign currency translation	-	-	-	-
<b>At 30 June 2021</b>	<b>22,018,334</b>	<b>(13,663,447)</b>	<b>2,121</b>	<b>8,357,008</b>
<b>At 1 July 2021</b>	22,018,334	(13,663,447)	2,121	8,357,008
Loss for the year	-	(773,551)	-	(773,551)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	(773,551)	-	(773,551)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital (net of share issue costs)	3,028,380	-	-	3,028,380
Exercise of options	-	-	-	-
Share-based payments	4,500,000	-	156,421	4,656,421
Expired option value	-	-	-	-
Foreign currency translation	-	-	-	-
<b>At 30 June 2022</b>	<b>29,546,714</b>	<b>(14,436,998)</b>	<b>158,542</b>	<b>15,268,258</b>

*The Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

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## 1. Corporate information

The financial report of Austin Metals Limited (the Company) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 27 September 2022.

Austin Metals Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange using the ASX code AYT.

The consolidated financial statements comprise the financial statements of Austin Metals Limited and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

## 2. Summary of significant accounting policies

### Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

### Basis of consolidation

The consolidated financial statements comprise the financial statements of Austin Metals Limited (Austin Metals or the "Company") and its subsidiaries if applicable ("the Group") as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

### Property, plant and equipment

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

- ▶ Plant and equipment – 2 - 5 years
- ▶ Motor Vehicle – 5 years

### Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

### Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Using the equity method of accounting, the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Interests in Joint Arrangements (continued)

the joint venture. In addition, the Group's share of the profit or loss and other comprehensive income of the joint venture is included in the consolidated financial statements.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

### Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

### Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### *Financial assets*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Financial instruments (continued)

#### *Fair value through other comprehensive income*

The Company does not hold any assets measured at fair value through other comprehensive income.

#### *Financial assets through profit or loss*

The Company does not hold any assets measured at fair value through profit or loss.

#### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### *Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Exploration, evaluation, development and restoration costs

#### **Exploration and evaluation**

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- ▶ Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- ▶ Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

#### **Exploration and evaluation – impairment**

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

#### **Development**

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

#### **Restoration**

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **Remaining mine life**

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Exploration, evaluation, development and restoration costs (continued)

#### Mine property held for sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

#### Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

#### Provisions

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

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Employee entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee's services up to that date. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

#### Share-based payments

In addition to salaries, the Company provides benefits to certain employees (including Directors and Key Management personnel) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Binomial option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

### Leases

The Company has adopted AASB 16 from 1 July 2019, which has resulted in changes in classification, measurement and recognition of leases. All leases where the Company is a lessee are recognised in the Consolidated Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term and low value leases.

### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### Interest

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

### Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences:

- ▶ Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- ▶ Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Income tax (continued)

- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

### Other taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

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

### Currency

#### *Functional currency translation*

The functional and presentation currency for the parent company is Australian dollars (\$). The functional currency of overseas subsidiaries is the local currency.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the translation. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### *Translation of Group Companies' functional currency to presentation currency*

The results of the New Zealand subsidiary are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Significant accounting judgements, estimates and assumptions

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

#### Share-based payment transactions

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Binomial formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 12 and 14.

#### Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

#### Issued capital

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

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 2. Summary of significant accounting policies (continued)

### Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

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

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

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

### Going Concern

The financial report is prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The Company has a high level of confidence in its ability to successfully complete capital raising initiatives as and when required. This is supported by the Company's strong track record in successfully raising capital. The Directors are confident that current funds are sufficient in the near term to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Directors continue to monitor the ongoing funding requirements of the Company and as stated, have the ability to raise monies via a share placement in the near term as work programs progress.

### Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2022. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Consolidated Entity's results or financial reports in future periods.

The Director's assessment of the impact of all new standards and interpretations adopted during the current year is that they have not had a material impact on the financial report of the Company.

## 3. Revenue from ordinary activities

	Consolidated 2022 \$	Consolidated 2021 \$
Grants and joint venture income	-	24,827
Gain disposal of asset	-	20,000
Interest received – other financial institutions	1,187	6,853
Other	220	-
	1,407	51,680

## 4. Income tax

	Consolidated 2022 \$	Consolidated 2021 \$
Prima facie income tax (credit) on operating profit/(loss) at 25% (2021: 26%)	(193,388)	(259,318)
Deferred income tax liability in respect of carried forward tax losses – not recognised	193,388	259,318

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Income tax expense	-	-
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No provision for income tax is considered necessary in respect of the Company for the period 30 June 2022.

The Group has a deferred income tax liability of Nil (2021: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Company has estimated its losses at \$18,257,475 (2021: \$18,056,352) as at 30 June 2022.

A benefit of 26% (2021: 26%) of approximately \$4,746,943 (2021: \$4,694,652) associated with the tax losses carried forward will only be obtained if:

- ▶ The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ▶ The Company continues to comply with the conditions for deductibility imposed by the law; and
- ▶ No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.
- ▶ Austin Metals and its 100% owned subsidiary (MEPL) formed a tax consolidated group of which Austin Metals is the head entity.

## 5. Cash and cash equivalents

	Consolidated 2022 \$	Consolidated 2021 \$
Cash at bank	15,054	102,836
Money market securities – bank deposits	2,121,154	2,185,596
	2,136,208	2,288,432

Bank negotiable certificates of deposit, which are normally invested between 7 and 120 days were used during the period and are used as part of the cash management function.

## 6. Receivables

	Consolidated 2022 \$	Consolidated 2021 \$
<b>Current</b>		
GST receivables	57,240	39,854
Prepayments	3,500	16,667
Trade and other debtors	327	337
	61,067	56,858
<b>Non - current</b>		
Rental bonds	790	779

## 7. Tenement security deposits

	Consolidated 2022 \$	Consolidated 2021 \$
Deposits	175,500	175,500
	175,500	175,500

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20). The bank deposits are interest bearing.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 8. Deferred exploration and evaluation expenditure

	Consolidated 2022 \$	Consolidated 2021 \$
Costs brought forward	5,911,302	5,772,324
Costs incurred during the period	653,861	686,748
Expenditure written off during period	-	(547,770)
Costs carried forward	6,565,163	5,911,302
Exploration expenditure costs carried forward are made up of:		
▶ Expenditure on joint operation areas	653,861	686,748
▶ Expenditure on non-joint operation areas	-	(547,770)
Costs carried forward	6,565,163	5,911,302

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

## 9. Current liabilities – payables

	Consolidated 2022 \$	Consolidated 2021 \$
Trade creditors	83,980	31,535
Accrued expenses	36,816	43,695
Superannuation payable	-	633
Other	76	-
	120,872	75,863

## 10. Contributed equity

	Consolidated 2022 \$	Consolidated 2021 \$
<b>Share capital</b>		
1,015,874,655 fully paid ordinary shares (2021: 561,078,103)	31,236,697	23,528,271
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
<b>Share issue costs</b>	(1,783,933)	(1,603,886)
<b>Option issue consideration reserve</b>		
50,906,250 unlisted options on issue (2021: 4,000,000)	93,949	93,949
	29,546,714	22,018,334

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 10. Contributed equity (continued)

### (a) Movements in ordinary shares on issue

#### At 30 June 2019

Shares issued

(i) 30,000,000 300,000

Shares issued

(ii) 20,000,000 200,000

Shares issued

(iii) 25,000,000 250,000

#### At 30 June 2020

Shares issued

(iv) 100,000,000 1,500,000

Shares issued

(v) 1,400,000 28,000

Shares issued

(vi) 8,936,250 178,725

Shares issued

(vii) 7,500,000 150,000

Shares issued

(viii) 17,250,000 172,500

Shares issued

(ix) 57,281,600 859,224

Shares issued

(x) - 187,358

#### At 30 June 2021

Shares issued

(xi) 300,000,000 4,500,000

Shares issued

(xii) 42,718,400 640,776

Shares issued

(xiii) 3,382,500 67,650

Shares issued

(xiv) 108,695,652 2,500,000

#### At 30 June 2022

	Number	\$
	293,710,253	19,702,464
	368,710,253	20,452,464
	561,078,103	23,528,271
	1,015,874,655	31,236,697

- (i) In October 2019, 30,000,000 fully paid ordinary shares were issued at \$0.01 per share under a placement
- (ii) In January 2020, 20,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (iii) In March 2020, 25,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (iv) In August 2020, 100,000,000 fully paid ordinary shares were issued at \$0.015 per share under a placement
- (v) In February 2021, 1,400,000 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (vi) In April 2021, 8,936,250 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (vii) In June 2021, 7,500,000 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (viii) In July 2020, 17,250,000 fully paid ordinary shares were issued for Wellington Project acquisition at \$0.01 per share.
- (ix) In April 2021, 57,281,600 fully paid ordinary shares were issued at \$0.015 per share under a share placement.
- (x) Expired value of options transferred to share capital.
- (xi) In July 2021, 300,000,000 fully paid ordinary shares were issued at \$0.015 per share pursuant to shareholder approval at the GM held 5 July 2021 for the acquisition.
- (xii) In July 2021, 42,718,400 fully paid ordinary shares were issued at \$0.015 per share pursuant to shareholder approval at the GM held 5 July 2021 for vendor and Director participation.
- (xiii) In September 2021, 3,382,500 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (xiv) In February 2022, 108,695,652 fully paid ordinary shares were issued at \$0.023 per share under a share placement.

### Terms and conditions of contributed equity

#### Ordinary shares

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

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

#### Options

- Options do not carry voting rights or rights to dividend until options are exercised.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 11. Accumulated losses

	Consolidated 2022 \$	Consolidated 2021 \$
Balance at 1 July	13,663,447	12,763,097
Operating loss after income tax expense	773,551	997,375
Expired option value transferred to Accumulated Losses	-	(97,025)
Balance at 30 June	14,436,998	13,663,447

## 12. Reserves/share-based payments

### Reserves

	Consolidated 2022 \$	Consolidated 2021 \$
Balance at 1 July	2,121	(438)
Share-based payment expensed during the financial year	156,421	73,496
Exercise of options during the financial year	-	(65,737)
Expired option value transferred to Accumulated Losses	-	(5,200)
Foreign currency translation reserve	-	-
Balance at 30 June	158,542	2,121

	Consolidated 2022 \$	Consolidated 2021 \$
Share-based payment reserve	164,180	7,759
Foreign currency translation reserve	(5,638)	(5,638)
Balance at 30 June	158,542	2,121

## Share-based compensation

### Employee share option plan

The Company has established the Austin Metals Employee Performance Rights and Option Plan (Plan) to assist in the attraction, retention and motivation of employees of the Company and its related bodies corporate (Group). Subsequent to 30 June 2021 there were options and performances rights granted under the Plan.

Class A Performance Rights (4,750,000) vest upon the Company achieving a Share price above \$0.05 at a volume weighted average price (VWAP) of the Company's Shares over 20 consecutive trading days, within 24 months from the date of issue, as verified by market information (Class A Milestone). Class B Performance Rights (4,750,000) vest upon the Company achieving a Share price above \$0.10 at a volume weighted average price (VWAP) of the Company's Shares over 20 consecutive trading days, within 24 months from the date of issue, as verified by market information (Class B Milestone).

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 12. Reserves/share-based payments (continued)

### Summary of ESOP options granted

	Consolidated 2022 no.	Consolidated 2021 no.
Outstanding at the beginning of the year	-	2,000,000
Granted during the year	8,500,000	8,625,000
Forfeited during the year	(1,000,000)	-
Exercised during the year	-	(7,500,000)
Performance rights issued <sup>1</sup>	10,500,000	-
Expired during the year	-	-
Outstanding at the end of the year	19,000,000	3,125,000

### Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted:

Issue date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life	Estimated fair value	Model used	
<b>Director and KMP options</b>									
July 21	2,500,000	\$0.05	30 Jun 23	104.88%	0.26%	2.0 years	\$0.0138	Binomial	(a)
July 21	2,500,000	\$0.10	30 Jun 24	104.88%	0.26%	3.0 years	\$0.0131	Binomial	(a)

- (a) 5,000,000 options were granted to Directors and employees of the Company which were approved by shareholders at the GM in July 2021. The options vest in two equal tranches as follows. The Class A Options will vest on the date that is 12 months from the date the holder was appointed as an officer of the Company. The Class B Options will vest on the date that is 24 months from the date the holder was appointed as an officer of the Company.

The following table lists the inputs to the options model and the terms of options granted:

Issue date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life	Estimated fair value	Model used	
<b>Eligible participant options</b>									
Sep 21	1,750,000	\$0.05	30 Jun 23	104.88%	0.26%	2.0 years	\$0.0165	Binomial	(a)
Sep 21	1,750,000	\$0.10	30 Jun 24	104.88%	0.26%	3.0 years	\$0.0156	Binomial	(a)
Apr 22	500,000	\$0.05	30 Jun 23	115.71%	2.28%	2.0 years	\$0.0072	Binomial	(a)
Apr 22	500,000	\$0.10	30 Jun 24	115.71%	2.28%	3.0 years	\$0.0081	Binomial	(a)

- (a) 4,500,000 options were granted to eligible employees and contractors of the Company which were approved under the Plan as adopted by shareholders at the GM in July 2021. The options vest in two equal tranches as follows. The Class A Options will vest on the date that is 12 months from the date the holder was appointed as an officer of the Company. The Class B Options will vest on the date that is 24 months from the date the holder was appointed as an officer of the Company.

### Weighted average disclosures on options

	2022	2021
Weighted average exercise price of options at 1 July	\$0.03	\$0.05
Weighted average exercise price of options granted during period	\$0.03	\$0.02
Weighted average exercise price of options outstanding at 30 June	\$0.03	\$0.03
Weighted average exercise price of options exercisable at 30 June	\$0.03	\$0.03

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Weighted average contractual life	3.31 Years	2.38 Years
Range of exercise price	\$0.02-\$0.10	\$0.02-\$0.06

## 13. Earnings per share

	2022	2021
Net loss used in calculating basic and diluted loss per share	(773,551)	(997,375)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	927,099,070	488,819,822
	<b>Cents per share</b>	<b>Cents per share</b>
Basic earnings loss per share	(0.08)	(0.20)
Diluted earnings loss per share	(0.08)	(0.20)

## 14. Key management personnel

### Key management personnel compensation

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

	Consolidated 2022 \$	Consolidated 2021 \$
Short term employee benefits	123,325	96,663
Post-employment benefits	-	2,533
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	92,506	-
Consulting	412,568	166,000
	<b>628,399</b>	<b>265,196</b>

### Shareholdings of key management personnel

#### Fully paid ordinary shares held in Austin Metals Limited

	Balance at 1 July no.	Granted as compensation no.	Received on exercise of options no.	Net change other * no.	Balance at 30 June no.	Balance held nominally no.
<b>2022</b>						
T Pickett (a)	-	-	-	-	-	-
S Cheema	-	-	-	2,500,000	2,500,000	-
L Horn	-	-	-	1,666,667	1,666,667	-
D White (c)	-	-	-	341,240,066	341,240,066	-
<b>Total</b>	-	-	-	<b>345,406,733</b>	<b>345,406,733</b>	-
<b>2021</b>						
T Pickett (a)	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-
R Gotthard (b)	-	-	-	-	-	-
L Horn	-	-	-	-	-	-
D White (c)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

(a) Resigned 17 June 2022



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

(b) Resigned 1 October 2020

(c) Appointed 23 July 2021

## 14. Key management personnel (continued)

### Option holdings of key management personnel

#### Share options held in Austin Metals Limited

	Balance at 1 July no.	Granted as compensation no.	Exercised no.	Net other change no.	Balance at 30 June no.	Balance vested at 30 June no.	Vested but not exercisable no.	Vested and exercisable no.	Options vested during year no.
<b>2022</b>									
T Pickett (a)	-	1,000,000	-	-	1,000,000	-	-	-	1,000,000
L Horn	-	3,000,000	-	-	3,000,000	-	-	-	3,000,000
S Cheema	-	1,000,000	-	-	1,000,000	-	-	-	1,000,000
R Gotthard (b)	-	-	-	-	-	-	-	-	-
D White (c)	-	-	-	-	-	-	-	-	-
Total	-	5,000,000	-	-	5,000,000	-	-	-	5,000,000
<b>2021</b>									
T Pickett (a)	-	-	-	-	-	-	-	-	-
L Horn	-	-	-	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-	-	-	-
R Gotthard (b)	-	-	-	-	-	-	-	-	-
D White (c)	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) Resigned 17 June 2022

(b) Resigned 1 October 2020

(c) Appointed 23 July 2021

## 15. Related party disclosures

### Subsidiaries

The consolidated financial statements include the financial statements of Austin Metals Limited (the Parent Entity) and the following subsidiaries:

Name	Country of incorporation	% Equity interest	
		2022	2021
Mining Exploration Pty Ltd (MEPL)	Australia	100	100
Silver City NZ PTY Limited	New Zealand	100	100
Solaris Metals Limited	Australia	100	-

## 16. Auditors' remuneration

Total amounts receivable by the current auditors of the Company for:

Audit of the Company's accounts

Other services – tax return preparation

	Consolidated 2022 \$	Consolidated 2021 \$
Audit of the Company's accounts	48,500	31,250
Other services – tax return preparation	1,650	1,800
<b>Total</b>	<b>50,150</b>	<b>33,050</b>

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 17. Joint arrangements

The Company is a party to a number of exploration joint arrangement agreements to explore for copper, gold, zinc and lead. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint arrangements are not separate legal entities except for Gardner Tenements Pty Ltd. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at the balance date resulting from these joint arrangements other than exploration expenditure costs carried forward as detailed in Note 8 and for the joint venture asset balances listed below. Costs are accounted for in accordance with the terms of joint arrangement agreements and in accordance with Note 2. Percentage equity interests in joint arrangements at 30 June 2022 were as follows:

Joint Operations	Percentage interest 2022	Percentage interest 2021
<b>Austin Metals Farm In and Joint Operation Agreement</b>		
EL 7300	85%	85%
EL 8075	75%	75%
<b>Austin Metals Broken Hill Project Sale Agreement – Variscan Mines Limited</b>		
ELs 8236 and 8075	75%	75%
<b>Agreement relating to EL 8078 (Yalcowinna – formerly Ziggys EL 6036 and Euriowie 7319) with Eaglehawk Geological Consulting Pty Ltd</b>		
EL 8078 (Eaglehawk has an 8% interest in this EL)	92%	92%
<b>Broken Hill Base Metals Project with Impact Minerals Limited*</b>		
EL 7390	0%	0%
<b>Austin Metals JO with CBH</b>		
EL 8495	75%	75%
EL 8236	75%	75%
EL 8075	75%	75%
EL 8862	75%	75%
EL 8863	75%	75%
<b>Joint Ventures</b>		
<b>Joint Venture with Gardner Mining Pty Ltd (Gardner Tenements Pty Ltd)</b>	80%	0%
<b>Asset Balances</b>	<b>2022</b>	<b>2021</b>
Original investment accounted for using the equity method	\$4,500,000	-
Loans to the joint venture entity Gardner Tenements Pty Ltd	\$1,950,402	-

\* Austin Metal's interest is terminated.

## 18. Segment information

The operating segments identified by management are as follows:

### Exploration projects funded directly by Austin Metals Limited (“Exploration”)

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 8 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 8. Financial information about each of these tenements is reported to the Board on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- ▶ Interest revenue.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

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## 18. Segment information (continued)

- ▶ Corporate costs.
- ▶ Depreciation and amortisation of non-project specific property, plant and equipment.

## 19. Contingent liabilities

The Group has provided guarantees totalling \$175,500 (2021: \$175,500) in respect of exploration tenements in NSW. These guarantees in respect of exploration tenements are secured against deposits with a banking institution. The Company does not expect to incur any material liability in respect of the guarantees.

## 20. Financial instruments

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

### Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

### Financial risk management objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

During the period there have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 20. Financial instruments (continued)

### Credit risk (continued)

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit-ratings assigned by Standard and Poors. There are two counterparties for Cash and Cash equivalents which are Commonwealth Bank of Australia and Bank of Western Australia Limited. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated 2022 \$	Consolidated 2021 \$
Cash and cash equivalents	2,136,208	2,288,432
Receivables	61,067	56,858
Deposits with banks and NSW Government	175,500	175,500
	<b>2,372,775</b>	<b>2,520,790</b>

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

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

The following table details the Company's contractual maturities of financial liabilities:

Financial liabilities	Carrying amount \$	< 12 months \$	1-3 years \$	>3 years \$
<b>2022</b>				
Payables	120,872	120,872		
	120,872	120,872		
<b>2021</b>				
Payables	75,863	75,863	-	-
	75,863	75,863	-	-

The following table details the Company's expected maturity for financial assets:

Financial assets	Carrying amount \$	< 12 months \$	1-3 years \$	>3 years \$
<b>2022</b>				
Cash at bank and term deposits	2,136,208	2,136,208	-	-
Receivables	61,067	61,067	-	-
Deposits with banks and NSW Government	175,500	-	175,500	-
	<b>2,372,775</b>	<b>2,197,275</b>	<b>175,500</b>	<b>-</b>
<b>2021</b>				
Cash at bank and term deposits	2,288,432	2,288,432	-	-
Receivables	56,858	56,858	-	-
Deposits with banks and NSW Government	175,500	-	175,500	-
	<b>2,520,790</b>	<b>2,345,290</b>	<b>175,500</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 20. Financial instruments (continued)

### Interest rate risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

	Consolidated 2022 \$	Consolidated 2021 \$
Weighted average rate of cash balances	0.00%	0.00%
Cash balances	15,054	102,836
Weighted average rate of deposits	0.41%	0.41%
Deposits	2,121,154	2,185,596

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 7 to 90 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

Sensitivity analysis	Carrying amount \$	+1.0% of AUD IR		-1.0% of AUD IR	
		Profit \$	Other equity \$	Profit \$	Other equity \$
<b>2022</b>					
Cash and cash equivalents	2,136,208	21,362	-	(21,362)	
Tax charge of 25%	2,136,208	(5,340)	-	5,340	
After tax profit increase/(decrease)	-	16,022	-	(16,022)	
<b>2021</b>					
Cash and cash equivalents	2,288,432	22,884	-	(22,884)	-
Tax charge of 27.5%	2,288,432	(5,950)	-	5,950	-
After tax profit increase/(decrease)	-	16,934	-	(16,934)	-

The above analysis assumes all other variables remain constant.

### Commodity price risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

### Net fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 21. Commitments

In order to maintain the Company's tenements in good standing with the New South Wales Department of Planning and Environment – Resources and GeoScience and the Western Australia Department of Mines, the Company may be required to incur exploration expenditure under the terms of each licence. Exploration licences renewed or granted in NSW after 1 July 2016 have no exploration expenditure commitment. These commitments are not binding as exploration tenements can be reduced or relinquished at any time. The Company has however provided the combined indicative tenement expenditure commitment for both NSW and predominately WA exploration assets as stated below.

	Consolidated 2022 \$	Consolidated 2021 \$
Payable not later than one year	432,650	750,000
Payable later than one year but not later than two years	432,650	1,000,000
	865,300	1,750,000

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time. Until a decision to mine, Austin will solely fund all expenditure of the joint venture.

## 22. Events after the balance sheet date

There were, at the date of this report, no other matters or circumstances which have arisen since 30 June 2022 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## 23. Statement of cash flows

	Consolidated 2022 \$	Consolidated 2021 \$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating profit/(loss) after income tax	(773,551)	(997,375)
Depreciation	-	3,166
Share based payments	156,421	-
Exploration costs in opening and closing creditors	(23,762)	(30,607)
Exploration expenditure written off	-	547,770
Gain on sale of assets	-	(20,000)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	(4,220)	(23,312)
Decrease)/increase in trade and other creditors	45,009	3,490
Net cash outflow from operating activities	(600,103)	(516,898)

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

## 23. Statement of cash flows (continued)

- (b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2022 comprised:

Cash assets	15,054	102,836
Bank deposits (Note 5)	2,121,154	2,185,596
Cash on hand	2,136,208	2,288,432

## 24. Parent entity information

	2022	2021
	\$	\$
Current assets	2,195,133	2,343,138
<b>Total assets</b>	15,660,781	8,704,522
Current liabilities	120,872	75,863
<b>Total liabilities</b>	120,872	75,863
Issued capital	29,546,714	22,018,334
Accumulated losses	(14,170,985)	(13,397,434)
Reserves	(164,180)	7,759
<b>Total shareholders' equity</b>	15,539,909	8,628,659
Loss of the parent entity	(773,551)	(997,375)
<b>Total comprehensive loss of the parent entity</b>	(773,551)	(997,375)

# Directors' Declaration

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In accordance with a resolution of the directors of Austin Metals Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2022.

On behalf of the Board



**Sonu Cheema**  
Non-executive Director and Company Secretary  
Perth, 29 September 2022



# Independent Auditor's Report

To the members of Austin Metals Limited,

## Report on the Financial Report

### Opinion

We have audited the accompanying financial report of Austin Metals Limited (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2022, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

### Basis for Opinion

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

We 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.

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Deferred Exploration and Evaluation Expenditure</b> \$6.5 million Refer to Note 8</p>	
<p>The consolidated entity owns the rights to several exploration licenses in New South Wales and Western Australia. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance;</li> <li>• The inherent uncertainty of the recoverability of the amount involved; and</li> <li>• The substantial amount of audit work performed.</li> </ul>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets;</li> <li>• Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest;</li> <li>• Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; and</li> <li>• Obtaining external confirmations to ensure the exploration licences are current and accurate.</li> </ul>

## 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 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

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## Directors' Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

## Auditor's Responsibility 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.

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

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

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

## Report on the Remuneration Report

### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Austin Metals Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

### Responsibilities

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

BDJ Partners



.....  
 Gregory Cliffe  
 Partner

29 September 2022

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Loans

# Additional Information

## Information relating to shareholders

Information relating to shareholders at 26 September 2022 (per ASX Listing Rule 4.10)

### Ordinary fully paid shares

There was a total of 1,015,874,654 fully paid ordinary shares on issue.

### Options

Number of shares under option	Class of share	Exercise price of option	Expiry date of options
42,406,250	Ordinary	\$0.02	31 October 2022
4,750,000	Ordinary	\$0.05	30 June 2023
4,750,000	Ordinary	\$0.10	30 June 2024
4,750,000	Class A Performance Rights	-	30 June 2024
4,750,000	Class B Performance Rights	-	30 June 2024

Substantial shareholders	Shareholding
Gardner Mining Pty Ltd	341,240,066

Top 20 shareholders of ordinary shares	Number	%
GARDNER MINING PTY LTD	300,000,000	29.53%
GARDNER MINING PTY LTD	39,385,066	3.88%
UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	35,847,827	3.53%
SMAC NOMINEES PTY LTD <SMAC INVESTMENT A/C>	33,446,094	3.29%
RUBI HOLDINGS PTY LTD <JOHN RUBINO SUPER FUND A/C>	29,000,000	2.85%
WINDELL HOLDINGS PTY LTD <THOMPSON SUPER FUND A/C>	28,347,827	2.79%
MRS ELIZABETH RACHEL WILCOX	17,053,666	1.68%
RECO HOLDINGS PTY LTD <RECO SUPER FUND A/C>	14,000,000	1.38%
ELVIEN PTY LTD <SUNSET SUPER A/C>	10,151,531	1.00%
GEORDIE BAY HOLDINGS PTY LTD	10,000,000	0.98%
CITICORP NOMINEES PTY LIMITED	9,515,540	0.94%
LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	8,690,349	0.86%
MR MICHAEL OWEN SHERRY	8,000,000	0.79%
THREE ZEBRAS PTY LTD <THE JUDD FAMILY A/C>	7,637,682	0.75%
MR BILAL AHMAD	7,333,334	0.72%
MR PETER ALEXANDER & MRS SUZANNE ALEXANDER <PA & SA SUPER	6,000,000	0.59%
MR JOHN ANTHONY GAFFNEY	6,000,000	0.59%
MR ROBERT SIMMONS	5,800,102	0.57%
BNP PARIBAS NOMS PTY LTD <DRP>	5,162,015	0.51%
MR GEOFFREY WILLIAM BARRYMORE	5,016,220	0.49%
QUENTINE INVESTMENTS PTY LTD <KNOWLES FAMILY A/C>	5,000,000	0.49%
<b>Total</b>	<b>591,387,253</b>	<b>58.21%</b>
<b>Total issued capital - selected security class(es)</b>	<b>1,015,874,654</b>	<b>100.00</b>

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Range – FPO Shares	Number of shareholders	Ordinary shares	%
1-1,000	90	13,540	0.00%
1,001-5,000	30	102,568	0.01%
5,001-10,000	86	757,116	0.07%
10,001-100,000	802	36,997,052	3.64%
100,001-9,999,999,999	710	978,004,378	96.27%
	1,718	1,015,874,654	100.00%

### Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Range – Unlisted Options	Number of shareholders	Ordinary shares	%
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	1	56,250	0.11%
100,001-9,999,999,999	27	51,850,000	99.89%
	28	51,906,250	100.00%

Optionholders have no voting rights until the options are exercised.

There is no current on-market buy-back.

### Corporate governance statement

Austin Metals Minerals is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at: [Corporate Governance – Austin Metals Limited](#)

### Tenement Schedule

Project	Tenement	Tenement Holder	Grant Date	Expiry Date	Blocks	Area (sq km)
Tindery	EL 8579	Austin Metals Limited	26/05/2017	26/05/2023	47	141
Wellington	EL 8971	Austin Metals Limited	23/04/2020	23/04/2026	71	213
Broken Hill	EL 7300	Austin Metals Limited	23/02/2009	23/02/2026	18	54
	EL 8020	Austin Metals Limited	23/11/2012	23/11/2023	6	18
	EL 8075	Austin Metals Limited	15/04/2013	15/04/2022	40	120
	EL 8077	Austin Metals Limited	15/04/2013	15/04/2022	23	69
	EL 8078	Austin Metals Limited	15/04/2013	15/04/2022	36	108
	EL 8236	Austin Metals Limited	11/02/2014	11/02/2026	4	12
	EL 8333	Austin Metals Limited	17/12/2014	17/12/2023	5	15
	EL 8495	Austin Metals Limited	22/12/2016	22/12/2024	5	15
	EL 8685	Austin Metals Limited	23/01/2018	23/01/2024	2	6
	EL 8862	Austin Metals Limited	17/06/2019	17/06/2025	8	24
EL 8863	Austin Metals Limited	17/06/2019	17/06/2025	29	87	

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Tallering	E59/2455	Austin Metals Limited	1/07/2021	30/06/2026	47	141
Austin	E58/510	Gardner Tenements Pty Ltd*	31/05/2018	30/05/2023	26	78
Austin	E58/543	Gardner Tenements Pty Ltd*	1/07/2019	30/06/2024	3	9
Austin	E21/201	Gardner Tenements Pty Ltd*	13/08/2019	12/08/2024	31	93
Austin	M21/154	Gardner Tenements Pty Ltd*	20/01/2010	19/01/2031	488	5
Austin	P21/716	Gardner Tenements Pty Ltd*	8/04/2014	7/04/2022	8	0

\*Austin Project JVA

Joint Operations	Percentage interest
<b>Austin Metals Farm In and Joint Operation Agreement</b>	
EL 7300	85%
EL 8075	75%
<b>Austin Metals Broken Hill Project Sale Agreement – Variscan Mines Limited</b>	
ELs 8236 and 8075	75%
<b>Agreement relating to EL 8078 (Yalcowinna – formerly Ziggys EL 6036 and Euriewie 7319) with Eaglehawk Geological Consulting Pty Ltd</b>	
EL 8078 (Eaglehawk has an 8% interest in this EL)	92%
<b>Broken Hill Base Metals Project with Impact Minerals Limited*</b>	
EL 7390	0%
<b>Austin Metals JO with CBH</b>	
EL 8495	75%
EL 8236	75%
EL 8075	75%
EL 8862	75%
EL 8863	75%
<b>Joint Ventures</b>	
Joint Venture with Gardner Mining Pty Ltd (Gardner Tenements Pty Ltd)	80%