



CRITICAL MINERALS GROUP

CRITICAL MINERALS GROUP LIMITED
A.B.N. 91 652 994 726

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2022**

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES

A.B.N. 91 652 994 726

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CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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DIRECTORS REPORT

Your directors present their report on Critical Minerals Group Limited ("the Company") and its controlled entities ("the Group"), for the half-year ended 31 December 2022. The period of this interim financial report is for the period 1 July 2022 to 31 December 2022.

The names of the directors in office at any time during or since the end of the half-year are:

Alan John Broome
Scott Drelincourt
Steven Kovac (appointed 24 November 2022)
Art Malone
Stuart McClure (appointed 7 December 2022)

The company secretary is Toni Myers.

The directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Review of Operations and Principal Activities

On 23 September 2022 the Company was admitted to the official list of the ASX, with securities commencing quotation on 27 September 2022. The Company raised \$5,000,000 pursuant to the offer under its prospectus by the issue of 25,000,000 shares at an issue price of \$0.20 per share.

As part of the listing:

1. the Company issued 6,250,000 options at an exercise price of \$0.25 which are exercisable with an expiry date of two (2) years from the date of quotation; and
2. \$155,000 of convertible loan notes that were issued in the financial year ended 30 June 2022 converted into ordinary shares of the Company upon listing to the ASX.

A new wholly owned subsidiary of the Company, CMG 3 Pty Ltd ACN 662 757 780, was incorporated on 28 September 2022.

The Group incurred a loss of \$775,172 for the half-year (2021: \$388,733) relating mainly to employee costs, professional and consulting fees incurred during the half-year as well as share option expenses incurred.

The principal activity of the Group during the half-year continued to be the exploration and evaluation of mineral resources with \$364,464 (2021: \$37,347) in exploration costs capitalised during the half-year.

During the half-year:

1. the Group completed the maiden drilling programme at the "Lindfield Project" (EPM 27872) located at Julia Creek, Queensland;
2. the tenements for the "Figtree Creek Project" (EPM 27998) and "Lorena Surrounds Project" (EPM 27999) in the district of Cloncurry, Queensland were granted; and
3. the Group applied for three (3) new tenements all located in close proximity or adjacent to the Lindfield Project comprising the "Whinmoor Project" (EPM 28631 application), the "Lara Downs Project" (EPM 28635 application) and the "Lindfield North Project" (EPM 28636 application).

Other than those disclosed in this report, there were no significant changes in the Group's state of affairs.

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DIRECTORS REPORT

Events Subsequent to Balance Date

On 1 February 2023, the Company announced the granting of the Whinmoor Project tenement (EPM 28631). Other than the above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

Likely Developments

In accordance with the Group's exploration program, significant exploration effort will continue to be directed towards the geological model, metallurgy and lab pilot plant test work in relation to the Lindfield Project.

In relation to the Figtree Creek Project, Lorena Surrounds Project, Whinmoor Project, Lara Downs Project and Lindfield North Project, the directors are unable to comment on the likely results from the Group's planned activities on each of the projects due to the speculative nature of such activities.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory, except for those related to licences for mineral exploration.

Dividends

No dividends were paid during the period and no recommendation is made as to the dividends.

Share Options

At the date of this report, unissued ordinary share options are as follows:

Unquoted (exercise price \$0.25 and expiry date of two (2) years from the date of quotation (being 27 September 2022))	8,368,333
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Total existing Options	8,368,333
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Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

During the half-year, no options were exercised to acquire ordinary shares.

Deeds of Indemnity, Insurance and Access

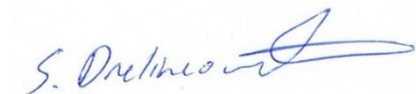
The Company has entered into Deeds of Indemnity, Insurance and Access with each of its directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the *Corporations Act 2001* (Cth) ("Corporations Act 2001") against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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DIRECTORS REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'S. Drelinco', with a stylized flourish extending to the right.

Director – Scott Drelinco

Dated this 10th day of March 2023

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CRITICAL MINERALS GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Critical Minerals Group Limited and the entities it controlled during the half year.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

10 MARCH 2023
BRISBANE

PKF Brisbane Audit ABN 33 873 151 348

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CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 \$	31 December 2021 \$
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Revenue			
Interest		20,301	386
Expenses			
Administration costs		(52,254)	(25,892)
Professional and consulting fees	2	(239,213)	(258,820)
Employee costs		(111,739)	(100,247)
Director fees		(69,410)	-
Share based payments		(250,400)	-
Other expenses	3	(72,458)	(3,774)
Loss before income tax, attributable to members		(775,172)	(388,347)
Tax expense	4	-	-
Loss for the period, attributable to members		(775,172)	(388,347)
Other comprehensive income		-	-
Total comprehensive income for the period, net of tax, attributable to members		(775,172)	(388,347)
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The accompanying notes form part of these financial statements

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current Assets			
Cash and cash equivalents	5	3,704,298	53,510
Other receivables		52,453	24,041
Total Current Assets		3,756,751	77,551
Non-Current Assets			
Exploration and evaluation assets	6	403,338	38,874
Other non-current assets		18,007	-
Total Non-Current Assets		421,345	38,874
Total Assets		4,178,096	116,425
Liabilities			
Current Liabilities			
Trade and other payables	7	105,082	196,642
Provisions		13,381	-
Total Current Liabilities		118,464	196,642
Total Non-Current Liabilities		-	-
Total Liabilities		118,464	196,642
Net Assets/(Liabilities)		4,059,632	(80,217)
Equity			
Issued capital	8	5,437,137	772,515
Reserves	9	334,733	84,333
Accumulated losses		(1,712,237)	(937,065)
Total Equity		4,059,632	(80,217)

The accompanying notes form part of these financial statements

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		772,515	84,333	(937,065)	(80,218)
Loss for the period		-	-	(775,172)	(775,172)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(775,172)	(775,172)
Shares issued		5,000,000	-	-	5,000,000
Share issue costs		(335,378)	-	-	(335,378)
Share based payment expense		-	250,400	-	250,400
Transaction with owners, in their capacity as owners		4,664,622	250,400	-	4,915,022
Balance at 31 December 2022		5,437,137	334,733	(1,712,237)	4,059,632
Balance at 1 July 2021		110	-	(2,201)	2,091
Loss for the period		-	-	(388,347)	(388,347)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(388,347)	(388,347)
Shares issued		627,405	-	-	627,405
Share based payment expense		-	-	-	-
Transaction with owners, in their capacity as owners		627,405	-	-	627,405
Balance at 30 June 2022		627,515	-	(390,548)	236,967

The accompanying notes form part of these financial statements

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note	31 December 2022	31 December 2021
	\$	\$
Cash flows from Operating Activities		
Payments to suppliers and employees	(920,071)	(303,143)
Interest received	20,301	386
Interest paid	-	(100)
Net cash used in operating activities	(899,770)	(302,857)
Cash flows from Investing Activities		
Payments for exploration and evaluation	(364,464)	(37,347)
Net cash used in investing activities	(364,464)	(37,347)
Cash flows from Financing Activities		
Proceeds from issue of shares	5,000,000	627,405
Payments for share issue costs	(84,978)	(10,044)
Net cash provided by financing activities	4,915,022	617,361
Net increase in cash held	3,650,788	277,157
Cash at beginning of financing period	53,510	5,175
Cash at end of financial period	3,704,298	282,332

The accompanying notes form part of these financial statements

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1. Statement of Significant Accounting Policies

Basis of preparation of the half-year financial report

These consolidated interim financial statements and notes represent those of Critical Minerals Group Limited ("CMG" or "the Company") and controlled entities (together referred to as "the Group" or "Consolidated Entity") and are presented in Australia dollars. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements were authorised for issue on 10 March 2023 by the Directors.

These consolidated general-purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These financial statements do not include all the notes of the type normally included in an annual financial statement. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These financial statements have been prepared on the basis of historical cost, except for the statement of cash flows. Cost is based on the fair values of consideration in exchange for assets. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

On 23 September 2022 the Company was admitted to the official list of the ASX, with securities commencing quotation on 27 September 2022. The Company raised \$5,000,000 pursuant to the offer under its prospectus by the issue of 25,000,000 shares at an issue price of \$0.20 per share.

New accounting standards and interpretations

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period.

Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each separately identifiable area of interest. These costs are only carried forward where the right of tenure for the area of interest is current and to the extent that they are expected to be recouped through the successful development and commercial exploitation of the area, or alternatively sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation expenditure assets acquired in a business combination are recognised at their fair value at the acquisition date.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining development.

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

1. Statement of Significant Accounting Policies

Exploration and Evaluation Expenditure (continued)

Accumulated costs in relation to an abandoned area are written off in full against the result in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Statement of Profit or Loss in the period when the new information becomes available.

	31 December 2022	31 December 2021
	\$	\$
<hr/>		
2. Professional and Consulting Fees		
Other professional and consulting fees	122,461	203,588
Legal expenses	116,752	55,232
	<hr/>	<hr/>
	239,213	258,820
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3. Other expenses		
Marketing expenses	52,860	250
Other expenses	17,995	-
Exploration expenditure	1,603	-
Interest expense	-	100
Depreciation and amortisation	-	3,424
	<hr/>	<hr/>
	72,458	3,774
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
	\$	\$
4. Income tax expense		
Prima facie tax (receivable) on loss before income tax at 25% (2021 – 26%)	(193,793)	(100,970)
Add: Tax effect of tax losses not recognised as a deferred tax asset	193,793	100,970
	-	-
	31 December 2022	30 June 2022
	\$	\$
5. Cash and cash equivalents		
Cash at bank	3,704,298	53,510
	3,704,298	53,510
6. Exploration and evaluation assets		
Exploration and evaluation asset	403,338	36,877
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below		
Balance at start of the period	38,874	2,586
Additions	364,464	36,288
Balance at end of the period	403,338	38,874
7. Trade and other payables		
Trade and other payables	105,082	196,642
	105,082	196,642

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022	30 June 2022
	\$	\$
8. Issued Capital		
Fully paid ordinary shares	5,437,137	772,515
	5,437,137	772,515

Ordinary shareholders participate in dividends in proportion to the number of shares held. At shareholder's meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by the management to control the capital of the Group during the period.

9. Reserves

Share based payment reserve	334,733	84,333
	334,733	84,333

10. Segment information

The Group is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The accounting policies adopted for internal reporting is consistent with those adopted in the financial statements. The Group operates in one geographical segment being Australia, specifically in the state of Queensland.

11. Events Subsequent to Balance Date

On 1 February 2023, the Company announced the granting of the Whinmoor Project tenement (EPM 28631). Other than the above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

12. Company Details

The registered office of the Group is:
Critical Minerals Group Limited
Level 3, 192 Ann Street
Brisbane QLD 4000

The principal place of business is same as above.

13. Controlled Entities

The Consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of Incorporation	Class of Share	Equity %
Vanteq Minerals Pty Ltd	Australia	Ordinary	100%
CMG 1 Pty Ltd	Australia	Ordinary	100%
CMG 3 Pty Ltd	Australia	Ordinary	100%

14. Commitments and contingencies

Exploration commitments

To maintain current rights to tenure of various exploration and mining tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements, inclusive of tenement applications granted after 31 December 2022, are as follows:

	\$
Exploration expenditure commitments payable	
• Within one year	1,152,346
• Later than 1 year but not later than 5 years	2,184,383
	<hr/> 3,336,729 <hr/>
Lease commitments – office lease rentals are as follows	
Within one year	-
Later than 1 year but not later than 5 years	-
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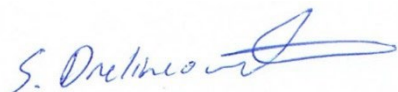
CRITICAL MINERALS GROUP LIMITED AND ITS CONTROLLED ENTITIES
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DIRECTORS DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, as set out on pages 4 to 12 are in accordance with the *Corporations Act 2001* including:
 - i. complying with Australian Accounting Standards 134: Interim Financial Reporting;
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



Director – Scott Dreincourt

Dated this 10th day of March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CRITICAL MINERALS GROUP LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Critical Minerals Group Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

10 MARCH 2023
BRISBANE