



Eastern Metals Limited

ABN 29 643 902 943

Financial Report for the half year ended 31 December 2023

Corporate Directory

Directors and Chief Executive Officer

Chairman

Bob Duffin

Chief Executive Officer

Leyann (Ley) Kingdom

Independent Non-Executive Director

Dr Jason Berton

Independent Non-Executive Director

Mark Dugmore

Independent Non-Executive Director

Ian White

Company Secretary and Chief Financial Officer

Ian Morgan

Registered Office

Level 8, 210 George Street
Sydney NSW 2000

Telephone

+1300 737 760
+61 2 9290 9600

Email

info@easternmetals.com.au

Website

www.easternmetals.com.au

Securities Exchange

Australian Securities Exchange (ASX)
ASX Code: EMS

Securities Registry

Boardroom Pty Ltd
Level 8, 210 George Street
SYDNEY NSW 2000

Telephone

1300 737 760 (in Australia)
+61 2 9290 9600 (International)

Auditor

RSM Australia Partners
Level 13, 60 Castlereagh Street
SYDNEY NSW 2000

Table of Contents

Financial Report for the half year ended 31 December 2023	1
Corporate Directory	2
Table of Contents.....	3
Directors' Report	4
Review of Operations and Outlook.....	4
Corporate	6
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows.....	11
Notes to the Interim Financial Statements.....	12
Directors' Declaration.....	25
Independent Auditor's Review Report.....	26
Auditor's Independence Declaration	28

Directors' Report

The Directors present their report, together with the Interim Financial Statements of Eastern Metals Limited (Company) at the end of and during the half year ended 31 December 2023.

Directors

The Directors of the Company at any time during or since the end of the financial half year are:

Bob Duffin	Chairman	Appointed 2 September 2020
Dr Jason Berton	Non-Executive Director	Appointed 26 July 2021
Mark Dugmore	Non-Executive Director	Appointed 4 October 2022
Ian White	Non-Executive Director	Appointed 4 October 2022

Review of Operations and Outlook

Overview and Strategy

Cobar Project

EL6321 Browns Reef

A key land access and compensation agreement with the Pineview landowner was executed in November 2023. This agreement covers key target areas at Browns Reef and complements other agreements the Company has negotiated in relation to the Evergreen high-grade zone discovered by Eastern Metals in 2022.

The execution of the land access agreements follows extensive consultation and negotiation with landowners and represents a key de-risking step for the Cobar Project, allowing Eastern Metals to plan and execute ground-based exploration activities.

As part of the Pineview access agreement, monitoring of the primary water bore on the property has commenced, which will contribute to the Company's acquisition of baseline environmental data and monitoring as the de-risking process as the project moves forward.

In addition, the Company conducted a detailed review of the work completed to date to refine its geological model for Browns Reef. Approvals for a drilling program were received from the NSW Resources Regulator during the September 2023 Quarter.

EL9180 Tara

Tara is the northernmost exploration licence (EL9180) held by Eastern Metals in the Cobar Basin. It is located 120km south of Cobar and 80km north of the Company's Browns Reef tenement (EL6321). A four-hole reverse circulation (RC) drilling program totalling 426m was completed in July 2023 in the immediate vicinity of the historical Currawalla shaft. During the December 2023 quarter reporting period, the four (4) RC holes were rehabilitated with bags and chips disposed of at a registered disposal facility.

EL9565 Black Range

Black Range is located to the east and south of Tara (EL9180) and is approximately 60km to the north of Browns Reef (EL6321). A ground magnetic survey over the recently identified 'Anomaly B' prospect within EL9565 (Figure 3) was originally planned for December 2023, but was postponed due to high summer temperatures and increased solar flare and geomagnetic storm activity, which adversely affects geophysical data measurements.

The 'Anomaly B' prospect was identified using regional geophysical data and is defined by a discrete "bullseye" magnetic anomaly, similar to the magnetic anomaly defined at the Company's Currawalla prospect immediately to the north-west and further to the north at its Thomson Project.

Both the Anomaly B and Currawalla anomalies are located along the Ordovician sediment (Currawalla Shale) and Silurian granitic (Urambie Granodiorite) contact zone, and it is thought that the magnetic anomalies may be attributed to pyrrhotite content in association with the base and precious metal mineralisation along the geological contact.

Arunta Project

The Company's core focus within the Arunta Project is the Home of Bullion deposit (EL23186), which lies in the Neutral Junction block and hosts a 3.1 million tonne Mineral Resource (JORC 2012) grading 2.9% CuEq. Parts of the Neutral Junction block also lie within a defined geological province known as the Barrow Creek pegmatite field.

No field work was conducted in the half year ended 31 December 2023; however, EMS is reviewing and ranking its prospects in the NT with field work scheduled for Q4 FY2024.

EL23186 Home of Bullion

An updated Mineral Resource estimate (JORC 2012) (3.1 million tonnes, 2.9% CuEq) for the Home of Bullion copper deposit was released by the Company in the March 2023 Quarter. Further analysis of this Mineral Resource estimate has been carried out, but no fieldwork was conducted during the half year ended 31 December 2023.

EL30797 Ooralingie

A renewal application was lodged with the NT Department of Industry, Tourism and Trade on 3 November 2023. This licence is still current and will remain in good standing until the application is assessed and approved by the regulator.

EL28615 Donkey Creek

A renewal application was lodged with the NT Department of Industry, Tourism and Trade on 28 August 2023. The application was approved by the regulator on 5 January 2024.

Thomson Project

The Thomson Project comprises two exploration licences in north-western New South Wales, Harrier (EL9194) and Falcon (EL9190).

Eastern Metals' exploration targets within the Thomson Project tenements are copper-gold and lead-zinc-silver deposits similar to the Great Cobar and CSA copper-gold mines, and the Endeavor lead zinc mine. These types of deposits are generally steeply dipping, or pipe-like, with little surface geological or geochemical expression.

These ore systems typically contain the magnetic iron-sulphide mineral pyrrhotite and can be identified using ground or airborne magnetic surveys.

Eastern Metals has commenced discussions with potential Joint Venture partners to continue progressing exploration within the Thomson Project.

EL9190 Falcon

Future work comprises assessing on-ground logistics and access for the top three ranked prospects, CUTB, F3 and F16.

Corporate

Appointment of Chief Executive Officer

Eastern Metals appointed Ms Ley Kingdom as the Company's Chief Executive Officer, effective 7 August 2023.

Options

- On 7 July 2023, 600,000 unquoted options each with an exercise price of \$0.10 expiring on 9 June 2026 and a fair value of \$0.034 were granted and vested to an unrelated employee in accordance with the rules of the Eastern Metals Limited Employees and Officers Share Option Plan approved 31 May 2021.
- On 23 August 2023, 2,000,000 unquoted options each with an exercise price of \$0.10 expiring on 9 June 2026 and a fair value of \$0.024 were granted and vested to an unrelated employee in accordance with the rules of The Eastern Metals Limited Employees and Officers Share Option Plan approved 31 May 2021.

The fair value of the unquoted options was calculated at the date of grant using the Black Scholes option pricing model.

Financial Overview

The Company's cash balance on 31 December 2023 was \$1,395,630 (2022: \$2,357,318).

The Company incurred a \$956,020 loss after tax for the half year ended 31 December 2023 (2022: \$1,728,646).

Events Subsequent to the Reporting Date

There are no matters or circumstances that have arisen since the end of the half year which significantly affected, or may significantly affect, the operations of the Company, the results of these operations or the Company's state of affairs in future financial periods.

Rounding Off

The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and as such, amounts in the Interim Financial Statements and Directors' Report have been reported to the nearest dollar, unless otherwise stated.


Previously Reported Information

Information in this report references previously reported exploration results extracted from the Company's Prospectus dated 18 August 2021, and Quarterly Activity Reports lodged 31 October 2023 (September 2023 Quarter) and 29 January 2024 (December 2023 Quarter).

The Prospectus is available to view on the Eastern Metals Limited website (easternmetals.com.au) or on the ASX website (asx.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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



Bob Duffin
Chairman
Sydney
4 March 2024

Statement of Profit or Loss and Other Comprehensive Income

Half Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Income			
Other Income		19,861	-
Total income		19,861	-
Expenses			
Exploration & evaluation expenses	C1	(459,559)	(1,102,741)
Administration expenses	C2	(435,329)	(605,909)
Share based payments expenses	A6	(80,993)	(19,996)
Total expenses		(975,881)	(1,728,646)
Loss before income tax		(956,020)	(1,728,646)
Income tax benefit		-	-
Net loss attributable to the members of the Company		(956,020)	(1,728,646)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the half year		(956,020)	(1,728,646)
Loss per share – basic	C4	(0.01)	(0.03)
Loss per share – diluted	C4	(0.01)	(0.03)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Statement of Financial Position

As of 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		1,395,630	2,357,318
Trade and other receivables		50,178	35,176
Total current assets		1,445,808	2,392,494
Non-current assets			
Exploration and evaluation assets	A10	840,148	840,148
Tenement deposits		127,069	127,069
Plant and equipment		40,526	45,398
Total non-current assets		1,007,743	1,012,615
Total assets		2,453,551	3,405,109
Current liabilities			
Trade and other payables		63,065	132,524
Total current liabilities		63,065	132,524
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		63,065	132,524
Net assets		2,390,486	3,272,585
Equity			
Issued capital	A6	8,618,974	8,618,974
Share based payment reserve	A6	1,732,002	1,651,009
Capital raising costs		(1,131,537)	(1,124,465)
Accumulated losses		(6,828,953)	(5,872,933)
Net equity		2,390,486	3,272,585

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

Half year Ended 31 December 2023

	Note	Ordinary fully paid shares	Accumulated Losses	Share Based Payment Reserve	Capital Raising Costs	Total Equity
		\$	\$	\$	\$	\$
Balance at 1 July 2023		8,618,974	(5,872,933)	1,651,009	(1,124,465)	3,272,585
Net loss attributable to the members of the Company		-	(956,020)	-	-	(956,020)
Other comprehensive income for the half year, net of tax		-	-	-	-	-
Total comprehensive income for the half year		-	(956,020)	-	-	(956,020)
Contributions of equity, net of transaction costs		-	-	-	(7,072)	(7,072)
Equity settled share-based payments for the half year	A6	-	-	80,993	-	80,993
Balance at 31 December 2023		8,618,974	(6,828,953)	1,732,002	(1,131,537)	2,390,486
Balance at 1 July 2022		7,145,203	(3,387,068)	1,526,483	(953,824)	4,330,794
Net loss attributable to the members of the Company		-	(1,728,646)	-	-	(1,728,646)
Other comprehensive income for the half year, net of tax		-	-	-	-	-
Total comprehensive income for the half year		-	(1,728,646)	-	-	(1,728,646)
Contributions of equity, net of transaction costs	A6	100,000	-	-	-	100,000
Equity settled share-based payments for the half year	A6	-	-	19,996	-	19,996
Balance at 31 December 2022		7,245,203	(5,115,714)	1,546,479	(953,824)	2,722,144

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Statement of Cash Flows

Half year Ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
Cash flows used in operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(954,616)	(2,055,027)
Net cash used in operating activities	(954,616)	(2,055,027)
Cash flows used in investing activities		
Payments for exploration and evaluation assets	-	(77,429)
Payments for plant and equipment	-	(3,154)
Net cash used in investing activities	-	(80,583)
Cash flows from financing activities		
Payments for capital raising costs	(7,072)	-
Net cash used in financing activities	(7,072)	-
Net decrease in cash and cash equivalents	(961,688)	(2,135,610)
Opening cash and cash equivalents	2,357,318	3,886,004
Closing cash and cash equivalents	1,395,630	1,750,394

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Interim Financial Statements

Half year Ended 31 December 2023

General Information

The Interim Financial Statements cover Eastern Metals Limited (Company) as an individual entity. The Interim Financial Statements are presented in Australian dollars, which is the Company's functional and presentation currency.

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report, which is not part of the Interim Financial Statements.

The Interim Financial Statements were authorised for issue, in accordance with a resolution of Directors, 4 March 2024.

The Notes to the financial statement are set out in the following main sections:

Section A – Key Financial Information and Preparation Basis

Section B – Key Management Personnel and Related Party Disclosures

Section C – Other Disclosures

Section A – Key Financial Information and Preparation Basis

This section sets out the basis upon which the Company's Interim Financial Statements have been prepared as a whole and explains the results and performance of the Company that the Directors consider most relevant in the context of the operations of the entity.

A1. Reporting Entity

The Company is a company domiciled in Australia. These interim financial statements (Interim Financial Statements) as at and for the interim half year ended 31 December 2023 comprise only the Company, which has no subsidiaries.

The Company is an early-stage mineral exploration company.

A2. Basis of Preparation

The Interim Financial Statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (Cth), and with IAS 34 Interim Financial Reporting.

They do not include all the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial report for the year ended 30 June 2023.

The Interim Financial Statements were approved by the Board of Directors on 4 March 2024.

The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and, in accordance with the Class Order, amounts in the Interim Financial Statements and Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

A3. Historical Cost Convention

The Interim Financial Statements are prepared on the historical cost basis other than share-based transactions that are assessed at fair value.

A4. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Interim Financial Statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities have not changed from the year ended 30 June 2023.

A5. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half year ended 31 December 2023, the Company incurred a net loss of \$956,020 (2022: \$1,728,646) and had operating cash outflows of \$954,616 (2022: \$2,055,027). As at 31 December 2023 the Company had cash and cash equivalents of \$1,395,630 (June 2023: \$2,357,318) and net assets of \$2,390,486 (June 2023: \$3,272,585).

Included in the Company's net loss is exploration & evaluation expenses totalling \$459,559 (2022: \$1,102,741), which is expensed in accordance with the Company's accounting policy.

Management continues to preserve operating cash. Current cash levels are sufficient to fund ongoing operations. The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the form of equity;
- the ability to successfully develop and extract value through development and/or sale of its projects; or
- the ability of the Company to scale back exploration and operating expenses until additional capital is raised or its assets are successfully developed or sold.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Company has funded its activities through issuance of equity securities and it is expected that the Company will be able to fund its future activities through further issuances of equity securities or sale of assets;

- The Directors believe that the Company has the ability to successfully develop and extract value through development and/or sale of its projects; or
- The Directors believe there is sufficient cash available for the Company to continue operating until it can raise sufficient further capital to fund its ongoing activities within the forecast period of one year from the date of these accounts.

A6. Capital and Reserves

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.

Share Capital

Ordinary shares issued and fully paid.

	Date	Number of shares	Issue Price per share	\$
Balance	30 June 2023	82,426,245		8,618,974
Balance	31 December 2023	82,426,245		8,618,974
Balance	30 June 2022	54,542,667		7,145,203
Shares issued as part consideration for Neutral Junction Project acquired from Bowgan Minerals Limited	31 October 2022	408,163	\$0.245	100,000
Balance	31 December 2022	54,950,830		7,245,203

Options

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the half year ended 31 December 2023 there were no shares issued on the exercise of options (2022: Nil). 2,600,000 unquoted options were granted during the half year ended 31 December 2023 (2022: 2,000,000) No options are subject to escrow.

Grant Date	Exercise Price per Share	Vesting Date	Option Expiry Date	Number of Options	Vested	Unvested
Balance at 30 June 2023				44,287,701	42,954,367	1,333,334
7 July 2023	\$0.10	7 July 2023	9 June 2026	600,000	600,000	-
23 August 2023	\$0.10	23 August 2023	9 June 2026	2,000,000	2,000,000	-
7 Dec 2023	\$0.30			-	666,666	(666,666)
				2,600,000	3,266,666	(666,666)
Balance at 31 December 2023				46,887,701	46,221,033	666,668
Balance at 30 June 2022				24,550,000	24,550,000	-
7 Dec 2022	\$0.30	7 Dec 2022	7 Dec 2025	666,666	666,666	-
7 Dec 2022	\$0.30	7 Dec 2023	7 Dec 2025	666,666	-	666,666
7 Dec 2022	\$0.30	7 Dec 2024	7 Dec 2025	666,668	-	666,668
				2,000,000	666,666	1,333,334
Balance at 31 December 2022				26,550,000	25,216,666	1,333,334

Details of options over ordinary shares in the Company that were granted and vested during the financial half year are as follows:

Grant Date	Exercise Price per Share	Expiry Date	ASX Escrow Expiry	Vesting Date	Balance at 1 July		Granted during the half year	Vested during the half year	Balance at 31 December	
					Vested Number	Unvested Number			Vested Number	Unvested Number
Half Year Ended 31 December 2023										
21 Apr 2021	\$0.30	14 Oct 2024	14 Oct 2023	21 Oct 2021	6,000,000	-	-	-	6,000,000	-
9 Jul 2021	\$0.30	14 Oct 2024	14 Oct 2023	21 Oct 2021	3,750,000	-	-	-	3,750,000	-
11 Oct 2021	\$0.30	14 Oct 2024	14 Oct 2023	11 Oct 2021	4,500,000	-	-	-	4,500,000	-
11 Oct 2021	\$0.30	14 Oct 2024	Not applicable	11 Oct 2021	10,000,000	-	-	-	10,000,000	-
17 Feb 2022	\$0.30	17 Feb 2025	Not applicable	17 Feb 2022	300,000	-	-	-	300,000	-
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2022	666,666	-	-	-	666,666	-
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2023	-	666,666	-	666,666	666,666	-
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2024	-	666,668	-	-	-	666,668
19 June 2023	\$0.10	9 June 2026	Not applicable	19 June 2023	3,493,342	-	-	-	3,493,342	-
29 June 2023	\$0.10	9 June 2026	Not applicable	29 June 2023	14,244,359	-	-	-	14,244,359	-
7 July 2023	\$0.10	9 June 2026	Not applicable	7 July 2026	-	-	600,000	600,000	600,000	-
23 August 2023	\$0.10	9 June 2026	Not applicable	23 August 2023	-	-	2,000,000	2,000,000	2,000,000	-
					42,954,367	1,333,334	2,600,000	3,266,666	46,221,033	666,668
Half Year Ended 31 December 2022										
21 Apr 2021	\$0.30	14 Oct 2024	14 Oct 2023	21 Oct 2021	6,000,000	-	-	-	6,000,000	-
9 Jul 2021	\$0.30	14 Oct 2024	14 Oct 2023	21 Oct 2021	3,750,000	-	-	-	3,750,000	-
11 Oct 2021	\$0.30	14 Oct 2024	14 Oct 2023	11 Oct 2021	4,500,000	-	-	-	4,500,000	-
11 Oct 2021	\$0.30	14 Oct 2024	Not applicable	11 Oct 2021	10,000,000	-	-	-	10,000,000	-
17 Feb 2022	\$0.30	17 Feb 2025	Not applicable	17 Feb 2022	300,000	-	-	-	300,000	-
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2022	-	-	666,666	666,666	666,666	-
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2023	-	-	666,666	-	-	666,666
7 Dec 2022	\$0.30	7 Dec 2025	Not applicable	7 Dec 2024	-	-	666,668	-	-	666,668
					24,550,000	-	2,000,000	666,666	25,216,666	1,333,334

Options expenses for the half year ended 31 December 2023 totalled \$80,993 (2022: \$19,996).

Share Based Payment Reserve

	Number of Options Granted	\$
Balance at 1 July 2023	44,287,701	1,651,009
Equity settled share-based payments for the half year		
Share based payments expense	2,600,000	80,993
Balance at 31 December 2023	46,887,701	1,732,002
Balance at 1 July 2022	24,550,000	1,526,483
Equity settled share-based payments for the half year		
Share based payments expense	2,000,000	19,996
Balance at 31 December 2022	26,550,000	1,546,479

Share Unlisted Options

The fair value of the unlisted options was calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

	31 December 2023		31 December 2022
Grant date	23 August 2023	7 July 2023	7 December 2022
Fair value at grant date	\$0.0241	\$0.0340	\$0.0272
Share price at grant date	\$0.050	\$0.063	\$0.094
Number of Options	2,000,000	600,000	2,000,000
Exercise price per option	\$0.10	\$0.10	\$0.30
Expected volatility (weighted average)	101.0%	100.4%	84.2%
Risk free interest rate (based on government bonds)	3.91%	3.78%	3.07%
Dividend yield	0.00%	0.00%	0.00%

The Company's accounting policy for the treatment of equity-settled share-based payment arrangements granted to employees.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and consultants is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

A7. Dividends

No dividends were paid by the Company during the half year to 31 December 2023 (2022: \$Nil).

A8. Exploration Commitments

Included in the commitments below are tenement maintenance costs only. Work program costs have been excluded on the basis that there is no contractual obligation to incur such costs. In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration activities to meet the minimum expenditure requirements as part of the licence conditions upon grant. There is significant judgement involved in determining whether the work program costs submitted to the regulator are commitments as defined, given that these obligations are subject to renegotiation when application for a mining lease is made and at other times.

All the Company's licences are in good standing at the date of this report.

As at 31 December 2023, these obligations are not provided for in the financial report and are payable as follows:

Exploration expenditure commitments

	31 Dec 2023	30 Jun 2023
	\$	\$
Within one year	53,057	98,407
One year or later and not later than five years	36,090	51,677
Later than five years	-	-
	89,147	150,084

A9. Contingencies

There are no contingent liabilities at 31 December 2023 (2022: Nil).

A10. Exploration and Evaluation Assets

Exploration and evaluation costs are stated at cost less accumulated amortisation and impairment losses.

	\$
Balance 1 July 2023	840,148
Additions during the half year	-
Balance at 31 December 2023	840,148
Balance 1 July 2022	662,718
Additions during the half year	177,430
Balance at 31 December 2022	840,148

A11. Segment Reporting

An operating segment is a component of the Company that engages in business activities whose operating results are reviewed regularly by the Company's Board and for which discrete financial information is available.

For the half year ended 31 December 2023, the Company had a single operating segment.

Business and geographical segments

The results and financial position of the Company's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Company's product and services and geographical areas are detailed below.

Products and Services

The Company currently provides no products for sale.

Geographical Areas

The Company's activities are located solely in Australia.

A12. Subsequent Events

There are no matters or circumstances that have arisen since the end of the half year which significantly affected, or may significantly affect, the operations of the Company, the results of these operations or the Company's state of affairs in future financial periods.

Section B – Key Management Personnel and Related Party Disclosures

This section includes information about key management personnel's remunerations, related parties information and any transactions key management personnel or related parties may have had with the Company during the half year.

B1. Key Management Personnel Expenses

There are no key management personnel expenses for the half year ended 31 December 2023 other than the expenses reported in Note B3.

B2. Key Management Personnel Disclosures

Individual Directors and executive compensation disclosure

Information regarding individual Director and executive compensation and some equity instruments disclosures are required by Corporation Regulation 2M.3.03.

Apart from the details disclosed in this Note, no Director has entered into a material contract with the Company during the financial half year and there were no material contracts involving Directors' interests existing at the end of the half year.

Apart from the details disclosed in this Note, there have been no transactions with Directors of the Company.

Apart from the details disclosed in Note B3 below, there are no amounts payable to Directors and their Director related entities for unpaid Directors' fees, statutory superannuation owed to each Director's superannuation fund, and consulting fees at the reporting date.

B3. Related Party Disclosures

The following related party transaction charges for Directors' fees, consulting fees were made with the Company on normal terms and conditions and in the ordinary course of business:

	Half Year Ended 31 Dec 2023	31 Dec 2023	Terms
	\$	\$	
31 December 2023			
Cash Remuneration			
Directors' fees	100,000	4,125	Payable within one month of receipt of invoice
Salaries, including superannuation	-	-	
	100,000	4,125	
Non-cash Remuneration			
Share based payments	12,465	-	
31 December 2022			
Cash Remuneration			
Directors' fees	76,904	38,452	Payable within one month of receipt of invoice
Salaries, including superannuation	292,317	-	
	369,221	38,452	
Non-cash Remuneration			
Share based payments	19,996	-	

B4. Directors' Equity Securities*Unlisted Options*

For the half year ended 31 December 2023, no options were granted to Directors (2022: 2,000,000). Of the 2,000,000 options granted during the half year ended 31 December 2022, 666,666 vested during the half year ended 31 December 2023 (2022: 666,666).

The options were granted at no cost to the recipient. The fair value of the options at the grant date is determined using the Black Scholes model. Refer Note A6 for more details.

The options expense from options granted to Directors, for the half year ended 31 December 2023, totals \$12,465 (2022: \$19,996).

No terms of equity settled share-based payment transactions (including options granted as compensation to key management persons) have been altered or modified by the Company during the half year.

There are no entitlements for the Company's option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Company prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

Section C – Other Disclosures

This section includes information that the Directors do not consider to be significant in understanding the exploration activities of the Company and is not required to be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* (Cth) or the *Corporations Regulations 2001*.

C1. Exploration & Evaluation Expenses

Tenement		Territory/ State	Half Year Ended 31 Dec 2023	Cumulative to 31 Dec 2023	Half Year Ended 31 Dec 2022	Cumulative to 31 Dec 2022
Reference	Name		\$	\$	\$	\$
EL23186	Barrow Creek	NT	(9,724)	(872,476)	(736,732)	(820,357)
EL24253	Neutral Junction	NT	(2,182)	(32,622)	(7,330)	(16,661)
EL28615	Donkey Creek	NT	(6,179)	(39,089)	(27,711)	(32,052)
EL29475	Adnera	NT	(7,839)	(23,677)	(12,932)	(12,933)
EL30797	Ooralingie	NT	(11,003)	(32,860)	(18,962)	(18,963)
EL31292	Buggy Camp	NT	(7,070)	(22,346)	(12,569)	(12,569)
EL32027	Home of Bullion	NT	(10,188)	(74,623)	(48,601)	(63,465)
			(54,185)	(1,097,693)	(864,837)	(977,000)
EL6321	Browns Reef	NSW	(150,689)	(1,506,365)	(132,067)	(1,270,562)
EL9136	Bothrooney	NSW	(11,648)	(29,205)	(1,128)	(6,838)
EL9180	Tara	NSW	(174,646)	(326,743)	(1,389)	(9,379)
EL9190	Falcon	NSW	(30,219)	(147,937)	(62,535)	(103,640)
EL9194	Harrier	NSW	(8,720)	(86,217)	(40,404)	(73,269)
EL9565	Black Range	NSW	(29,452)	(64,286)	-	-
			(405,374)	(2,160,753)	(237,523)	(1,463,688)
Project Evaluation Costs			-	(28,894)	(381)	(26,544)
Tenement acquisition costs expensed			-	(56,374)	-	(56,374)
Total			(459,559)	(3,343,714)	(1,102,741)	(2,523,606)

C2. Administration Expenses

	Half Year Ended 31 Dec 2023	Half Year Ended 31 Dec 2022
	\$	\$
Accounting fees	(25,405)	(23,878)
Audit fees	(10,000)	(15,007)
Compliance costs (general meetings, ASIC, ASX, Company Secretary)	(91,885)	(120,399)
Consulting expenses	(73,777)	(70,632)
Depreciation	(4,873)	(4,462)
Director fees, salaries, and superannuation expenses	(100,000)	(369,221)
Non-Director salaries and superannuation expenses	(219,560)	(102,653)
Direct salaries transferred to exploration costs	147,624	159,000
Insurance expenses	(32,086)	(22,797)
Legal expenses	(7,171)	(14,143)
Other costs	(18,196)	(21,717)
Total	(435,329)	(605,909)

C3. Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Company's financial statements as at and for the year ended 30 June 2023.

C4. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the Company for the half year, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

The calculation of basic and diluted loss per share for the half year ended 31 December 2023 was based on the net loss attributable to ordinary shareholders of \$956,020 (2022: \$1,728,646) and a weighted average number of ordinary shares outstanding during the half year ended 31 December 2023 of 82,426,245 (2022: 54,677,982) calculated as follows:

	Half Year Ended 31 Dec 2023	Half Year Ended 31 Dec 2022
	\$	\$
Net loss attributable to the members of the Company	(956,020)	(1,728,646)

Weighted average number of ordinary shares

	Half Year Ended 31 Dec 2023 Number	Half Year Ended 31 Dec 2022 Number
Undiluted Number of Shares		
Issued ordinary shares at beginning of the half year	82,426,245	54,542,667
Shares Issued 31 October 2022	-	135,315
Weighted average number of ordinary shares used in calculating basic and diluted profit per share	82,426,245	54,677,982
	\$	\$
Loss per share – basic	(0.01)	(0.03)
Loss per share – diluted	(0.01)	(0.03)

46,277,918 potential shares (2022: 24,810,870) were excluded from the calculation of diluted loss per share because they are antidilutive for the half year ended 31 December 2023 as the Company is in a loss position.

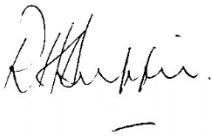
END OF NOTES

Directors' Declaration

In the opinion of the Directors of Eastern Metals Limited:

- (a) the condensed financial statements and notes set out on pages 8 to 24 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the interim period 1 July 2023 to 31 December 2023; and
 - ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Bob Duffin

Chairman

Sydney

4 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****Eastern Metals Limited****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Eastern Metals Limited which comprises the of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eastern Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eastern Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

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 Eastern Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS


GARY SHERWOOD
Partner

Sydney, NSW
Dated: 4 March 2024

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Eastern Metals Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERSA blue ink signature of Gary Sherwood, with the initials 'GNS' written to the right of the signature.

GARY SHERWOOD
Partner

Sydney, NSW
Dated: 4 March 2024