ANNUAL REPORT 2021

Developing sustainable critical minerals for advanced American industries, including space, aerospace, electric vehicles, and 3D printing/additive manufacturing

HYPERION METALS LIMITED
ABN 84 618 935 372

CORPORATE DIRECTORY

DIRECTORS

Mr. Todd Hannigan
Executive Chairman

Mr. Anastasios Arima
CEO & Managing Director

Ms. Lorraine Martin
Independent Non-Executive Director

Mr. Vaughn Taylor
Independent Non-Executive Director

Ms. Melissa Waller
Independent Non-Executive Director

Ms. Beverly Wyse
Independent Non-Executive Director

COMPANY SECRETARY
Mr. Gregory Swan

OFFICES
United States:
129 WEST TRADE STREET, SUITE 1405
CHARLOTTE, NC 28202 UNITED STATES

Australia:
LEVEL 9, 28 THE ESPLANADE
PERTH WA 6000 AUSTRALIA

WEBSITE
www.hyperionmetals.us

STOCK EXCHANGE LISTING
Australian Securities Exchange ASX: HYM

SHARE REGISTER
Automic Pty Ltd
Level 5, 126 Phillip Street Sydney NSW 2000
Tel: 1300 288 664 Int: +61 2 9698 5414

LAWYERS
United States:
Gibson Dunn Johnston, Allison & Hord Attorneys

Australia:
Thomson Geer

BANKERS:
United States: PNC Bank

Australia: National Australia Bank

AUDITOR:
PricewaterhouseCoopers

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DIRECTORS' REPORT

The Directors of Hyperion Metals Limited (formerly Tao Commodities Limited) present their report on the Consolidated Entity consisting of Hyperion Metals Limited (“**Company**” or “**Hyperion**”) and the entities it controlled at the end of, or during, the period ended June 30, 2021 (“**Consolidated Entity**” or “**Group**”) as set out on pages 1 to 23.

The consolidated financial statements as set out on pages 25 to 53 are the first annual financial statements of the newly merged entity formed when the Company acquired Hyperion Metals (Australia) Pty Ltd (“**HMAPL**”) during the financial period. The transaction has been accounted for as a reverse acquisition because the former shareholders of HMAPL effectively obtained control of the Company. Therefore, while the Company is the legal acquirer of HMAPL, for accounting purposes HMAPL is deemed to be the acquirer of the Company. Accordingly, the consolidated financial statements of the Group for the period ended June 30, 2021 have been prepared as a continuation of the consolidated financial statements of HMAPL and, due to the fact that HMAPL was only incorporated during the financial period, there is no comparative period information in the consolidated financial statements of the Group. Refer to Note 14 of the consolidated financial statements for further detail.

DIRECTORS

The names and details of the Company's directors in office at any time during the financial period or since the end of the financial period are:

Current Directors

Mr. Todd Hannigan	Executive Chairman *(appointed effective February 1, 2021)*
Mr. Anastasios Arima	Chief Executive Officer and Managing Director *(appointed effective December 1, 2020)*
Ms. Lorraine M. Martin	Independent Non-Executive Director *(appointed effective September 13, 2021)*
Mr. Vaughn Taylor	Independent Non-Executive Director *(appointed effective March 3, 2021)*
Ms. Melissa G. Waller	Independent Non-Executive Director *(appointed effective September 13, 2021)*
Ms. Beverly M. Wyse	Independent Non-Executive Director *(appointed effective September 13, 2021)*

Former Directors

Mr. Patric Glovac	Executive Director *(resigned effective March 1, 2021)*
Mr. Mark Connelly	Non-Executive Director *(resigned effective February 18, 2021)*
Mr. Frank Knezovic	Non-Executive Director *(resigned effective December 29, 2020)*
Mr. Alastair Smith	Non-Executive Director *(appointed effective January 11, 2021, resigned effective April 23, 2021)*

Unless otherwise stated, Directors held their office from July 1, 2020 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr. Todd Hannigan *B.Eng (Hons), MBA*
Executive Chairman

Mr. Hannigan has over 25 years’ of global experience in natural resources as company founder, chief executive officer, private capital investor and non-executive director. In these lead roles Mr. Hannigan has helped build multiple billion-dollar companies in the private and public markets. He is a large shareholder and non-executive director of Piedmont Lithium Limited (NASDAQ/ASX: PLL).

Mr. Hannigan has worked internationally in the mining and resources sector for Aston Resources, Xstrata Coal, Hanson PLC, BHP Billiton and MIM. Mr. Hannigan was the Chief Executive Officer of Aston Resources from 2010 to 2011. During this time, the company significantly progressed the Maules Creek project, including upgrades to the project's resources and reserves, completion of all technical and design work for the Definitive Feasibility Study, negotiation of two major project stake sales and joint venture agreements, securing port and rail access and progression of planning approvals to final stages. Mr. Hannigan holds a Bachelor of Engineering (Mining) from The University of Queensland and an MBA from INSEAD.

Mr. Hannigan was appointed as Non-Executive Chairman of the Company on February 1, 2021, and as Executive Chairman on May 24, 2021. During the three-year period to the end of the financial period, Mr. Hannigan held directorships in Piedmont Lithium Limited (March 2021 – present), Paringa Resources Limited (May 2014 – present), and Prairie Mining Limited (September 2014 – February 2021).

CURRENT DIRECTORS AND OFFICERS (continued)

Mr. Anastasios (Taso) Arima *BCom*
Chief Executive Officer & Managing Director

Mr. Arima has extensive experience in the development of energy and resource projects in North America, establishing outstanding management teams and high-quality projects, and has raised over A$500 million in equity funding over his career. Mr. Arima has been based in the United States since 2014.

He was a founder and director of Piedmont Lithium Limited (NASDAQ/ASX: PLL), which has rapidly grown into a A$1 billion company and was instrumental in identifying and securing Piedmont's lithium project. Mr. Arima is also the founder of Hyperion Metals (Australia) Pty Ltd, which the Company acquired during the period and holds the Company's Titan Project, a potentially large-scale titanium and zircon minerals sands project in west Tennessee. Mr. Arima attended the University of Western Australia where he earned a Bachelor of Commerce whilst studying for a Bachelor of Engineering.

Mr. Arima was appointed as Director of Hyperion Metals (Australia) Pty Ltd on July 20, 2021, as Executive Director of the Company on December 1, 2020, and as Managing Director and Chief Executive Officer on March 1, 2021. During the three-year period to the end of the financial period, Mr. Arima held a directorship in Piedmont Lithium Limited (October 2016 – June 2021).

Ms. Lorraine M. Martin *B.A. (Computational Mathematics), M.Sc (Computer Science)*
Independent Non-Executive Director

Ms. Martin is President and Chief Executive Officer of the National Safety Council, a non-profit with a century-long legacy of eliminating preventable deaths and injuries from the workplace.

Ms. Martin has 35 years of experience in aerospace, including leading and developing complex global aircraft programs as a senior executive at Lockheed Martin. Ms. Martin was Executive Vice President and Deputy of Rotary and Mission Systems where she led a team of 34,000 global employees in the U.S., Canada, Mexico, Taiwan, Japan, United Kingdom, Germany, Poland, the Netherlands, New Zealand and Australia with operations in more than 75 worldwide facilities. In this role, she spearheaded the successful operational and cultural integration of Sikorsky, a global leader in helicopters.

Ms. Martin led Lockheed Martin's largest defense program, the F-35 Lightning II Program, where she was Executive Vice President & General Manager with full P&L responsibility for a program with over $8bn in annual revenue and 9,000 employees. Before this, she was Vice President of the C-130 & C-5 Programs where she led 3,000 employees for a $2bn aircraft mobility portfolio.

Ms. Martin has a Master of Science in computer science from Boston University and a BA in computational mathematics from DePauw University.

Ms. Martin was appointed as Non-Executive Director of the Company on September 13, 2021. During the three-year period to the end of the financial period, Ms. Martin held a directorship in Kennametal Inc. (NYSE: KMT) (July 2018 – present). Kennametal is a global materials science firm with a market capitalization of ~US$3 billion that serves customers across aerospace, energy, engineering and transportation.

Mr. Vaughn Taylor *BBus (Accounting), SAFin*
Independent Non-Executive Director

Mr. Taylor was previously Executive Director and Chief Investment Officer of AMB Capital Partners ("AMB"), the global investment platform of the Western Australian based Bennett Family, whose wealth is tied to the Australian Iron Ore industry. Mr. Taylor was with AMB since the formation of the investment platform over 10 years ago, and was responsible for executing on the investment strategy, expanding the investment platform and portfolio into offshore markets, overseeing the operations and portfolio on a day-to-day basis and sourcing new investment opportunities. Mr. Taylor is a board member of multiple leading organisations both in Australia and internationally, including Cornerstone Health, 4Cyte Pathology, Arrow Capital Partners, Invictus Capital Partners and GB Energy.

Mr. Taylor holds a Bachelor of Business (Accounting) and a Master of Business (Real Estate) from RMIT University and gained further accreditation at the Robert H. Smith School of Business at the University of Maryland (USA). Mr. Taylor also holds a Graduate Diploma in Applied Finance and Investment from FINSIA and is a member of FINSIA and the Australian Institute of Company Directors.

Mr. Taylor was appointed as Non-Executive Director of the Company on March 3, 2021. During the three-year period to the end of the financial period, Mr. Taylor has not held a directorship in any other listed companies.

CURRENT DIRECTORS AND OFFICERS (continued)

Ms. Melissa G. Waller *B.A. (Journalism and Mass Communications)*
Independent Non-Executive Director

Ms. Waller has over 30 years' experience as a senior finance executive and is President for the AIF Institute, providing essential education, research and resources to investors and investment firms globally with over $50 trillion assets under management.

Ms. Waller is the former Deputy Treasurer and Chief of Staff for the North Carolina Department of State Treasury, where she successfully oversaw Department strategic planning, operations, and public-policy implementation, along with a staff of more than 400 employees, including the North Carolina Retirement Systems, the pension fund for the state and the tenth largest public pension fund in the United States, with assets in excess of $90 billion.

Ms. Waller has served as Chair of the Department's Corporate Governance Committee, as well as on the Council of Institutional Investors Board of Directors and the Governor's Board of Innovation for the North Carolina University System. She currently serves as Executive Program Director for the National Institute of Public Finance, as well as Director of Public and Private Partnerships for the Kenan Institute.

Ms. Waller has a bachelor's degree in journalism and mass communications from the University of North Carolina.

Ms. Waller was appointed as Non-Executive Director of the Company on September 13, 2021. During the three-year period to the end of the financial period, Ms. Waller has not held a directorship in any other listed companies.

Ms. Beverly M. Wyse *B.Sc. (Mechanical Engineering), MBA*
Independent Non-Executive Director

Ms. Wyse has over 30 years' of senior leadership in the aerospace industry with Boeing, the world's largest aerospace company. Ms. Wyse was the President of Shared Services, a +7,000-person, multi-billion dollar operating group that provides internal services across Boeing's global enterprises in more than 65 countries.

Previously, Ms. Wyse was the Vice President & General Manager of Boeing South Carolina, a major engineering design, manufacturing, assembly, and delivery site for Boeing that included the 787 Dreamliner Aft-body and Mid-body operations, 787 final assembly, delivery and test operations.

Ms. Wyse was Vice President and General Manager of the 737 Program, from 2010 to 2015, successfully leading the design, development, certification, production and delivery for Boeing's largest commercial program. Before this, Ms. Wyse was the Vice President & General Manager of the 767 Program.

Ms. Wyse has a bachelor's degree in Mechanical Engineering and a Master's in Business Administration, from the University of Washington in Seattle.

Ms. Wyse was appointed as Non-Executive Director of the Company on September 13, 2021. During the three-year period to the end of the financial period, Ms. Wyse held a directorship in Héroux-Devtek Inc. (TSX: HRX) (February 2019 – present). Héroux-Devtek is an international company specializing in the design, development, manufacture, integration, testing and repair, and overhaul of landing gear, actuation systems and components for the aerospace market.

Mr. Gregory Swan *BCom, CA, FCIS, FFin*
Company Secretary

Mr. Swan is a Chartered Accountant and Chartered Secretary and is currently Company Secretary and Chief Financial Officer for several listed companies that operate in the resources sector. He commenced his career at a large international Chartered Accounting firm and has since been involved with a number of exploration and development companies, including Piedmont Lithium Limited, Mantra Resources Limited and Papillon Resources Limited.

Mr. Swan was appointed as Director of Hyperion Metals (Australia) Pty Ltd on July 20, 2021 and as Company Secretary of the Company on December 16, 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the period consisted of the exploration and development of resource projects.

OPERATING AND FINANCIAL REVIEW

Operations

Hyperion holds a 100% interest in the Titan Project ("Project"), covering over 6,000 acres of heavy mineral sands ("HMS") properties in Tennessee, United States, considered prospective for critical minerals including titanium, rare earth elements, silica sand and zircon. Hyperion's mission is to be the leading developer of zero-carbon, sustainable, critical materials supply chains for advanced American industries including space, aerospace, electric vehicles, and 3D printing.

The Project is located in an area which saw significant historic exploration from the 1950's to the 1990's by companies including DuPont (NYSE: DD), Kerr-McGee Corp. (NYSE: KMG), BHP Group (NYSE: BHP), RGC Ltd (ASX: RGC) and Altair International Corp. (OTC: ATAO). The Project is also strategically located in the southeast of the United States, close to significant manufacturing capacity, including the Chemours (NYSE: CC) facility in New Johnsonville, one of the world's largest producers of titanium dioxide.

Since securing the initial Project land position in late-2020, Hyperion has successfully focused on proving the Project's potential. Three drilling programs have been completed at the Project, confirming consistent grade and thickness of HMS mineralization over approximately 3.6 kilometres of strike. Assays from all holes of the first two drilling programs and the first batch of the third program have returned thick zones of high-grade total heavy minerals near surface.

Hyperion has also secured options for the exclusive license to produce low-carbon titanium metal and spherical powers using the breakthrough hydrogen assisted magnesiothermic reduction ("HAMR") and granulation-sintering-deoxygenation ("GSD") technologies. The HAMR and GSD technologies were invented by Dr. Z. Zak Fang and his team at the University of Utah with government funding, with Boeing and Arconic (formerly Alcoa, Inc.) as industrial partners.

The HAMR technology has demonstrated the potential to produce titanium powders with low-to-zero carbon intensity, significantly lower energy consumption, significantly lower cost and at product qualities which exceed current industry standards. The GSD technology is a thermochemical process combining low-cost feedstock material with high yield production and can produce spherical titanium and titanium alloy powders at a fraction of the cost of comparable commercial powders.

Hyperion has formed a technology partnership with EOS GmbH, the world's leading solution supplier in the field of industrial 3D printing of metals and plastics. The partnership aims to accelerate the deployment of Hyperion's HAMR and GSD technologies for the potential production of low cost, low-to-zero carbon titanium metal powders.

Hyperion also has signed a memorandum of understanding ("MOU") to establish a partnership with Energy Fuels (NYSE:UUUU) that aims to build an integrated, all-American rare earths supply chain. The MOU will evaluate the potential supply of rare earth minerals from Hyperion's Titan Project to Energy Fuels for value added processing at Energy Fuels' White Mesa Mill. Rare earths are highly valued as critical materials for magnet production essential for wind turbines, electric vehicles ("EVs"), consumer electronics and military applications.

Figure 1: Titanium ingot producers and major U.S aeronautic and space manufacturing facilities

OPERATING AND FINANCIAL REVIEW (continued)

Highlights

Highlights during and subsequent to the end of the financial period were as follows:

- Completed the acquisition of a 100% interest in the Titan Project, comprising titanium and zircon prospective heavy mineral sands ("HMS") properties in Tennessee, United States, and then increased the Group's land position at the Titan Project by more than 185% to over 6,000 acres, adding to a large and contiguous package of surface and mineral rights;

- Secured options for the exclusive license to produce low-carbon titanium metal and spherical powders using the breakthrough HAMR and GSD technologies invented by Dr. Z. Zak Fang and his team at the University of Utah with government funding. Hyperion's mission is to be a leading developer of zero carbon, sustainable, critical material supply chains for advanced American industries including space, aerospace, electric vehicles, and 3D printing;

- Established a technology partnership with EOS GmbH, a global leader in industrial 3D printing, aiming to accelerate the deployment of Hyperion's HAMR and GSD technologies to produce low cost, low carbon titanium metal and powders;

- Signed a MOU with Energy Fuels (NYSE:UUUU) for the potential supply of Monazite, a valuable rare earth-bearing mineral, from the Group's Titan Project to Energy Fuels' White Mesa Mill in Utah. Energy Fuels is a leading U.S. producer of uranium and vanadium and an emerging player in the commercial rare earth business, with a market capitalization of approximately A$1 billion;

- Completed three drill programs at the Titan Project, which confirmed a newly defined critical mineral province in the U.S. with consistent grade and thickness of mineralization over approximately 3.6 km strike length. Assays from all holes of the Phase 1 and 2 drill programs returned thick zones of high-grade Total Heavy Minerals near surface. Initial results from the Phase 3 drill program included the thickest, highest-grade intercepts received to-date, highlighting the consistency of mineralization;

- Drilling results highlight the potential for a world scale, high-grade HMS deposit in an infrastructure rich region, with the Group focused on rapidly moving towards defining a maiden mineral resource estimate in accordance with the JORC Code during the September 2021 quarter;

- Three bulk samples were collected and sent for metallurgical analysis and pilot scale mineral separation at Mineral Technologies in Starke, Florida, for flowsheet development to produce mineral products for customer discussions. Preliminary analysis of Valuable Heavy Minerals at the Titan Project indicates a highly valuable mineral assemblage consisting of 16.9% Rutile, 14.5% Zircon, 21.6% Leucoxene, 1.8% Monazite and 46% other hi-titanium minerals;

- Appointed global engineering firm Hatch to lead the design and project management of the Titan Project Scoping Study. Hatch is a top-tier engineering firm with extensive experience in developing heavy mineral sand projects around the world for major mining companies. The commencement of the Scoping Study is a key step in the development of the Titan Project and will outline material physical and economic metrics as well as major development timelines;

- Commenced an Environmental, Sustainability and Corporate Governance ("ESG") assessment and integration study to outline material physical and economic ESG metrics as well as major development milestones and timelines for the Company's Titan Project. Sustainability studies are a key step in Hyperion's development plan to produce low-to-zero carbon titanium in the U.S., with the Titan Project having the potential to be one of the most important critical mineral rich deposits in the United States;

- Appointed the following experienced company executives as Directors of the Company:
  - Mr. Anastasios Arima as Chief Executive Officer and Managing Director;
  - Mr. Todd Hannigan as Executive Chairman; and
  - Ms. Lorraine Martin, Mr. Vaughn Taylor, Ms. Melissa Waller, and Ms. Beverly Wyse as Independent Non-Executive Directors; and

- Completed a private placement of 20 million shares at an issue price of A$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$24.0 million (US$17.6 million) to accelerate the scale-up and commercialization of Hyperion's titanium metal and metal powder technologies. The placement was led by cornerstone investor, Fidelity Management & Research Company, one of the largest investment management firms in the United States.

OPERATING AND FINANCIAL REVIEW (continued)

HAMR and GSD Technologies

The Company signed a research agreement and option for exclusive license with Blacksand Technology, LLC ("Blacksand") to develop titanium metal powders using the breakthrough HAMR (hydrogen assisted magnesiothermic reduction) and GSD (granulation-sintering-deoxygenation) technologies invented by Dr. Z. Zak Fang and his team at the University of Utah with funding from ARPA-E, with Boeing and Arconic (formerly Alcoa, Inc.) as industrial partners.

Blacksand has agreed to provide the Company with research and development services under a research agreement to investigate the scale up and commercialization of the HAMR & GSD technologies to produce titanium metal powders. The research agreement also provides the Company with an option to enter into an exclusive license agreement with Blacksand relating to the HAMR & GSD technologies.

The U.S. market is one of the largest and highest value titanium markets globally due to the significant use of titanium in the high-performance space, aerospace and defense sectors. There is no current titanium sponge production capacity in the U.S. – titanium sponge is the first metal product in the process of converting TiO_2 minerals to titanium metal. The last U.S. domestic titanium sponge plant closed in 2020 in Henderson, NV and as of 2021 the U.S. is 100% reliant on titanium sponge imports. Current global titanium sponge capacity is ~328ktpa, centred in China (162ktpa), Japan (65ktpa), Russia (47ktpa), Kazakhstan (26ktpa) and Ukraine (12ktpa).

Accordingly, the development of a fully integrated domestic titanium metal supply chain is of critical strategic importance for the U.S. as the largest global consumer of titanium metal for aerospace and defense but is 100% import reliant on high cost and carbon intensive titanium sponge.

Blacksand's HAMR process for the production of titanium metal powders has the potential to be a breakthrough technology for titanium metal and titanium additive manufacturing and brings the potential for low-to-zero carbon, low-cost product to this high growth, high tech, and high value market. The Company has established a commitment to low-to-zero carbon titanium metal powder with a strategic goal of true zero carbon titanium metal production by 2030.

Titanium and titanium alloys are used in diverse areas such as high-performance space, aerospace, defense, automotive components, chemical processing equipment and medical implants. However, a barrier for the widespread use of titanium is the cost associated with manufacturing a finished part, with approximately half of the cost historically associated with fabrication. Additionally, the use of titanium powder to print 3D parts has been a recent technological breakthrough, allowing the production of parts, including automobiles and aerospace frames and engines, with minimal waste and material loss, resulting in significantly less energy consumption and emissions.

There is a strategic opportunity for the Company to develop integrated titanium production capacity in the U.S. to provide for this critical supply chain. Additionally, the Company believes that the efficiencies associated with the manufacturing of titanium parts through 3D printing utilizing titanium powder, combined with the energy and emissions savings associated with the production of titanium powder by utilizing the HAMR & GSD processes, allow the potential to commercialize a highly sought-after low cost, low-to-zero carbon titanium powder production process.

Figure 2: Titanium powder and 3D printed titanium parts

OPERATING AND FINANCIAL REVIEW (continued)

Partnership with EOS

Hyperion has executed a MOU for a technology partnership with EOS GmbH, the world's leading solution supplier for industrial 3D printing of metals and plastics. The technology partnership aims to accelerate the deployment of Hyperion's patented HAMR and GSD technologies for the potential production of low cost, low-to-zero carbon titanium metal and powders. The collaboration will focus on:

- Technical and economic evaluation of powders produced via the HAMR and GSD processes for use in additive manufacturing as compared to the current titanium metal powders;
- Recyclability of titanium metal powders using the HAMR and/or GSD technology processes; and
- Environmental and sustainability evaluation of powders produced via the HAMR and GSD processes for use in additive manufacturing versus other production processes.

Partnership with Energy Fuels

Subsequent to the end of the financial period, the Group signed a strategic MOU to establish a partnership with Energy Fuels (NYSE:UUUU) that aims to build an integrated, all-American rare earths supply chain. The MOU will evaluate the potential supply of rare earth minerals from Hyperion's Titan Project to Energy Fuels for value added processing at Energy Fuels' White Mesa Mill.

Rare earths are highly valued as critical materials for magnet production essential for wind turbines, EVs, consumer electronics and military applications. Monazite is a highly valuable rare earth-bearing mineral, planned to be produced at the Titan Project.

Under the MOU, the parties have agreed to negotiate a definitive sales agreement for this supply of Monazite. In addition, subject to Hyperion supplying Energy Fuels with a sufficient quantity of monazite from the Titan Project within a reasonable period of time, Hyperion and Energy Fuels will evaluate entering into a joint venture or other similar arrangement whereby Hyperion would participate with Energy Fuels, and potentially other parties, in the continuing development and operation of an integrated, low-cost and sustainable independent U.S. rare earth supply chain, with monazite to be processed and separated into value-added rare earth products at Energy Fuels' White Mesa Mill.

Titan Project Drilling

Phase 1 Drill Program

A Phase 1 drill campaign consisting of 15 holes was undertaken and completed during the period.

Within the Phase 1 program, the thickest and highest-grade results were obtained from the Group's northern most properties following a ridge line where 12 holes intersected thick zones of mineralization. This thick zone of mineralization ranged from 12.2 to 48.8 meters with all results >1.0% THM and with values consistently ranging from 2% – 4% THM over intercepts of between 30 and 50 meters.

Highlights from the Phase 1 drill program include:

- 47.2m @ 3.69% THM including 10.7m @ 8.09% THM and 10.7m @ 5.47% THM;
- 35.1m @ 3.04% THM including 10.7m @ 8.16% THM
- 32.0m @ 3.12% THM including 10.7m @ 5.64% THM
- 47.2m @ 2.12% THM including 9.1m @ 4.19% THM
- 35.1m @ 2.80% THM including 9.1m @ 8.21% THM
- 36.6m @ 2.37% THM including 4.6m @ 5.07% THM

Within this thick envelope of mineralization, two zones of high-grade mineralization have been recognized, and are described as an Upper Shore Zone and a Lower Shore Zone.

OPERATING AND FINANCIAL REVIEW (continued)

Titan Project Drilling (continued)

Phase 1 Drill Program (continued)

The Phase 1 drill program utilized a sonic drill rig, which allowed for core samples to be taken every ~1.5 meters (5 ft). These samples were then bagged and shipped to SGS Laboratories in Lakefield, Ontario, where a Heavy Mineral Concentrate ("HMC") was prepared.

The HMC was prepared via screening for oversize (+600 microns) and slimes (-45 microns) and then subjecting an 85-gram sub-sample from the screened fraction to heavy liquid separation at 2.95 specific gravity. Weights were recorded for the HMC, oversize fraction (+600 microns) and the slimes (-45 microns) for each sample. The Total Heavy Mineral ("THM") percentage was then calculated by including the mass of the oversize material and the slimes.

Subsequent to the THM interpretation, 70 select HMC samples from 4 drill holes were sent to SGS Lakefield and subjected to QEMSCAN analysis to determine the mineral assemblage within the HMC. Valuable Heavy Minerals ("VHM") assemblage was derived from the HMC samples by adding the rutile, leucoxene, pseudorutile/Hi-Ti ilmenite, ilmenite, Ti-magnetite/hematite, zircon and monazite (rare earths). This calculation excludes quartz, staurolite, kyanite and all other non-valuable minerals.

The initial results highlight a favourable VHM range of 42% - 76% across the selected drill holes with the average THM assemblage and VHM assemblage shown in Figure 3.

Particularly encouraging are initial indications of a highly valuable potential product suite within the VHM portion of the THM comprising of large proportions of rutile (16.9%) and zircon (14.5%) with the majority of the remaining VHM being titanium minerals including leucoxene and pseudorutile with minor amounts of ilmenite and titanium magnetite/hematite.

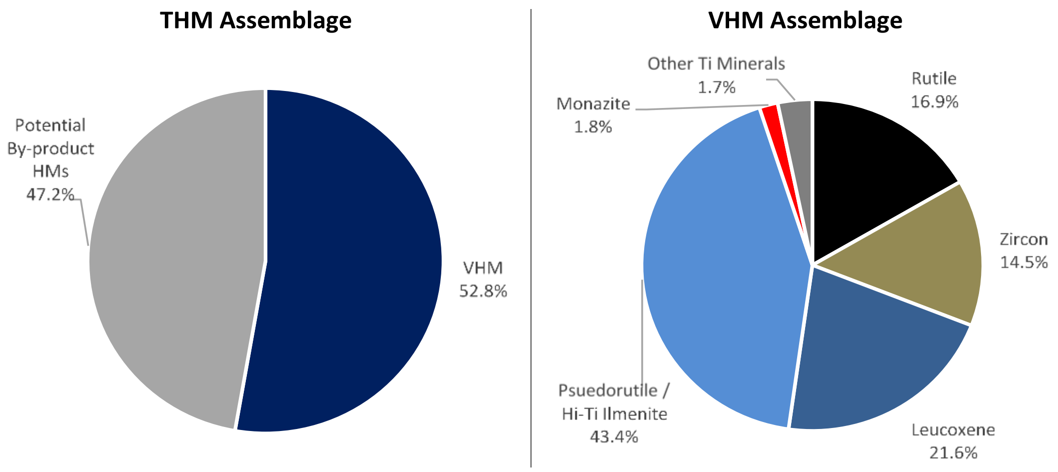

Figure 3: Mineral assemblage displayed as both THM and VHM

Phase 2 Drill Program

Results from the Phase 2 drill program confirmed consistent grade and mineralization over~3.6km strike length, highlighting the potential for the development of a newly defined critical mineral province in the USA.

All 9 sonic drill holes in the Phase 2 program encountered significant intercepts of heavy mineral mineralization. The Phase 2 program was designed to expand the mineralization discovered in the Phase 1 program and encountered significant contained mineralization within all geological units, with the lower unit consistently recording the highest grade and thickest intercepts.

Mineralized intervals ranged in thickness between 12.2 meters and 41.1 meters, all with grades greater than 2% THM. High-grade mineralized zones in both the upper and lower are proving to be very consistent in both thickness and grade along 3.6km of strike, represented sub-parallel to the historic shoreline.

OPERATING AND FINANCIAL REVIEW (continued)

Titan Project Drilling (continued)

Phase 2 Drill Program (continued)

Highlights from the Phase 2 drill program include:

- 36.6m @ 3.37% THM including 12.2m @ 7.65% THM
- 41.1m @ 2.14% THM including 9.1m @ 5.55% THM
- 33.5m @ 2.21% THM including 12.2m @ 5.64% THM

Phase 3 Drill Program

A 70-hole Phase 3 drill program was designed to infill areas defined by Phase 1 and 2 programs in order to inform an initial mineral resource estimate.

Initial results from the Phase 3 drilling program demonstrated excellent high-grade intercepts from the first 38 holes of the program highlighting the potential to define a large, critical mineral resource at the Titan Project, and the definition of a critical mineral rich province in the USA.

Highlights included:

- 48.8m @ 3.3% THM including 15.2m @ 6.5% THM and 13.7m @ 4.3% THM
- 42.7m @ 3.7% THM including 7.6m @ 7.0% THM and 13.7m @ 6.8 % THM
- 44.2m @ 3.5% THM including 10.7m @ 5.6% THM
- 45.7m @ 3.2% THM including 13.7m @ 4.6% THM and 12.2m @ 6.0% THM
- 48.8m @ 2.4% THM including 12.2m @ 6.0% THM
- 15.2m @ 7.6% THM including 6.1m @ 14.7% THM

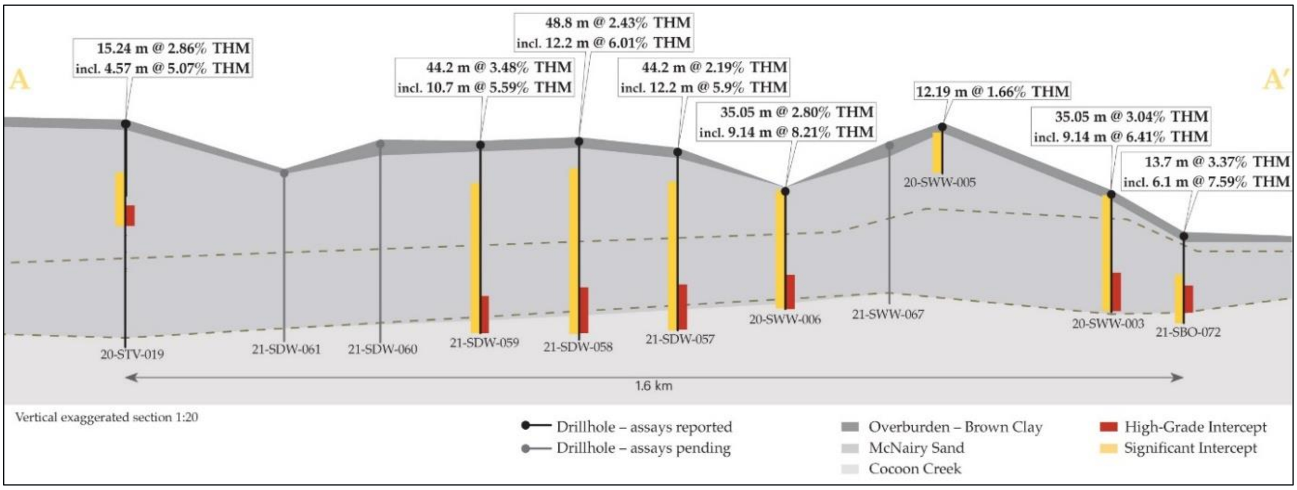

Figure 4: Cross section (A – A') displaying the thick, high-grade intersections

OPERATING AND FINANCIAL REVIEW (continued)

Bulk Sample Testwork

Three ~500kg bulk samples were collected and sent for metallurgical test work at Mineral Technologies Inc. lab in Starke, Florida; one of the leading mining and mineral sand processing equipment suppliers globally. Two of the bulk samples were selected from the lower mineralized unit and one sample from the upper unit at the Titan Project. All three samples were progressed through standard, spiral wet processing techniques to produce heavy mineral concentrates.

Dry processing and separation test work was then undertaken, with activities including separation through high tension roll separators, rare earth drum magnets, rare earth roll magnets and electrostatic plate separators. Initial samples have been produced, including ilmenite, leucoxene/rutile, zircon, and the rare earth element containing mineral monazite.

Analytical data for the final products will be completed by SGS Laboratories in Lakefield, Ontario, with results expected in H2 2021, and will further inform heavy mineral concentrate assemblage data for an initial resource estimate and flowsheet development for the Titan Project.

Commencement of Scoping Study

During the financial period, Hyperion engaged global engineering firm Hatch to lead the design and project management of the Titan Project Scoping Study. Hatch is a top-tier engineering firm with extensive experience in developing heavy mineral sand projects around the world for major mining companies. The Scoping Study is led by John Elder, Hatch's USA Mining and Metals Director, who has over 30 years' experience in heavy mineral sand developments and operations.

The commencement of the Scoping Study is a key step in the development of the Titan Project and will outline material physical and economic metrics as well as major development timelines.

Hyperion's Titan project is in one of the world's best regions for a critical mineral project. This area in West Tennessee has world class infrastructure, with nearby access to excellent roads, rail, river, power and skilled labour. Mineral sands projects operational costs are heavily influenced by electricity and labour costs. Electricity costs in Tennessee are ~60% less than Western Australia and skilled labour costs ~30% less.

Sustainability Life-Cycle Studies

Hyperion is taking decisive actions to re-shore critical mineral and metal production in the U.S., targeting industry leading environmental, social and governance practices.

During the period, the Company engaged Presidio Graduate School's expert consulting division, PGS Consults to commence an Environmental, Sustainability and Corporate Governance ("ESG") assessment and subsequent integration study. PGS Consults is housed in Presidio Graduate School, the country's first and only independent graduate school focused entirely on sustainability and social justice, with corporate clients including HP Inc., Flex Ltd., Granite Construction, Thermo Fisher Scientific and Domaine Chandon.

PGS Consults will undertake a materiality assessment, a life cycle assessment and create a playbook for ESG leadership. The review and assessment will identify priority ESG focus areas, highlight key ESG recommendations, and deliver an actionable life cycle assessment. PGS Consults will conduct the study in accordance with GRI, UN SDG, and TCFD standards.

The ESG integration study will outline material physical and economic ESG metrics as well as major development milestones and timelines. The Company expects the ESG assessment and integration study to be completed later in H2 2021.

Sustainability studies are a key step in Hyperion's development plan to produce low-to-zero carbon titanium in the U.S., with the Company's Titan Project having the potential to be one of the most important critical mineral rich deposits in the USA.

Environmental Regulation and Performance

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches by the Consolidated Entity during the financial period.

OPERATING AND FINANCIAL REVIEW (continued)

Corporate

Acquisition of Titan Project

During the financial period, the Group completed the acquisition of Hyperion Metals (Australia) Pty Ltd ("Hyperion") which holds a 100% interest in the Titan Project comprising titanium and zircon prospective HMS properties in Tennessee, United States.

Board and Management Changes

During the financial period, experienced U.S. based resource company executive, Mr. Anastasios Arima, was appointed CEO and Managing Director of the Company. In addition, Mr. Todd Hannigan was appointed as Executive Chairman and Ms. Lorraine M. Martin, Mr. Vaughn Taylor, Ms. Melissa G. Waller, and Ms. Beverly M. Wyse were appointed as Independent Non-Executive Directors of the Company.

Capital Raising

Subsequent to the end of the financial period, the Company completed a placement of 20 million shares at an issue price of A$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$24.0 million (US$17.6 million) ("Placement"). The Placement was led by cornerstone investor, Fidelity Management & Research Company, LLC., an American multinational financial services corporation. Proceeds from the Placement will be used to accelerate the scale-up and commercialization of Hyperion's titanium metal and metal powder technologies and for the advancement of Hyperion's critical mineral project located in Tennessee, USA.

Results of Operations

The Group's net loss after tax for the financial period ended June 30, 2021 was US$13.2 million. This loss is largely attributable to:

(a) the accounting treatment of the acquisition of HMAPL during the period as a reverse acquisition which has resulted in a US$5.1 million cost of listing being included in the result for the period (refer to Note 14 for further details);

(b) exploration and evaluation expense of US$2.6 million which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore, including option payments to landowners) incurred by the Group in the period subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest; and

(c) non-cash share-based payment expense of US$4.1 million which is attributable to expensing the value of unlisted options and performance rights granted to key employees, consultants and advisors, as required under AASB 2. The value is measured at grant date and recognised over the vesting period of the incentive securities.

Loss Per Share

The basic and diluted loss per share for period ended June 30, 2021 was US$0.22 per share.

Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Financial Position

At June 30, 2021, the Group had cash reserves of US$1.7 million and net assets of US$1.8 million. In addition, subsequent to the end of the period, the Company completed a placement of 20 million shares at an issue price of A$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$24.0 million (US$17.6 million) ("Placement"), placing the Group in a strong position to conduct its current exploration and development activities.

OPERATING AND FINANCIAL REVIEW (continued)

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Group has not commenced production of any minerals, nor has it identified any Ore Reserves in accordance with the JORC Code. To achieve its objective, the Group currently has the following business strategies and prospects over the medium to long term:

- continue to research and investigate the scale-up and commercialization of the HAMR & GSD technologies to produce titanium metal powders;
- continue to expand the Company's land position in Tennessee and continue to explore the Project's properties for additional HMS mineralisation;
- complete a maiden Mineral Resource estimate for the Project in accordance with the JORC Code;
- complete a Scoping Study on the Project in accordance with the JORC Code to outline material physical and economic metrics as well as major development timelines;
- complete a Pre-Feasibility and/or Feasibility Study on the Project to assess the economic potential of the Project and define an initial Mineral Reserve in accordance with the JORC Code;
- complete the required permitting and zoning applications for construction and operations at the Project in Tennessee; and
- continue discussions with potential customers for future sale of titanium metal products and other critical minerals, including rare earths and silica sand products.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

- **The Group's operations may be further disrupted, and the Group's financial results may be adversely affected by the novel coronavirus pandemic** – The outbreak of the 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, and the subsequent quarantine measures imposed by the Australian, United States and other governments, and related travel and trade restrictions have caused disruption to businesses and resulted in significant global economic impacts. As at June 30, 2021 these impacts have not had a significant effect on the Group's financial results or operations. However, as the impact of COVID-19 continues to evolve, including changes in government policy and business reactions thereto, if our staff are unable to work or travel due to illness or government restrictions, we may be forced to reduce or suspend our exploration and development activities. In addition, as the COVID-19 pandemic and mitigation measures have also negatively impacted global economic conditions, this, in turn, could adversely affect our business in the future. Due to the continually evolving nature of COVID-19 the Directors cannot reasonably estimate the effects that the COVID-19 pandemic could have on the Group in future periods, and believe that any disturbance may be temporary. However, there is uncertainty about the length and potential impact of any resultant disturbance. Because of the highly uncertain and dynamic nature of events relating to the COVID-19 pandemic, it is not currently possible to estimate the impact of the pandemic on our business. However, these effects could have a material impact on our operations, and we will continue to monitor the COVID-19 situation closely;
- **The Group's exploration properties may never be brought into production** – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production;
- **The Group's activities will require further capital** – The exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;
- **The Group may be adversely affected by fluctuations in mineral sands prices** – The price of mineral sands including titanium, rare earth elements, silica sand and zircon fluctuate widely and are affected by numerous factors beyond the control of the Group. Future production, if any, from the Group's mineral properties will be dependent upon mineral sands prices being adequate to make these properties economic. The Group currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Group's operations change, this policy will be reviewed periodically going forward; and

OPERATING AND FINANCIAL REVIEW (continued)

Business Strategies and Prospects for Future Financial Years (continued)

- **The Group may be adversely affected by competition within the mineral sands industry** – The Group competes with other domestic and international mineral sands companies, some of whom have larger financial and operating resources. Increased competition could lead to higher supply or lower overall pricing. There can be no assurance that the Company will not be materially impacted by increased competition. In addition, the Group is continuing to secure additional surface and mineral rights, however there can be no guarantee that the Group will secure additional surface and mineral rights, which could impact on the results of the Group's operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

(a) On December 1, 2020, the Company completed the acquisition of Hyperion Metals (Australia) Pty Ltd ("HMAPL") which holds a 100% interest in the Titan Project comprising titanium and zircon prospective HMS properties in Tennessee, United States;

(b) On January 7, 2021, the Company announced results from its maiden drilling program at the Titan Project in west Tennessee that confirmed thick, high-grade mineralisation in all 15 drill holes completed in the Phase 1 drilling program and a valuable mineral assemblage from 4 drill holes selected for analysis;

(c) On January 11, 2021, the Company announced the appointment of Mr. Alastair Smith as Non-Executive Director of the Company;

(d) On January 20, 2021, the Company announced the appointment of Mr. Todd Hannigan as Non-Executive Chairman of the Company, in conjunction with Mr. Hannigan participating in a placement by the Company to raise A$3.6 million;

(e) On January 27, 2021, the Company announced that it has increased its holdings of titanium and zircon prospective HMS properties by approximately 750 acres through additional land option agreements signed with local landowners at the Titan Project in west Tennessee;

(f) On February 1, 2021, the Company announced that it had completed its previously announced placement of 12,150,000 shares to institutional and sophisticated investors to raise gross proceeds of A$3.6 million;

(g) On February 15, 2021, the Company announced that it had signed a research agreement and option for exclusive licence to develop titanium metal powders using the breakthrough HAMR technology invented by Dr. Z. Zak Fang and his team at the University of Utah with funding from ARPA-E, with Boeing and Arconic (formerly Alcoa, Inc.) as industrial partners;

(h) On February 18, 2021, the Company announced that experienced U.S. based resource company executive, Mr. Taso Arima, has been appointed Managing Director of the Company, effective from March 1, 2021;

(i) On March 1, 2021, the Company announced the appointment of Mr. Vaughn Taylor as Non-Executive Director of the Company, effective from 3 March 2021;

(j) On March 10, 2021, the Company announced results from its Phase 2 drilling program at the Titan Project which continue to highlight the potential for a world class, critical mineral rich province in the USA. Assays from all 9 holes of the Phase 2 drill program returned thick zones of high-grade THM near surface; and

(k) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to June 30, 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian, United States and other governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no significant changes in the state of affairs of the Group during the period ended June 30, 2021 not otherwise disclosed.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

(a) On September 9, 2021, the Company announced the appointments of leading U.S.-based directors, Ms. Lorraine Martin, Ms. Beverly Wyse and Ms. Melissa Waller as independent Non-Executive Directors of the Company, effective from September 13, 2021;

(b) On August 31, 2021, the Company completed a placement of 20 million shares at an issue price of A$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$24.0 million (US$17.6 million) ("Placement"). The Placement was led by cornerstone investor, Fidelity Management & Research Company, an American multinational financial services corporation;

(c) On July 22, 2021, the Company announced the execution of a memorandum of understanding ("MOU") for a technology partnership with EOS GmbH ("EOS"), the world's leading solution supplier in the field of industrial 3D printing (known as additive manufacturing, or AM) of metals and plastics;

(d) On July 12, 2021, the Company announced that PricewaterhouseCoopers was appointed as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act 2001; and

(e) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to June 30, 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian, United States and other governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as outlined above, as at the date of this report there are no other matters or circumstances which have arisen since June 30, 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to June 30, 2021, of the Group;
- the results of those operations, in financial years subsequent to June 30, 2021, of the Group; or
- the state of affairs, in financial years subsequent to June 30, 2021, of the Group.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Ordinary Shares [(1)]	Performance Shares [(2)]	Unlisted Options [(3)]	Performance Rights [(4)]	Restricted Stock Units [(5)]
Anastasios Arima	3,312,500	4,500,000	2,625,000	6,000,000	-
Todd Hannigan	9,069,086	2,520,000	2,660,000	- [(6)]	-
Lorraine Martin	-	-	200,000	-	200,000
Vaughn Taylor	376,829	-	-	450,000	-
Melissa Waller	-	-	200,000	-	200,000
Beverly Wyse	-	-	200,000	-	200,000

Notes:

(1) 'Ordinary Shares' means fully paid ordinary shares in the capital of the Company.

(2) 'Performance Shares' means an unlisted performance share that converts to one Ordinary Share in the capital of the Company upon the satisfaction of the relevant performance condition.

(3) 'Unlisted Options' means an unlisted option to subscribe for one Ordinary Share in the capital of the Company.

(4) 'Performance Rights' means an unlisted performance right that converts to one Ordinary Share in the capital of the Company upon the satisfaction of the relevant performance condition.

(5) 'Restricted Stock Units' means an unlisted restricted stock unit that converts to one Ordinary Share in the capital of the Company upon the satisfaction of the relevant service vesting condition.

(6) As previously announced, the Company has agreed to grant Mr. Hannigan 3,500,000 performance rights, subject to shareholder approval. These performance rights have not been included in this table as they had not been granted at June 30, 2021.

SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report the following Unlisted Options and Performance Rights have been issued over unissued Ordinary Shares of the Company:

- 6,000,000 Unlisted Options exercisable at A$0.25 each on or before December 31, 2023;
- 4,650,000 Unlisted Options exercisable at A$0.20 each on or before December 31, 2023;
- 5,000,000 Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
- 4,000,000 Class A Performance Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
- 4,000,000 Class B Performance Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
- 1,075,000 Unlisted Options exercisable at A$0.45 each on or before December 31, 2023; and
- 1,075,000 Unlisted Options exercisable at A$0.55 each on or before December 31, 2023.
- 5,133,333 Performance Rights that vest upon achieving a 30-day VWAP of A$2.00 per share, expiring April 23, 2026;
- 5,133,333 Performance Rights that vest upon achieving a 30-day VWAP of A$3.00 per share, expiring April 23, 2026;
- 5,233,334 Performance Rights that vest upon achieving a 30-day VWAP of A$4.00 per share, expiring April 23, 2026;
- 125,000 Performance Rights that vest upon achieving a 30-day VWAP of A$2.00 per share, expiring April 23, 2024;
- 125,000 Performance Rights that vest upon achieving a 30-day VWAP of A$3.00 per share, expiring April 23, 2024;
- 125,000 Performance Rights that vest upon achieving a 30-day VWAP of A$4.00 per share, expiring April 23, 2024;
- 150,000 Performance Rights that vest upon achieving a 30-day VWAP of A$2.00 per share, expiring March 1, 2026;
- 150,000 Performance Rights that vest upon achieving a 30-day VWAP of A$3.00 per share, expiring March 1, 2026;
- 150,000 Performance Rights that vest upon achieving a 30-day VWAP of A$4.00 per share, expiring March 1, 2026;
- 600,000 Unlisted Options exercisable at A$1.33 each on or before September 9, 2025; and
- 600,000 Restricted Stock Units that vest upon achieving various service-based conditions, expiring September 9, 2025.

During the period ended June 30, 2021 and up to the date of this report, 21,425,824 ordinary shares have been issued as a result of the conversion of performance rights and exercise of Unlisted Options.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused by such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused by such a director or officer.

During or since the end of the financial period, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial period, an insurance premium of US$44,271 was paid by the Group to insure against a liability incurred by a person who is or has been a director or officer of the Company or Group.

The Company has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the Company’s breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("**KMP**") of the Group.

Details of Key Management Personnel

The KMP of the Group during or since the end of the financial period were as follows:

Current KMP

Mr. Todd Hannigan	Executive Chairman *(appointed February 1, 2021)*
Mr. Anastasios Arima	Chief Executive Officer and Managing Director *(appointed December 1, 2020)*
Ms. Lorraine M. Martin	Independent Non-Executive Director *(appointed effective September 13, 2021)*
Mr. Vaughn Taylor	Independent Non-Executive Director *(appointed effective March 3, 2021)*
Ms. Melissa G. Waller	Independent Non-Executive Director *(appointed effective September 13, 2021)*
Ms. Beverly M. Wyse	Independent Non-Executive Director *(appointed effective September 13, 2021)*
Mr. Dominic Allen	Corporate Development Officer *(appointed December 1, 2020)*
Mr. Lamont Leatherman	Chief Geologist *(appointed effective December 1, 2020)*
Mr. Toby Symonds	Chief Strategy Officer *(appointed effective September 1, 2021)*
Mr. Gregory Swan	Company Secretary *(appointed December 16, 2020)*

Former KMP

Mr. Patric Glovac	Executive Director *(resigned March 1, 2021)*
Mr. Mark Connelly	Non-Executive Director *(resigned February 18, 2021)*
Mr. Frank Knezovic	Non-Executive Director *(resigned December 29, 2020)*
Mr. Alastair Smith	Non-Executive Director *(appointed January 11, 2021, resigned April 23, 2021)*

Unless otherwise disclosed, the KMP held their position from July 1, 2020 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP: (a) the Group is currently focused on undertaking exploration, appraisal and development activities at the Titan Project; (b) risks associated with small cap resource companies whilst exploring and developing projects; and (c) other than profit which may be generated from asset sales, the Group does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

The objective of the Group's remuneration structure reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The remuneration framework provides a mix of fixed and variable remuneration, which incorporates a blend of short and long-term incentives. There is a deliberate emphasis on lower fixed base and higher variable results-based remuneration to ensure that management focus is aligned with that of shareholders. This has been achieved by ensuring that a significant proportion of executive's remuneration is 'at risk'. Long-term incentives are based on Company milestones linked to value drivers of the Titan Project.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance-based component (short term incentive and long-term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer 401(k) contributions or contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of motor vehicles, rental allowance, health care benefits, health insurance, and life insurance.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

REMUNERATION REPORT (AUDITED) (continued)

Executive Remuneration (continued)

Performance Based Remuneration – Short Term Incentive

Some executive KMP are entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Group, the Board has determined that these KPI's will include measures such as successful completion of the acquisition of new projects, exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of scoping and/or feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). Prior to the end of each financial year, the Board assesses performance against these criteria.

During the 2021 financial period, no bonuses (2020: nil) were paid to executive KMP.

Performance Based Remuneration – Long Term Incentive

The Group has a long-term incentive plan ("LTIP") comprising the "Hyperion Metals Limited Employee Equity Incentive Plan" (the "Plan") to reward executive KMP and other key employees and contractors for long-term performance. The Plan provides for the issuance of unlisted options ("Unlisted Options") and unlisted performance rights ("Performance Rights") to eligible employees and contractors as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Group.

To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its executive KMP and other key employees and contractors. The Board believes that grants made to eligible participants under the Plan will provide a useful tool to underpin the Group's employment and engagement strategy, and enables the Group to:

- recruit, incentivise and retain KMP and other key employees and contractors needed to achieve the Group's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Group;
- align the financial interest of participants of the Plan with those of Shareholders; and
- provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

(i) Performance Rights

The Plan provides for the issuance of Performance Rights to eligible participants which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Group of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial period, 13,450,000 Performance Rights were granted to executive KMP. 2,000,000 Performance Rights held by executive KMP vested and converted into ordinary shares during the financial period. No Performance Rights held by executive KMP lapsed during the financial period.

(ii) Unlisted Options

The Plan provides for the issuance of Unlisted Options to eligible participants. The Board's policy is to grant Unlisted Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the Unlisted Options granted to KMP are generally only of benefit if the KMP performs to the level whereby the value of the Group increases sufficiently to warrant exercising the Unlisted Options granted.

Other than service-based vesting conditions (if any) and the exercise price required to exercise the Unlisted Options, there are no additional performance criteria on the Unlisted Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of the KMP and the performance and value of the Group are closely related. The Group prohibits executive KMP from entering into arrangements to limit their exposure to Unlisted Options granted as part of their remuneration package.

During the financial period, 8,125,000 Unlisted Options were granted to executive KMP. No Unlisted Options were exercised by executive KMP during the financial period. No Unlisted Options held by executive KMP lapsed during the financial period.

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Group, Unlisted Options have been used to attract and retain Non-Executive Directors, where deemed appropriate. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive grants of restricted stock options, unlisted options or performance rights in order to secure their services. The Company prohibits Non-Executive Directors from entering into arrangements to limit their exposure to options granted as part of their remuneration package.

Fees for the Chairman are presently A$60,000 (US$44,808) per annum. Fees for other Non-Executive Directors are presently set between A$30,000 to A$50,000 (US$22,404 to US$37,340) per annum. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Group during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Group traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial KPI's that are not based on share price or earnings, such as the successful acquisition of new projects, exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of scoping and/or feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). However, as noted above, certain KMP are granted Performance Rights and/or Unlisted Options which generally will be of greater value to KMP if the value of the Group's shares increases (subject to vesting conditions being met).

Relationship between Remuneration of KMP and Earnings

As discussed above, the Group is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly, the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

REMUNERATION REPORT (AUDITED) (continued)

Emoluments of KMP

Details of the nature and amount of each element of the emoluments of each KMP of the Group for the period ended June 30, 2021 are as follows. Note that emoluments of each KMP of the Company prior to completion of the reverse acquisition on December 1, 2020 have been excluded from the below amounts, on the basis that the consolidated financial statements of the Group for the period ended June 30, 2021 have been prepared as a continuation of the consolidated financial statements of HMAPL. Further, due to the fact that HMAPL was only incorporated during the financial period, there is no comparative period information. Refer to Note 14 of the consolidated financial statements for further detail.

	Short-term benefits							
2021	**Salary & fees US$**	**Cash bonus US$**	**Other US$**	**Post-employ-ment benefits US$**	**Terminat-ion benefits US$**	**Share-based payments US$**	**Total US$**	**Perform-ance related %**
Current KMP								
Todd Hannigan [1]	**18,670**	-	-	**1,774**	-	**981,359**	**1,001,803**	**98%**
Anastasios Arima [2]	**87,514**	-	-	**1,543**	-	**1,052,363**	**1,141,420**	**92%**
Vaughn Taylor [3]	**8,962**	-	-	-	-	**73,167**	**82,129**	**89%**
Dominic Allen [4]	**45,704**	-	-	-	-	**496,205**	**541,909**	**92%**
Lamont Leatherman [5]	**45,000**	-	-	-		**74,483**	**119,483**	**62%**
Gregory Swan [6]	-	-	-	-	-	**391,309**	**391,309**	**100%**
Former KMP								
Patric Glovac [7]	**48,168**	-	-	**1,490**	-	**335,930**	**385,588**	**87%**
Mark Connelly [8]	**8,908**	-	-	**846**	-	**216,756**	**226,510**	**96%**
Frank Knezovic [9]	**4,481**	-	-	**426**	-	**59,587**	**64,494**	**92%**
Alastair Smith [10]	**7,839**	-	-	-	-	-	**7,839**	-
	275,246	-	-	**6,079**	-	**3,681,159**	**3,962,484**	

Notes:

(1) Mr. Hannigan was appointed effective February 1, 2021.

(2) Mr. Arima was appointed as Executive Director of the Company effective December 1, 2020 and as CEO and Managing Director of the Company effective from March 1, 2021. Mr. Arima was appointed as Director of HMAPL on July 20, 2020.

(3) Mr. Taylor was appointed effective March 3, 2021.

(4) Mr. Allen was appointed Corporate Development Officer of the Company effective December 1, 2020. Mr. Allen was appointed as Director of HMAPL on July 20, 2020.

(5) Mr. Leatherman was appointed effective December 1, 2020. Mr. Leatherman was appointed as a consultant of HMAPL on July 20, 2020.

(6) Mr. Swan was appointed Company Secretary of the Company effective December 16, 2020. Mr. Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ("Apollo"). During the period, Apollo was paid or is payable A$105,000 for the provision of serviced office facilities and administrative, accounting and company secretarial services to the Group. Mr. Swan was appointed as Director of HMAPL on July 20, 2020.

(7) Mr. Glovac resigned effective March 1, 2021. US$33,905 received by Mr. Glovac prior to completion of the reverse acquisition on December 1, 2020 has been excluded.

(8) Mr. Connelly resigned effective February 18, 2021. US$20,444 received by Mr. Connelly prior to completion of the reverse acquisition on December 1, 2020 has been excluded.

(9) Mr. Knezovic resigned effective December 29, 2020. US$12,266 received by Mr. Knezovic prior to completion of the reverse acquisition on December 1, 2020 has been excluded.

(10) Mr. Smith appointed effective January 11, 2021 and resigned effective April 23, 2021.

Loans with Key Management Personnel

No loans were provided to or received from KMP during the period ended June 30, 2021 (2020: Nil).

REMUNERATION REPORT (AUDITED) (continued)

Options and Performance Rights Granted to Key Management Personnel

Details of Unlisted Options and Performance Rights granted, exercised or lapsed for each KMP of the Group during the 2021 financial period are as follows:

2021	No. of options & rights granted during period #	No. of options & rights vested during period #	No. of options & rights lapsed during period #	Value of options & rights granted during period (1) US$	Value of options & rights exercised during period (2) US$	Value of options & rights included in remuneration for period US$
Current KMP						
Todd Hannigan	**1,750,000(3)**	**1,750,000**	**-**	**771,071**	**-**	**981,359**
Anastasios Arima	**7,000,000**	**1,000,000**	**-**	**3,242,008**	**-**	**1,052,363**
Vaughn Taylor	**450,000**	**-**	**-**	**217,207**	**-**	**73,167**
Dominic Allen	**4,625,000**	**625,000**	**-**	**2,036,449**	**-**	**496,205**
Lamont Leatherman	**625,000**	**625,000**	**-**	**76,174**	**-**	**74,483**
Gregory Swan	**3,625,000**	**625,000**	**-**	**1,548,863**	**-**	**391,309**
Former KMP						
Patric Glovac	**2,000,000**	**3,500,000**	**-**	**243,756**	**638,514**	**335,930**
Mark Connelly	**1,000,000**	**2,500,000**	**-**	**121,878**	**638,514**	**216,756**
Frank Knezovic	**500,000**	**500,000**	**-**	**60,939**	**-**	**59,587**
Total	**21,575,000**	**11,125,000**	**-**	**8,318,345**	**1,277,028**	**3,681,159**

Notes:
(1) Determined at the time of grant per AASB 2, using an exchange rate of US$0.7468=A$1, being the average exchange rate for 2021.
(2) Determined at the time of exercise or conversion at the intrinsic value, using an exchange rate of US$0.7468=A$1, being the average exchange rate for 2021.
(3) During the period, the Group agreed, subject to shareholder approval, to grant 3,500,000 performance rights to Mr. Hannigan. These performance rights have not been included in this table as they had not been granted at June 30, 2021.

Details of Unlisted Options and Performance Rights granted by the Company to each KMP of the Group during the financial period are as follows:

2021	Options or rights	Grant date	Expiry date	Vesting date	Exercise price A$	Vesting Hurdle (30-day VWAP)	Grant date fair value[1] A$	Number granted
Current KMP								
Anastasios Arima	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	1,000,000
	Rights	14-Apr-21	23-Apr-26	23-Apr-22	-	$2.00	$0.745	2,000,000
	Rights	14-Apr-21	23-Apr-26	23-Apr-22	-	$3.00	$0.693	2,000,000
	Rights	14-Apr-21	23-Apr-26	23-Apr-22	-	$4.00	$0.651	2,000,000
Todd Hannigan	Options	14-Apr-21	31-Dec-23	14-Apr-21	$0.45	-	$0.605	875,000
	Options	14-Apr-21	31-Dec-23	14-Apr-21	$0.55	-	$0.575	875,000
Vaughn Taylor	Rights	03-Mar-21	01-Mar-26	03-Mar-22	-	-	$0.694	150,000
	Rights	03-Mar-21	01-Mar-26	03-Mar-22	-	-	$0.643	150,000
	Rights	03-Mar-21	01-Mar-26	03-Mar-22	-	-	$0.602	150,000
Dominic Allen	Options	1-Dec-20	31-Dec-23	1-Dec-20	$0.25	-	$0.163	625,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$2.00	$0.705	1,300,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$3.00	$0.654	1,300,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$4.00	$0.613	1,400,000
Gregory Swan	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	625,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$2.00	$0.705	1,000,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$3.00	$0.654	1,000,000
	Rights	15-Apr-21	23-Apr-26	15-Apr-22	-	$4.00	$0.613	1,000,000
Lamont Leatherman	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	625,000
Former KMP								
Patric Glovac	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	2,000,000
Frank Knezovic	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	500,000
Mark Connelly	Options	01-Dec-20	31-Dec-23	01-Dec-20	$0.25	-	$0.163	1,000,000

Notes:
1 For details on the valuation of Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 17 of the financial statements.

REMUNERATION REPORT (AUDITED) (continued)

Option and Right holdings of Key Management Personnel

2021	Held at July 1, 2020	Granted as remuneration	Exercise of options and rights	Net change other	Held at June 30, 2021	Vested and exercisable at June 30, 2021
Current KMP						
Todd Hannigan	910,000[1]	1,750,000[2]	-	-	2,660,000	2,660,000
Anastasios Arima	1,625,000[3]	7,000,000	-	-	8,625,000	2,625,000
Vaughn Taylor	-[1]	450,000	-	-	450,000	-
Dominic Allen	1,105,000[3]	4,625,000	-	-	5,730,000	1,730,000
Lamont Leatherman	1,105,000[3]	625,000	-	-	1,730,000	1,730,000
Gregory Swan	650,000[3]	3,625,000	-	-	4,275,000	1,275,000
Former KMP						
Patric Glovac	5,179,723	2,000,000	(1,500,000)	(3,000,000)	2,679,723[4]	2,679,723[4]
Mark Connelly	4,500,000	1,000,000	(1,500,000)	(3,000,000)	1,000,000[4]	1,000,000[4]
Frank Knezovic	-	500,000	-	-	500,000[4]	500,000[4]
Alastair Smith	1,535,000[2]	-	-	-	1,535,000[4]	-[4]
Total	**16,609,723**	**21,575,000**	**(3,000,000)**	**(6,000,000)**	**29,184,723**	**14,199,723**

Notes:
[1] As at date of appointment.
[2] During the period, the Group agreed, subject to shareholder approval, to grant 3,500,000 performance rights to Mr. Hannigan. These performance rights have not been included in this table as they had not been granted at June 30, 2021.
[3] As at date of completion of the reverse acquisition, being December 1, 2020.
[4] As at date of resignation.

Shareholdings of Key Management Personnel

	Held at July 1, 2020		Granted as remuneration		Exercise of options and rights		Net change other		Held at June 30, 2021	
2021	Ord	Perf	Ord	Perf	Ord	Perf	Ord	Perf	Ord	Perf
Current KMP										
Todd Hannigan	7,951,691[1]	2,520,000[1]	-	-	-	-	1,117,395	-	9,069,086	2,520,000
Anastasios Arima	3,312,500[2]	4,500,000[2]	-	-	-	-	-	-	3,312,500	4,500,000
Vaughn Taylor	376,829[1]	-[1]	-	-	-	-	-	-	376,829	-
Dominic Allen	2,252,500[2]	3,060,000[2]	-	-	-	-	50,000	-	2,302,500	3,060,000
Lamont Leatherman	2,252,500[2]	3,060,000[2]	-	-	-	-	-	-	2,252,500	3,060,000
Gregory Swan	1,325,000[2]	1,800,000[2]	-	-	-	-	50,000	-	1,375,000	1,800,000
Former KMP										
Patric Glovac	1,359,445	-	-	-	1,500,000	-	1,550,000	1,200,000	4,409,445[3]	1,200,000[3]
Mark Connelly	-	-	-	-	1,500,000	-	-	-	1,500,000[3]	-[3]
Frank Knezovic	-	-	-	-	-	-	-	-	-[3]	-[3]
Alastair Smith	2,405,000[1]	2,520,000[1]	-	-	-	-	-	-	2,405,000[3]	2,520,000[3]
	21,235,465	**17,460,000**	**-**	**-**	**3,000,000**	**-**	**2,767,395**	**1,200,000**	**27,002,860**	**18,660,000**

Notes:
[1] As at date of appointment.
[2] As at date of completion of the reverse acquisition, being December 1, 2020.
[3] As at date of resignation.
[4] 'Ord' means Ordinary Shares.
[5] 'Perf' means Performance Shares.

REMUNERATION REPORT (AUDITED) (continued)

Employment Contracts with Key Management Personnel

Mr. Hannigan, Executive Chairman, has a director appointment letter with the Group. Mr. Hannigan receives a fixed remuneration component of A$60,000 (US$44,808) per annum.

Mr. Arima, Chief Executive Officer and Managing Director, has an employment agreement with the Group which may be terminated upon six months' advance written notice, unless mutually agreed upon with the Company. Mr. Arima receives a fixed remuneration component of US$180,000 per annum and a discretionary annual bonus of up to US$100,000 to be paid upon the successful completion of KPIs as determined by the Board.

Mr. Allen, Vice President & Chief Development Officer, has a consulting agreement with the Group which may be terminated by either party at any time for any or no reason upon at least 30 days' prior written notice of termination to the other. Effective 1 May 2021, Mr. Allen receives a fixed remuneration component of A$163,200 (US$121,878) per annum.

Mr. Leatherman, Vice President & Chief Geological Officer, has a consulting agreement with the Group which may be terminated by either party at any time for any or no reason upon at least 30 days' prior written notice of termination to the other. Mr. Leatherman receives a fixed remuneration component of US$60,000 per annum.

Mr. Symonds, Vice President & Chief Strategy Officer, has an employment agreement with the Group which may be terminated upon six months' advance written notice, unless mutually agreed upon with the Company. Mr. Symonds receives a fixed remuneration component of US$170,000 per annum and a discretionary annual bonus of up to US$100,000 to be paid upon the successful completion of KPIs as determined by the Board.

All Non-Executive Directors have a letter of appointment confirming the terms and conditions of their appointment as Director of the Company.

Other Transactions with Key Management Personnel

Focus Capital Partners, LLC ("Focus Capital"), a company of which Mr Smith is a partner, was paid US$67,792 (2020: nil) for the provision of services in relation to business development activities during the period. This item has been recognised as an expense in the Statement of Profit and Loss and Other Comprehensive Income. Additionally, Focus Capital was paid US$25,493 (2020:nil) for placement fees during the period, this has been recognised as a share issue cost in equity.

End of Remuneration Report.

DIRECTORS' MEETINGS

The number of meetings of directors held during the period and the number of meetings attended by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Todd Hannigan	1	1
Anastasios Arima	1	1
Vaughn Taylor	1	1
Patric Glovac	2	2
Mark Connelly	2	2
Frank Knezovic	2	2
Alastair Smith	1	1

There were no Board committees during the period.

NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditor, PricewaterhouseCoopers ("PwC"), or by another person or firm on the auditor's behalf, during the financial period.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended June 30, 2021 has been received and can be found on page 24 of the Annual Report.

Signed in accordance with a resolution of the directors.

ANASTASIOS ARIMA
CEO and Managing Director

September 30, 2021

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Hyperion Metals Limited for the period ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
30 September 2021

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

PERIOD ENDED JUNE 30, 2021

	Notes	2021 US$
Continuing operations		
Exploration and evaluation expenses		**(2,568,386)**
Corporate and administrative expenses		**(852,944)**
Business development expenses		**(581,200)**
Share-based payment expenses	17(a)	**(4,084,764)**
Finance income	2	**5,075**
Finance costs	2	**(7,492)**
Cost of listing on reverse acquisition	14	**(5,141,126)**
Loss before income tax		**(13,230,837)**
Income tax expense	3	**-**
Loss for the period		**(13,230,837)**
Loss attributable to members of Hyperion Metals Limited		**(13,230,837)**
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations		**(2,419)**
Other comprehensive loss for the period, net of tax		**(2,419)**
Total comprehensive loss for the period		**(13,233,256)**
Total comprehensive loss attributable to members of Hyperion Metals Limited		**(13,233,256)**
Basic loss per share (US$ per share)	13	**(0.22)**
Diluted loss per share (US$ per share)	13	**(0.22)**

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021

	Notes	2021 US$
ASSETS		
Current Assets		
Cash and cash equivalents	5	**1,697,904**
Trade and other receivables		**341**
Prepayments		**49,069**
Total Current Assets		**1,747,314**
Non-Current Assets		
Exploration and evaluation assets	6	**504,750**
Property, plant and equipment	7	**539,619**
Total Non-Current Assets		**1,044,369**
TOTAL ASSETS		**2,791,683**
LIABILITIES		
Current Liabilities		
Trade and other payables	8	**544,842**
Lease liabilities		**81,104**
Provisions		**11,069**
Total Current Liabilities		**637,015**
Non-Current Liabilities		
Lease liabilities		**394,548**
Total Non-Current Liabilities		**394,548**
TOTAL LIABILITIES		**1,031,563**
NET ASSETS		**1,760,120**
EQUITY		
Contributed equity	10	**10,255,369**
Reserves	11	**4,735,588**
Accumulated losses	12	**(13,230,837)**
TOTAL EQUITY		**1,760,120**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED JUNE 30, 2021

	Contributed Equity US$	Share-Based Payments Reserve US$	Foreign Currency Translation Reserve US$	Accumulated Losses US$	Total Equity US$
Balance at incorporation	-	-	-	-	-
Net loss for the period	-	-	-	(13,230,837)	(13,230,837)
Exchange differences arising on translation of foreign operations	-	-	(2,419)	-	(2,419)
Total comprehensive loss for the period	-	-	(2,419)	(13,230,837)	(13,233,256)
Issue of shares – incorporation	1	-	-	-	1
Issue of shares – seed placement	54,011	-	-	-	54,011
Reverse acquisition	6,433,752	967,582	-	-	7,401,334
Issue of shares – share placement	2,819,340	-	-	-	2,819,340
Issue of shares – exercise of options and performance rights	1,033,732	(314,339)	-	-	719,393
Share issue costs	(85,467)	-	-	-	(85,467)
Share-based payment expense	-	4,084,764	-	-	4,084,764
Balance at June 30, 2021	10,255,369	4,738,007	(2,419)	(13,230,837)	1,760,120

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

CONSOLIDATED STATEMENT OF CASH FLOWS
PERIOD ENDED JUNE 30, 2021

	Notes	2021 US$
Operating activities		
Payments to suppliers and employees		**(3,562,589)**
Interest paid		**(511)**
Interest received		**5,075**
Net cash flows used in operating activities	5	**(3,558,025)**
Investing activities		
Purchase of exploration and evaluation assets	6	**(504,750)**
Purchase of property, plant and equipment		**(66,818)**
Net cash inflow on reverse acquisition	14	**2,329,111**
Net cash flows from investing activities		**1,757,543**
Financing activities		
Proceeds from issue of shares		**3,592,745**
Share issue costs	10(a)	**(85,467)**
Payment of principal portion of lease liabilities		**(6,473)**
Net cash flows from financing activities		**3,500,805**
Net increase in cash and cash equivalents		**1,700,323**
Net foreign exchange differences		**(2,419)**
Cash and cash equivalents at beginning of period		**-**
Cash and cash equivalents at the end of the period	5	**1,697,904**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the consolidated financial statements of Hyperion Metals Limited ("Hyperion" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the period ended June 30, 2021 are stated to assist in a general understanding of the consolidated financial statements.

Hyperion is a for-profit company limited by shares, incorporated and domiciled in Australia. Our ordinary shares are listed on the Australian Securities Exchange, or ASX, under the symbol "HYM".

The principal activities of the Group during the period ended June 30, 2021 consisted of the exploration and development of mineral resource projects.

The consolidated financial statements of the Group for the period ended June 30, 2021 were authorised for issue in accordance with a resolution of the Directors on September 23, 2021.

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASs") issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These consolidated financial statements are the first annual financial statements of the newly merged entity formed as a result of the reverse takeover of the Company by Hyperion Metals (Australia) Pty Ltd ("HMAPL"). Refer to Note 14 for accounting treatment of the acquisition.

As outlined in Note 14, as a result of the reverse acquisition the former shareholders of HMAPL effectively obtained control of the combined entity. Therefore, while the Company is the legal acquirer of HMAPL, for accounting purposes HMAPL is deemed to be the acquirer of Hyperion Metals Limited and these consolidated financial statements are presented as a continuation of the operations of HMAPL. As such, no comparative period is presented throughout the consolidated financial statements because HMAPL was incorporated during the financial period on July 20, 2020. Accordingly, the financial reporting period as presented in these financial statements reflects the period from July 20, 2020 to June 30, 2021.

The financial report has also been prepared on a historical cost basis, except for other financial assets, which have been measured at fair value.

The financial report is presented in United States dollars (US$).

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

(b) New standards, interpretations and amendments

In the current period, the Group has adopted all Accounting Standards and Interpretations effective from July 1, 2020. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*;
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*; and
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at June 30, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended June 30, 2021. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for the Group
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	January 1, 2022	July 1, 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	January 1, 2023	July 1, 2023
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	January 1, 2023	July 1, 2023

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at June 30, 2021.

Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated. Investments in subsidiaries are accounted for at cost in the Statement of Financial Position of the Company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign Currencies

(i) *Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in United States dollars which is the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

(iii) *Group companies*

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in equity. These differences are recognised in profit or loss in the period in which the operation is disposed.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

(g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses, applying the simplified approach. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

(h) Property, Plant and Equipment

All classes of property, plant and equipment are measured at cost.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, except for land which is not depreciated. Currently the Group only has plant and equipment which is depreciated over a period of 5 years.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Exploration and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources.*

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset. This includes option payments made to landowners under the Group's option agreements with local landowners which are considered part of the acquisition costs. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

All other exploration and evaluation expenditures are expensed as incurred. Once the technical feasibility and commercial viability of a program or project has been demonstrated with a bankable feasibility study, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is reclassified as a "mine development property".

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Interest income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(m) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting 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.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(n) Employee Entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled wholly within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Earnings per Share

Basic earnings per share (“EPS”) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, 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 financing costs associated with dilutive potential 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 Shares and dilutive Ordinary Shares adjusted for any bonus issue.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Use and Revision of Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following note:

- Recognition of tax losses (Notes 1(m) and 3);
- Impairment of exploration and evaluation assets (Note 6);
- Determination of the accounting acquirer in reverse acquisition and fair value of the consideration paid (Note 14); and
- Share-based payments (Note 17).

(r) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the board of directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable,
- Nature of the regulatory environment.

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

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

Currently, the Group has only one operating segment.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of Assets

The Group 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 Group 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 the 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.

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. That 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. 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.

(t) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities classified as fair value through other comprehensive income) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(u) Issued and Unissued Capital

Ordinary Shares and Performance Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. 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.

(v) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Black Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

2. INCOME AND EXPENSES

	Note	2021 US$
Finance income		
Interest income		**5,075**
		5,075
Finance costs		
Interest on lease liabilities		**(3,097)**
Other finance costs		**(4,395)**
		(7,492)
Depreciation and amortisation		
Amortisation of right-of-use assets	7	**(8,364)**
Depreciation of property, plant and equipment	7	**(960)**
		(9,324)
Employee benefits expense		
Wages and salaries		**(509,474)**
Employee benefits		**(44,325)**
Post-employment benefits		**(8,929)**
Share-based payment expenses		**(4,084,764)**
		(4,647,492)

3. INCOME TAX

	2021 US$
Recognised in profit or loss	
Current income tax:	
Current income tax benefit in respect of the current period	-
Deferred income tax:	
Origination and reversal of temporary differences	-
Income tax expense reported in profit or loss	-
Reconciliation between tax expense and accounting loss before income tax	
Accounting loss before income tax	(13,230,837)
At the Australian income tax rate of 30%	(3,969,251)
Effect of lower income tax rate in the United States	124,391
Expenditure not allowable for income tax purposes	2,942,127
Exchange differences	(5,365)
Effect of deferred tax assets not brought to account	908,098
Income tax expense reported in profit or loss	-
Deferred tax assets and liabilities	
Deferred tax liabilities:	
Right-of-use assets	142,128
Deferred tax assets used to offset deferred tax liabilities	(142,128)
	-
Deferred tax assets:	
Accrued expenditures	53,997
Provisions	2,893
Lease liabilities	142,695
Tax losses available to offset against future taxable income	1,260,669
Deferred tax assets used to offset deferred tax liabilities	(142,128)
Deferred tax assets acquired on reverse acquisition not brought to account [1]	(410,028)
Other deferred tax assets not brought to account [1]	(908,098)
	-

Notes:

[1] The benefit of deferred tax assets not brought to account will only be brought to account if: (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and (c) no changes in tax legislation adversely affect the Group in realising the benefit.

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the period ended June 30, 2021.

5. CASH AND CASH EQUIVALENTS

	2021 US$
Cash at bank and on hand	1,697,904
	1,697,904

	2021 US$
Reconciliation of loss before income tax to net cash flows from operations	
Loss for the period	(13,230,837)
Adjustment for non-cash income and expense items	
Share-based payments expense	4,084,764
Cost of listing on reverse acquisition	5,141,126
Amortisation of right-of-use assets	8,364
Depreciation of property, plant and equipment	960
Changes in assets and liabilities	
Increase in receivables and prepayments	(34,405)
Increase in payables and provisions	472,003
Net cash outflow from operating activities	(3,558,025)

6. EXPLORATION AND EVALUATION ASSETS

	Titan Project [1] US$
2021	
Carrying amount at incorporation	-
Additions	504,750
Carrying amount at June 30, 2021 [2]	504,750

Notes:

(1) At June 30, 2021, the Titan Project comprised of approximately 6,111 acres of surface and associated mineral rights in Tennessee prospective for heavy mineral sands, including titanium, rare earth minerals, high grade silica sand, and zircon, of which approximately 137 acres are owned and approximately 5,974 acres are subject to exclusive option agreements. These exclusive option agreements, upon exercise, allow the Group to purchase or, in some cases lease, the surface property and associated mineral rights.

(2) The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment US$	Right-of-use assets US$	Total US$
2021			
Carrying amount at incorporation	-	-	-
Additions	66,818	482,125	548,943
Depreciation and amortization	(960)	(8,364)	(9,324)
Carrying amount at June 30, 2021	65,858	473,761	539,619
- at cost	66,818	482,125	548,943
- accumulated depreciation	(960)	(8,364)	(9,324)

8. TRADE AND OTHER PAYABLES

	2021 US$
Current	
Trade payables	286,846
Accruals	255,965
Payroll liabilities	2,031
Total trade and other payables	544,842

9. LEASES

The Group leases office premises in the United States. The carrying amounts of right-of-use assets (included under property, plant and equipment) and the movements during the period are in Note 7. The carrying amounts of lease liabilities are set out in the Statement of Financial Position. The following are the amounts recognised in profit or loss in respect of leases:

	Note	2021 US$
Amortisation of right-of-use assets	2	(8,364)
Interest expense on lease liabilities	2	(3,097)
Net amount recognised in profit or loss		(11,461)

10. CONTRIBUTED EQUITY

	Note	2021 US$
Issued capital		
105,105,787 fully paid ordinary shares	10(a)	**10,255,369**

(a) Movements in issued capital

	Number of Ordinary Shares	Number of Performance Shares	US$
2021			
Opening balance at incorporation	-	-	-
Issue of shares – incorporation (July 2020)	1	-	1
Issue of shares – seed placement (August-October 2020)	99,999	-	54,011
Reverse acquisition – elimination of legal acquiree shares	(100,000)	-	-
Reverse acquisition – shares issued to vendors of legal acquiree	26,500,000	36,000,000	-
Reverse acquisition – recognition of legal acquirer shares	60,036,667	3,600,000	6,433,752
Issue of shares – share placement (January 2021)	12,150,000	-	2,819,340
Issue of shares – exercise of options and performance rights	6,419,120	-	1,033,732
Share issue costs	-	-	(85,467)
Closing balance at June 30, 2021	105,105,787	39,600,000	10,255,369

(b) Rights attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares ("Ordinary Shares") arise from a combination of the Company's Constitution, statute and general law:

(i) *Shares* - The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) *Meetings of Members* - Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001.The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders. The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) *Voting* - Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) *Changes to the Constitution* - The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) *Listing Rules* - Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

10. CONTRIBUTED EQUITY (continued)

(c) Rights attaching to Performance Shares

Performance Shares comprise 19,800,000 Class A and 19,800,000 Class B Performance Shares issued in relation to the acquisition of HMAPL (refer Note 14) and are issued based upon the following terms and conditions:

- The Performance Shareholders are not entitled to a dividend;
- The Performance Shares are not transferable;
- The Performance Shareholders shall have no right to vote, subject to the Corporations Act;
- The Performance Shares will convert into Ordinary Shares as follows:
  - Each Class A Performance Share will convert into one (1) Ordinary Share upon completion of a positive pre-feasibility study (prepared in accordance with the JORC Code and independently verified by a Competent Person) for heavy mineral sands mining and processing on any of the Titan Project area which demonstrates a net present value of at least A$200,000,000 before September 17, 2024 (the "**Pre-Feasibility Study Milestone**");
  - Each Class B Performance Share will convert into one (1) Ordinary Share upon the commencement of commercial production from the Titan Project area before September 17, 2025 (the "**First Production Milestone**");
  - All Performance Shares shall automatically convert into Ordinary Shares upon the occurrence of certain change of control events; and
  - To the extent that any Performance Shares have not converted into Ordinary Shares by the applicable expiry date, such Performance Shares for each holder will automatically lapse and consolidate into one Performance Share and will then convert into one Ordinary Share.
- The Ordinary Shares issued on conversion of any Performance Share will rank equally with and confer rights identical with all other Ordinary Shares then on issue and application will be made by the Company to ASX for official quotation of the Ordinary Shares upon the date of conversion.
- The Company shall allot and issue Ordinary Shares immediately upon conversion of the Performance Shares for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.
- The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

11. RESERVES

	Note	2021 US$
Share-based payments reserve	11(b)	**4,738,007**
Foreign currency translation reserve	11(f)	**(2,419)**
		4,735,588

(a) Nature and purpose of reserves

(i) *Share-based payments reserve*

The share-based payments reserve is used to record the fair value of Unlisted Options and Performance Rights issued by the Group.

(ii) *Foreign currency translation reserve*

Exchange differences arising on translation of entities whose functional currency is different to the Group's presentation currency are taken to the foreign currency translation reserve, as described in Note 1(e).

11. RESERVES (continued)

(b) Movements in share-based payments reserve during the period

	Number of Listed Options (Note 11(c))	Number of Unlisted Options (Note 11(d))	Number of Performance Rights (Note 11(e))	US$
2021				
Opening balance at incorporation	-	-	-	-
Reverse acquisition – options issued to vendors of legal acquiree	-	13,000,000	-	-
Reverse acquisition – recognition of legal acquirer options and rights	15,693,334	5,000,000	2,000,000	967,582
Issue of employee options and performance rights	-	9,150,000	16,325,000[2]	-
Exercise of options and performance rights	(3,069,120)	(1,350,000)	(2,000,000)	(314,339)
Share-based payment expense	-	-	-	4,084,764
Closing balance at June 30, 2021	12,624,214	25,800,000	16,325,000	4,738,007

Notes:

[1] For details on the valuation of Unlisted Options and Performance Rights, including models and assumptions used, refer to Note 17 of the financial statements.

[2] During the period, the Group agreed, subject to shareholder approval, to grant 3,500,000 performance rights to Mr. Hannigan. These performance rights have not been included in this table as they had not been granted at June 30, 2021.

(c) Terms and conditions of Listed Options

Listed Options have the following terms and conditions:

- Each Listed Option entitles the holder to the right to subscribe for one Share upon the exercise of each Listed Option;
- The Listed Options outstanding at the end of the financial period have the following exercise prices and expiry dates:
  - 12,624,214 Listed Options exercisable at A$0.20 each on or before August 31, 2021;
- The Listed Options are exercisable at any time prior to the Expiry Date;
- Shares issued on exercise of the Listed Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Listed Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Listed Options holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- The Listed Options are quoted on ASX (ASX code: HYMOA).

11. RESERVES (continued)

(d) Terms and conditions of Unlisted Options

Unlisted Options granted as share-based payments have the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Share upon the exercise of each Unlisted Option;
- The Unlisted Options outstanding at the end of the financial period have the following exercise prices and expiry dates:
  - 6,000,000 Unlisted Options exercisable at A$0.25 each on or before December 31, 2023;
  - 4,650,000 Unlisted Options exercisable at A$0.20 each on or before December 31, 2023;
  - 5,000,000 Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
  - 4,000,000 Class A Performance Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
  - 4,000,000 Class B Performance Unlisted Options exercisable at A$0.20 each on or before December 1, 2025;
  - 1,075,000 Unlisted Options exercisable at A$0.45 each on or before December 31, 2023; and
  - 1,075,000 Unlisted Options exercisable at A$0.55 each on or before December 31, 2023.
- The Unlisted Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Shares issued on exercise of the Unlisted Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

(e) Terms and conditions of Performance Rights

Performance Rights granted as share-based payments have the following terms and conditions:

- Each Performance Right automatically converts into one Share upon vesting of the Performance Right;
- Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- The Performance Rights outstanding at the end of the financial period have the following performance conditions and expiry dates:
  - 5,133,333 performance rights that vest upon a 30-day VWAP of A$2.00 per share, expiring April 23, 2026;
  - 5,133,333 performance rights that vest upon a 30-day VWAP of A$3.00 per share, expiring April 23, 2026;
  - 5,233,334 performance rights that vest upon a 30-day VWAP of A$4.00 per share, expiring April 23, 2026;
  - 125,000 performance rights that vest upon a 30-day VWAP of A$2.00 per share, expiring April 23, 2024;
  - 125,000 performance rights that vest upon a 30-day VWAP of A$3.00 per share, expiring April 23, 2024;
  - 125,000 performance rights that vest upon a 30-day VWAP of A$4.00 per share, expiring April 23, 2024;
  - 150,000 performance rights that vest upon a 30-day VWAP of A$2.00 per share, expiring March 1, 2026;
  - 150,000 performance rights that vest upon a 30-day VWAP of A$3.00 per share, expiring March 1, 2026; and
  - 150,000 performance rights that vest upon achieving a 30-day VWAP of A$4.00 per share, expiring March 1, 2026;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon conversion of the Performance Rights;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- No application for quotation of the Performance Rights will be made by the Company; and
- Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

(f) Movements in foreign currency translation reserve during the period

	2021 US$
Balance at incorporation	-
Exchange differences arising on translation of foreign operations	(2,419)
Balance at June 30	(2,419)

12. ACCUMULATED LOSSES

	2021 US$
Balance at incorporation	-
Net loss for the period	**(13,230,837)**
Balance at June 30	**(13,230,837)**

13. EARNINGS PER SHARE

	2021 US$
Basic loss per share	**(0.22)**
Diluted loss per share	**(0.22)**

The following reflects the income and share data used in the calculations of basic earnings per share:

	2021 US$
Net loss	**(13,230,837)**
Earnings used in calculating basic and dilutive earnings per share	**(13,230,837)**

	Number of Ordinary Shares 2021
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	**60,336,252**

(a) Non-Dilutive Securities

As at June 30, 2021, 25,800,000 Unlisted Options and 16,325,000 Performance Rights, which together represent 42,125,000 potential Ordinary Shares, were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after June 30, 2021

Subsequent to June 30, 2021, the Company has issued:

(a) 20,000,000 ordinary shares pursuant to a share placement to institutional, sophisticated and professional investors;

(b) 12,606,704 ordinary shares pursuant to the exercise of listed options;

(c) 1,400,000 ordinary shares pursuant to the exercise of unlisted options;

(d) 600,000 restricted stock units to new Directors of the Company; and

(e) 600,000 unlisted options to new Directors of the Company.

Other than as above, there have been no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

14. REVERSE ACQUISITION ACCOUNTING

On December 1, 2020, Hyperion Metals Limited ("Company") completed its acquisition of Hyperion Metals (Australia) Pty Ltd ("HMAPL") after issuing 26,500,000 ordinary shares, 5,000,000 unlisted options, 8,000,000 performance options and 36,000,000 performance shares in the Company to the vendors, following shareholder approval received at the Company's general meeting held on November 30, 2020.

As a result of the acquisition, the former shareholders of HMAPL effectively obtained control of the combined entity. Accordingly, using the reverse acquisition principles of the business combination accounting standard, while the Company is the legal acquirer of HMAPL, for accounting purposes HMAPL is deemed to be the acquirer of the Company.

Therefore, the consolidated financial statements of the Company have been prepared as a continuation of the consolidated financial statements of HMAPL. The deemed acquirer, HMAPL, has accounted for the acquisition of the Company from December 1, 2020. As HMAPL was only incorporated during the financial period on July 20, 2020, there is no comparative period information for HMAPL.

In addition, at the date of the transaction, it was determined that the Company was not a business. Accordingly, for accounting purposes, the acquisition has been treated as a share-based payment transaction.

In the Group's interim financial statements for the period ended December 31, 2020, this transaction was provisionally accounted for based on the legal form, as an asset acquisition made by the legal parent. After further consideration it has been concluded that in substance the transaction reflects a reverse acquisition as described above. Accordingly, there is expected to be a restatement of the Group's interim financial statements to reflect the accounting implications of this change.

As a result of the reverse acquisition, during the period the Group has recognised an expense of US$5.1 million in its statement of profit or loss and other comprehensive income, effectively representing the cost of listing. The cost is calculated as the difference in the fair value of the equity instruments that HMAPL is deemed to have issued to acquire the Company and the fair value of the Company's identifiable net assets, as follows:

	December 1, 2020 US$
Fair value of consideration:	
Equity (1)	**7,401,334**
Direct costs relating to the reverse acquisition	**10,875**
Cash option fee paid to HMAPL	**(25,292)**
Pre-acquisition loan to HMAPL	**(331,471)**
Fair value of consideration	**7,055,446**
Fair value of net assets acquired:	
Cash and cash equivalents	**1,983,223**
Trade and other receivables	**33,523**
Trade and other payables	**(102,426)**
Fair value of net assets acquired	**1,914,320**
Cost of listing	**5,141,126**
Net cash inflow:	
Net cash acquired on reverse acquisition	**1,983,223**
Direct costs relating to the reverse acquisition	**(10,875)**
Cash option fee paid to HMAPL	**25,292**
Pre-acquisition loan to HMAPL	**331,471**
Net consolidated cash inflow	**2,329,111**

Notes:

(1) The fair value of the equity interests deemed to have been issued by HMAPL has been determined based on the underlying share price of the Company on ASX on the deemed date of acquisition (A$0.26 per share on December 1, 2020), adjusted by the fair value of share-based contingent consideration deemed to have been issued to the existing equity holders of the Company and the fair value of share-based contingent consideration issued to the equity holders of HMAPL, resulting in a deemed value of consideration of US$7,401,334, of which US$6,433,752 has been allocated to issued share capital (i.e. ordinary shares and performance shares) and US$967,582 has been allocated to share-based contingent consideration (i.e. listed options, unlisted options, and unlisted performance rights). Note 17 sets out the key assumptions adopted in the valuation of the unlisted options (Series 2-5) included as contingent consideration. In addition, a probability adjustment has been applied to the valuation of the performance shares and performance options included as contingent consideration reflecting the likelihood that the non-market performance conditions associated with them will vest (80% likelihood that the Pre-Feasibility Study Milestone will be achieved and a 20% likelihood that the First Production Milestone will be achieved).

15. RELATED PARTIES

(a) Subsidiaries

	Country of Incorporation	Equity Interest 2021 %
Hyperion Metals (Australia) Pty Ltd	Australia	**100**
TN Exploration LLC	United States	**100**
Hyperion Materials & Technologies LLC	United States	**100**
Calatos Pty Ltd LLC	United States	**100**

(b) Ultimate Parent

Hyperion Metals Limited is the ultimate parent of the Group.

(c) Key Management Personnel

The aggregate compensation made to Key Management Personnel of the Group is set out below:

	2021 US$
Short-term employee benefits	**275,246**
Post-employment benefits	**6,079**
Share-based payments	**3,681,159**
Total compensation	**3,962,484**

No loans were provided to or received from Key Management Personnel during the period ended June 30, 2021.

Focus Capital Partners, LLC (“Focus Capital”), a company of which Mr Smith is a partner, was paid: (a) US$67,792 for the provision of services in relation to business development activities during the period, which has been recognised as an expense through profit or loss; and (b) US$25,493 in share placement fees during the period, which has been recognised as a share issue costs in equity.

(d) Other transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

16. PARENT ENTITY DISCLOSURES

	2021 US$	2020 US$
(a) Financial Position		
Assets		
Current Assets	**1,530,089**	1,264,716
Non-Current Assets	**340,969**	868,521
Total Assets	**1,871,058**	2,133,237
Liabilities		
Current Liabilities	**110,938**	69,672
Total Liabilities	**110,938**	69,672
Equity		
Contributed equity	**13,360,608**	3,372,855
Reserves	**5,723,616**	845,282
Accumulated losses	**(17,324,104)**	(2,154,572)
Total Equity	**1,760,120**	2,063,565
(b) Financial Performance		
Loss for the period	**(15,169,532)**	(549,740)
Other comprehensive income	**96,762**	-
Total comprehensive loss	**(15,072,770)**	(549,740)

(c) Other

No guarantees have been entered into by the parent entity in relation to its subsidiaries.

Refer to note 21 for details of contingent assets and liabilities.

17. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense

From time to time, the Group grants Restricted Stock Units, Unlisted Options and Performance Rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of Restricted Stock Units, Unlisted Options and Performance Rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

In addition, the Group has determined that the deemed consideration in respect of the reverse acquisition of the Company by HMAPL represents a share-based payment in accordance with AASB 2. The Group has determined the fair value of the deemed consideration to be US$7,055,446, of which US$1,914,320 of this has been allocated to the fair value of the net assets acquired and US$5,141,126 has been recognised as a share-based expense in the statement of profit and loss for the period, representing the cost of the listing. See note 14 for further details.

During the period, the following equity-settled share-based payments have been recognised:

	2021 US$
Expense arising from staff remuneration arrangements	**(4,084,764)**
Expense arising from cost of listing on reverse acquisition	**(5,141,126)**
Total expense arising from equity-settled share-based payment transactions	**(9,225,890)**

17. SHARE-BASED PAYMENTS (continued)

(b) Summary of securities granted as share-based payments

The following table illustrates the number and weighted average exercise prices ("WAEP") of Unlisted Options and Performance Rights granted as share-based payments at the beginning and end of the financial period:

	2021 Number	2021 WAEP
Outstanding at beginning of period	**-**	**-**
Recognition of legal acquirer Listed Options on reverse acquisition	**15,693,334**	**A$0.20**
Recognition of legal acquirer Unlisted Options on reverse acquisition	**5,000,000**	**A$0.20**
Recognition of legal acquirer Performance Rights on reverse acquisition	**2,000,000**	**-**
Unlisted Options granted to vendors of legal acquiree on reverse acquisition	**13,000,000**	**A$0.20**
Unlisted Options granted during the period	**9,150,000**	**A$0.31**
Performance Rights granted during the period	**16,325,000**	**-**
Listed Options exercised during the period	**(3,069,120)**	**(A$0.20)**
Unlisted Options exercised during the period	**(1,350,000)**	**(A$0.24)**
Performance Rights converted during the period	**(2,000,000)**	**-**
Outstanding at end of period	**54,749,214**	**A$0.19**

The following Unlisted Options and Performance Rights were granted as share-based payments during the period:

2021	Security Type	Number	Grant Date	Expiry Date	Exercise Price A$	Vesting Hurdle (30-day VWAP) A$	Fair Value A$
Series 1	Options	7,000,000	01-Dec-20	31-Dec-23	$0.25	-	$0.163
Series 2	Options	5,000,000	01-Dec-20	01-Dec-25	$0.20	-	$0.201
Series 3	Options	4,000,000	01-Dec-20	01-Dec-25	$0.20	-	$0.201
Series 4	Options	4,000,000	01-Dec-20	01-Dec-25	$0.20	-	$0.201
Series 5	Options	5,000,000	01-Dec-20	31-Dec-23	$0.20	-	$0.174
Series 6	Rights	150,000	03-Mar-21	01-Mar-26	-	$2.00	$0.694
Series 7	Rights	150,000	03-Mar-21	01-Mar-26	-	$3.00	$0.643
Series 8	Rights	150,000	03-Mar-21	01-Mar-26	-	$4.00	$0.602
Series 9	Rights	2,000,000	14-Apr-21	23-Apr-26	-	$2.00	$0.745
Series 10	Rights	2,000,000	14-Apr-21	23-Apr-26	-	$3.00	$0.693
Series 11	Rights	2,000,000	14-Apr-21	23-Apr-26	-	$4.00	$0.651
Series 12	Options	875,000	14-Apr-21	31-Dec-23	$0.45	-	$0.605
Series 13	Options	875,000	14-Apr-21	31-Dec-23	$0.55	-	$0.575
Series 14	Rights	125,000	15-Apr-21	23-Apr-24	-	$2.00	$0.599
Series 15	Rights	125,000	15-Apr-21	23-Apr-24	-	$3.00	$0.510
Series 16	Rights	125,000	15-Apr-21	23-Apr-24	-	$4.00	$0.445
Series 17	Rights	2,875,000	15-Apr-21	23-Apr-26	-	$2.00	$0.705
Series 18	Rights	2,875,000	15-Apr-21	23-Apr-26	-	$3.00	$0.654
Series 19	Rights	2,975,000	15-Apr-21	23-Apr-26	-	$4.00	$0.613
Series 20	Options	200,000	15-Apr-21	31-Dec-23	$0.45	-	$0.570
Series 21	Options	200,000	15-Apr-21	31-Dec-23	$0.55	-	$0.540
Series 22	Rights	258,333	22-Jun-21	23-Apr-26	-	$2.00	$0.821
Series 23	Rights	258,333	22-Jun-21	23-Apr-26	-	$3.00	$0.763
Series 24	Rights	258,334	22-Jun-21	23-Apr-26	-	$4.00	$0.716

(c) Weighted Average Remaining Contractual Life

At June 30, 2021, the weighted average remaining contractual life of Listed Options, Unlisted Options and Performance Rights on issue that had been granted as share-based payments was 3.16 years.

(d) Weighted Average Fair Value

The weighted average fair value of Unlisted Options and Performance Rights granted as share-based payments by the Group during the period ended June 30, 2021 was A$0.53.

(e) Range of Exercise Prices

At June 30, 2021, the range of exercise prices of Listed and Unlisted Options on issue that had been granted as share-based payments was A$0.20 to A$0.55.

17. SHARE-BASED PAYMENTS (continued)

(f) Weighted Average Share Price of Exercised Options

The weighted average share price at the date of exercise of Listed and Unlisted Options exercised during the period was A$0.90.

(g) Option and Right Pricing Models

The fair value of Unlisted Options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Unlisted Options were granted. The fair value of Performance Rights granted that have market-based vesting conditions is estimated as at the date of grant using trinomial lattice valuation model taking into account the market based vesting criteria upon which the Performance Rights were granted. The fair value of Performance Rights granted that do not have market-based vesting conditions is estimated as at the date of grant on the underlying share price (being the five-day volume weighted average share price prior to issuance).

The tables below list the inputs to the valuation model used for Unlisted Options and Performance Rights granted by the Group during the period:

2021	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6
Fair value at grant date	A$0.163	A$0.201	A$0.201	A$0.201	A$0.174	A$0.694
Share price at grant date	A$0.26	A$0.26	A$0.26	A$0.26	A$0.26	A$0.800
Vesting hurdle (30-day VWAP)	N/A	N/A	N/A	N/A	N/A	A$2.00
Exercise price	A$0.25	A$0.20	A$0.20	A$0.20	A$0.20	Nil
Expected life of options/rights[1]	3.08 years	5.00 years	5.00 years	5.00 years	3.10 years	5.00 years
Risk-free interest rate	0.10%	0.26%	0.26%	0.26%	0.10%	0.700%
Expected volatility[2]	100%	100%	100%	100%	100%	100%
Expected dividend yield[3]	-	-	-	-	-	-

2021	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
Fair value at grant date	A$0.643	A$0.602	A$0.745	A$0.693	A$0.651	A$0.605
Share price at grant date	A$0.800	A$0.800	A$0.850	A$0.850	A$0.850	A$0.850
Vesting hurdle (30-day VWAP)	A$3.00	A$4.00	A$2.00	A$3.00	A$4.00	N/A
Exercise price	Nil	Nil	Nil	Nil	Nil	A$0.450
Expected life of options/rights[1]	5.00 years	5.00 years	5.03 years	5.03 years	5.03 years	2.72 years
Risk-free interest rate	0.700%	0.700%	0.680%	0.680%	0.680%	0.105%
Expected volatility[2]	100%	100%	100%	100%	100%	100%
Expected dividend yield[3]	-	-	-	-	-	-

2021	Series 13	Series 14	Series 15	Series 16	Series 17	Series 18
Fair value at grant date	A$0.575	A$0.599	A$0.510	A$0.445	A$0.705	A$0.654
Share price at grant date	A$0.850	A$0.810	A$0.810	A$0.810	A$0.810	A$0.810
Vesting hurdle (30-day VWAP)	N/A	A$2.00	A$3.00	A$4.00	A$2.00	A$3.00
Exercise price	A$0.550	Nil	Nil	Nil	Nil	Nil
Expected life of options/rights[1]	2.72 years	3.02 years	3.02 years	3.02 years	5.02 years	5.02 years
Risk-free interest rate	0.105%	0.105%	0.105%	0.105%	0.690%	0.690%
Expected volatility[2]	100%	100%	100%	100%	100%	100%
Expected dividend yield[3]	-	-	-	-	-	-

2021	Series 19	Series 20	Series 21	Series 22	Series 23	Series 24
Fair value at grant date	A$0.613	A$0.570	A$0.540	A$0.821	A$0.763	A$0.716
Share price at grant date	A$0.810	A$0.810	A$0.810	A$0.930	A$0.930	A$0.930
Vesting hurdle (30-day VWAP)	A$4.00	N/A	N/A	A$2.00	A$3.00	A$4.00
Exercise price	Nil	A$0.450	A$0.550	Nil	Nil	Nil
Expected life of options/rights[1]	5.02 years	2.71 years	2.71 years	4.84 years	4.84 years	4.84 years
Risk-free interest rate	0.690%	0.105%	0.105%	0.820%	0.820%	0.820%
Expected volatility[2]	100%	100%	100%	100%	100%	100%
Expected dividend yield[3]	-	-	-	-	-	-

Notes:
(1) The expected life is based on the expiry date of the options or rights.
(2) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
(3) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

18. AUDITORS' REMUNERATION

On July 12, 2021, the Company announced that PricewaterhouseCoopers ("PwC") was appointed as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd ("BDO") and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act 2001.

	2021 US$
PwC and related network firms:	
Audit or review of financial reports - Group	**103,058**
BDO and related network firms:	
Audit or review of financial reports - Group	**10,947**
Other services – tax compliance and corporate finance	**7,920**
	121,925

19. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration in the United States of America.

(a) Reconciliation of non-current assets by geographical location

	2021 US$
United States of America	**1,044,369**
	1,044,369

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, payables, and cash. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	Note	2021 US$
Cash and cash equivalents	5	**1,697,904**
Trade and other receivables		**341**
		1,698,245

With respect to credit risk arising from cash and cash equivalents, the Group's exposure arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Trade and other receivables comprise primarily deposits, accrued interest and GST refunds due. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At June 30, 2021 none of the Group's receivables are past due.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At June 30, 2021, the Group had sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤1 year US$	1-5 years US$	≥5 years US$	Total contractual cash flows US$	Carrying amount of liabilities US$
2021					
Financial liabilities					
Trade and other payables	**544,842**	**-**	**-**	**544,842**	**544,842**
Lease liabilities	**115,067**	**461,903**	**-**	**576,970**	**475,652**
	659,909	**461,903**	**-**	**1,121,812**	**1,020,494**

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities are either non-interest bearing (for example, receivables and payables) or have fixed interest rates (for example, lease liabilities, sub-lease receivables, and loans and borrowings).

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	Note	2021 US$
Interest-bearing financial instruments		
Cash at bank and on hand	5	**1,697,904**
Short term deposits		**-**
		1,697,904

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Interest Rate Risk (continued)

The Group's cash at bank and on hand and short-term deposits had a weighted average floating interest rate at period end of 0.25%.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 0.5% (50 basis points) has been selected as this is considered reasonable given the current level of both short term and long-term interest rates. A 0.5% (50 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	+0.5% US$	-0.5% US$	+0.5% US$	-0.5% US$
2021				
Cash and cash equivalents	**8,490**	**(8,490)**	**8,490**	**(8,490)**

(e) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash outflows of an exposure will fluctuate because of changes in foreign currency exchange rates.

The Group's exposure to the risk of changes in foreign exchange rate relates primarily to assets and liabilities that are denominated in currencies other than US$. The Group also has transactional currency exposures relating to transactions denominated in currencies other than US$. The currency in which these transactions primarily are denominated is A$.

It is the Group's policy not to enter into any hedging or derivative transactions to manage foreign currency risk.

At the reporting date, the Group's exposure to financial instruments denominated in foreign currencies was:

A$ denominated financial assets and liabilities	2021 A$ exposure (US$ Equivalent)
Financial assets	
Cash and cash equivalents	**1,560,370**
Trade and other receivables	**341**
Financial liabilities	
Trade and other payables	**(110,938)**
Lease liabilities	**-**
Net exposure	**1,449,773**

(f) Commodity Price Risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group is not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the period.

(h) Fair Value

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

21. CONTINGENT ASSETS AND LIABILITIES

At June 30, 2021, the Group had entered into exclusive option agreements with local landowners in Tennessee, United States, in relation to its Titan Project, which upon exercise, allows the Group to purchase or, in some cases lease, approximately 5,974 acres of surface property and the associated mineral rights from the local landowners. Upon exercise, in the case of an option to lease, the Company will pay a production royalty to the landowners, subject to a minimum royalty. Upon exercise, in the case of a purchase, the Company will pay cash consideration approximating the fair market value of the property, excluding the value of any minerals, plus a premium.

22. EVENTS SUBSEQUENT TO BALANCE DATE

(a) On September 9, 2021, the Company announced the appointments of leading U.S.-based directors, Ms. Lorraine Martin, Ms. Beverly Wyse and Ms. Melissa Waller as independent Non-Executive Directors of the Company, effective from September 13, 2021;

(b) On August 31, 2021, the Company completed a placement of 20 million shares at an issue price of A$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$24.0 million (US$17.6 million) ("Placement"). The Placement was led by cornerstone investor, Fidelity Management & Research Company, an American multinational financial services corporation;

(c) On July 22, 2021, the Company announced the execution of a memorandum of understanding ("MOU") for a technology partnership with EOS GmbH ("EOS"), the world's leading solution supplier in the field of industrial 3D printing (known as additive manufacturing, or AM) of metals and plastics;

(d) On July 12, 2021, the Company announced that PricewaterhouseCoopers was appointed as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd and ASIC's consent to the resignation in accordance with section 329(5) of the Corporations Act 2001; and

(e) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to June 30, 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian, United States and other governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as outlined above, as at the date of this report there are no other matters or circumstances which have arisen since June 30, 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to June 30, 2021, of the Group;
- the results of those operations, in financial years subsequent to June 30, 2021, of the Group; or
- the state of affairs, in financial years subsequent to June 30, 2021, of the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Hyperion Metals Limited:

1. In the opinion of the directors:

   (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) compliance with accounting standards and Corporations Regulations 2001; and

      (ii) giving a true and fair view of the financial position as at June 30, 2021 and of the performance for the period ended on that date of the Group; 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.

2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial period ended June 30, 2021.

On behalf of the Board

ANASTASIOS ARIMA
CEO and Managing Director

September 30, 2021

Independent auditor's report

To the members of Hyperion Metals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Hyperion Metals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the period then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of changes in equity for the period then ended
- the consolidated statement of cash flows for the period then ended
- the consolidated statement of profit or loss and other comprehensive income for the period then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit we used overall Group materiality of US$410,000, which represents approximately 5% of the Group's loss before tax adjusted for the cost of listing on reverse acquisition expense. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted Group loss before tax for the cost of listing on reverse acquisition	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the directors: – Acquisition of Hyperion Metals (Australia) Pty Limited – Share based remuneration • These are further described in the *Key audit matters* section of our report.

expense, as this is a one-off item.

- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	***How our audit addressed the key audit matter***
Acquisition of Hyperion Metals (Australia) Pty Limited *(Refer to note 14)* On 1 December 2020 the Group legally acquired 100% of Hyperion Metals (Australia) Pty Ltd (HMAPL) after issuing 26,500,000 ordinary shares, 5,000,000 unlisted options, 8,000,000 performance options and 36,000,000 performance shares to the vendors. The Group determined that HMAPL was the accounting acquirer in the transaction and as a result have treated the acquisition as a share-based payment transaction using the reverse acquisition principles of Australian Accounting Standards where the legal acquirer, being the Company (formerly named TAO Commodities) was identified as the acquiree for accounting purposes. This was a key audit matter because of the significance of the transaction and the judgements involved in determining the accounting treatment of the acquisition including the valuation of the implied consideration.	We performed the following procedures, amongst others: • Assessed the Group's determination of the accounting acquirer in accordance with Australian Accounting Standards. • Assessed the fair values of the acquired assets and liabilities at acquisition date. • Together with our PwC valuations experts, assessed the key assumptions associated with the valuation of instruments utilised to determine the consideration for the reverse acquisition. • Recalculated the cost of listing on reverse acquisition expense recognised in the consolidated statement of profit or loss. • Considered the appropriateness of disclosures made in the financial report in respect of the reverse acquisition with reference to the requirements of Australian Accounting Standards.
Share based remuneration *(Refer to note 17)* The Group provides benefits to employees and others in the form of share-based payment transactions,	We performed the following procedures, amongst others: • Agreed on a sample basis the key terms and conditions of awards granted in the period to underlying contracts and/or award letters.

whereby officers and employees render services in return for performance rights and options over shares.

The Group utilises Black Scholes and Trinomial lattice models to fair value the options and rights based on the terms associated with each individual grant. The expense recognised in the period to 30 June 2021 amounted to US$4.1m.

This was a key audit matter because of the significance of the expense in the period and the level of judgement involved in determining the fair value of the awards.

- Obtained the Group's expert's valuation reports and together with our PwC valuations experts, assessed the methodology adopted and the key assumptions utilised in the valuation.
- Assessed the competency of the Group's experts including their experience and qualifications.
- Agreed on a sample basis the key award and valuation inputs to the Groups share-based payment vesting schedules and recalculated on a sample basis the accuracy of the current period share based payment expense recognised.
- Considered the appropriateness of disclosures made in the financial report with reference to the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the period ended 30 June 2021, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 22 of the directors' report for the period ended 30 June 2021.

In our opinion, the remuneration report of Hyperion Metals Limited for the period ended 30 June 2021 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
30 September 2021

CORPORATE GOVERNANCE

Hyperion Metals Limited (**Hyperion** or **Company**) and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of Hyperion has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company's website, www.hyperionmetals.us. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2021, which explains how Hyperion complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the period ended June 30, 2021, is available in the Corporate Governance section of the Company's website, www.hyperionmetals.us and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 August 2021.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities are listed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares
HSBC Custody Nominees (Australia) Limited	22,166,839	15.93%
Arredo Pty Ltd	5,675,000	4.08%
BNP Paribas Nominees Pty Ltd ACF Clearstream	5,502,136	3.96%
Moshos Family Investments Pty Ltd <Moshos Family A/C>	3,312,500	2.38%
HSBC Custody Nominees (Australia) Limited - A/C 2	3,258,918	2.34%
BNP Paribas Noms Pty Ltd <DRP>	2,806,208	2.02%
Mounts Bay Investments Pty Ltd <CT Super Fund A/C>	2,500,000	1.80%
Syracuse Capital Pty Ltd <The Rocco Tassone S/F A/C>	2,300,000	1.65%
Mr Lamont Leatherman	2,252,500	1.62%
Mr Patrick H Brindle	2,252,500	1.62%
Mr Dominic Paul Allen <The Westoz Services A/C>	2,252,500	1.62%
Syracuse Capital Pty Ltd <The Tenacity A/C>	2,070,000	1.49%
Mr Carl Coward	1,855,000	1.33%
Mr Alastair Warren Smith	1,855,000	1.33%
DITM Holdings Pty Ltd	1,855,000	1.33%
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	1,746,715	1.26%
Threebee Investment Group Pty Ltd	1,540,000	1.11%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	1,384,359	1.00%
Verve Investments Pty Ltd	1,325,000	0.95%
Kcirtap Securities Pty Ltd <N&P Glovac Family A/C>	1,293,334	0.93%
Total Top 20	**69,203,509**	**49.75%**
Others	69,908,982	50.25%
Total Ordinary Shares on Issue	**139,112,491**	**100.00%**

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of holders by size of holding:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	198	121,428
1,001 – 5,000	317	910,207
5,001 – 10,000	178	1,431,048
10,001 – 100,000	425	16,103,304
More than 100,000	172	120,546,504
Totals	**1,290**	**139,112,491**

There were 513 holders of less than a marketable parcel of ordinary shares.

ASX ADDITIONAL INFORMATION (Continued)

3. VOTING RIGHTS

See Note 10(b) of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
FMR LLC	13,499,999
DITM Holdings Pty Ltd	9,069,086

5. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Hyperion Metals Limited's listed securities.

6. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 August 2021, not issued or acquired under an employee incentive scheme, are listed below:

Holder	Unlisted Performance Rights expiring March 1, 2026	Unlisted Options exercisable at A$0.55, expiring December 31, 2023	Unlisted Options exercisable at A$0.45, expiring December 31, 2023	Unlisted Options exercisable at A$0.20, expiring December 31, 2023
Nalaroo Holdings Pty Ltd	450,000	-	-	-
DITM Holdings Pty Ltd		875,000	875,000	-
Taycol Nominees Pty Ltd	-	-	-	1,000,000
Others (less than 20%)	-	200,000	200,000	2,650,000
Total	450,000	1,075,000	1,075,000	3,650,000
Total holders	1	2	2	6

7. RESTRICTED SECURITIES

The following securities are subject to voluntary escrow restrictions, as follows:

- 26,500,000 ordinary shares, restricted until December 1, 2021;
- 5,000,000 unlisted options exercisable at A$0.20 each and expiring December 1, 2025, restricted until December 1, 2021;
- 18,000,000 Class A performance shares, restricted until December 1, 2021;
- 18,000,000 Class B performance shares, restricted until December 1, 2021;
- 4,000,000 Class A performance unlisted options exercisable at A$0.20 each and expiring December 1, 2025, restricted until December 1, 2021; and
- 4,000,000 Class B performance unlisted options exercisable at A$0.20 each and expiring December 1, 2025, restricted until December 1, 2021.

ASX ADDITIONAL INFORMATION (Continued)

8. EXPLORATION INTERESTS

Titan Project

As at 30 June 2021, the Titan Project comprised of approximately 6,111 acres of surface and associated mineral rights in Tennessee prospective for heavy mineral sands ("HMS"), rich in minerals critical to the U.S, including titanium, rare earth minerals, high grade silica sand and zircon, of which approximately 137 acres are owned and approximately 5,974 acres are subject to exclusive option agreements. These exclusive option agreements, upon exercise, allow us to purchase or, in some cases lease, the surface property and associated mineral rights.

Milford Project

Tenement	Location	Interest
ML-001 to ML-100, ML-051a	Utah, USA	100%
Total number of claims	*101*	

9. MINERAL RESOURCES STATEMENT

To date, the Company has not reported any Mineral Resource or Mineral Reserves for its exploration properties.

10. COMPETENT PERSON STATEMENT

The information in this announcement that relates to the Titan Project Exploration Results is extracted from Hyperion's ASX Announcements dated June 29, 2021, May 6, 2021, March 10, 2021 and January 7, 2021 ("Original ASX Announcements") which are available to view at Hyperion's website at www.hyperionmetals.us. Hyperion confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

11. FORWARD LOOKING STATEMENTS

This report may include forward-looking statements. These forward-looking statements are based on Hyperion's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Hyperion, which could cause actual results to differ materially from such statements. Hyperion makes no undertaking to subsequently update or revise the forward-looking statements made in this report, to reflect the circumstances or events after the date of that report.

United States:
129 WEST TRADE STREET, SUITE 1405
CHARLOTTE, NC 28202 UNITED STATES

Australia:
LEVEL 9, 28 THE ESPLANADE
PERTH WA 6000 AUSTRALIA

www.hyperionmetals.us