METALS X LIMITED

ACN 110 150 055

Annual Report

2021

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CORPORATE DIRECTORY

Directors

Mr Peter Gunzburg (Non-Executive Chairman)
Mr Brett Smith (Executive Director)
Mr Grahame White (Non-Executive Director)
Mr Patrick O'Connor (Non-Executive Director)

Company Secretary

Ms Shannon Coates

Key Management

Mr Daniel Broughton (CFO)

Share Registry

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Securities Exchange

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Domicile and Country of Incorporation

Australia

CHAIRMAN'S LETTER

In the last 12 months management have successfully divested our copper assets and have started a process for the divestment of our nickel assets. With the help of record tin prices, we have halved our debt, substantially reduced corporate overheads, and returned the company to profitability.

Through our position in the Renison joint venture, we continue to direct focus on the long-term sustainability of the Renison deposit by increasing ore reserves, improving plant efficiency, and starting a near mine exploration programme.

Our aim for the next 12 months is to repay our remaining debt and balance the necessary capital expenditure to upgrade our processing plant whilst continuing to build a cash reserve.

Peter Gunzburg

Chairman

DIRECTORS' REPORT

For the year ended 30 June 2021

The Directors present their report together with the consolidated financial report of Metals X Limited ("Metals X" or the "Company") and its controlled entities (together the "Group") for the year ended 30 June 2021 and the Independent Auditor's Report thereon.

1. Directors

The names of the Company's Directors in office during the year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Independent Non-Executive Chairman – Mr Peter Gunzburg B. Com (appointed 10 July 2020)

Mr Gunzburg has over 40 years' experience acting as a public company director, stockbroker, and investor. Mr Gunzburg has previously been a director of Resolute Ltd, Australian Stock Exchange Ltd, Eyres Reed Ltd, CIBC World Markets Australia Ltd and Fleetwood Corporation Ltd. Mr Gunzburg was the Non-Executive Chairman of ASX listed BARD1 Life Sciences Limited (resigned 28/07/2020).

Mr Gunzburg is Chairman of the Board, Chairman of the Remuneration and Nomination Committee and member of the Audit and Risk committee.

Executive Director – Mr. Brett Smith MBA, M.A (appointed 2 December 2019 as Non-Executive Director and Executive Director as of 10 July 2020)

Mr. Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr. Smith has served on the board of private and listed mining and exploration companies and has over 32 years international experience in the engineering and construction of mineral processing operations. Mr. Smith is Executive Director and Deputy Chairman of Hong Kong listed company APAC Resources Limited, Executive Director of Hong Kong listed company Dragon Mining Limited and a Non-Executive Director of ASX listed companies Prodigy Gold NL, Elementos NL and Tanami Gold NL.

Independent Non-Executive Director – Mr Grahame White B. Eng, MAICD (appointed 10 July 2020)

Mr White is a construction and mining executive with comprehensive experience in Australia and Asia. Mr White has held numerous executive management positions in the resources sector and recently served on the Boards of Central West Rural, Forge Group Limited and the Queensland Resource Council.

Mr White is Chairman of the Audit and Risk Committee and member of the Remuneration and Nominations Committee.

Independent Non-Executive Director – Mr Patrick O'Connor B. Com, FAICD (appointed Non-Executive Director 24 October 2019 and Non-Executive and Executive Chairman on 3 December 2019 and 17 December 2019, respectively. Reverted to Non-Executive Director on 10 July 2020)

Mr O'Connor has significant experience as an independent Non-Executive Director and as a Chief Executive Officer. His experience spans across mining (gold, copper, lead, zinc and coal), oil & gas exploration, biotechnology and government utility sectors. Mr O'Connor was previously a Non-Executive Director of Stanmore Coal Ltd. In addition, he has held the roles of Deputy Chairman and Chairman of Perilya Ltd, the operator of the Broken Hill mine in NSW Australia, prior to its takeover and delisting from the ASX. Mr O'Connor spent nine years as a director of the Water Corporation in WA including four years as its Chairman. Mr O'Connor was also the Chief Executive Officer for OceanaGold Corporation at the time of its listing on the ASX and remained for a period as a Non-Executive Director. Prior to OceanaGold, Mr. O'Connor was Managing Director of Macraes Mining Co Ltd for nine years. Mr O'Connor was also appointed as Non-Executive Director and Chairman of FAR Limited on 1 July 2021 and 8 July 202, respectively.

Mr O'Connor was Chairman of the Board (3 December 2019 – 10 July 2020), Chairman of the Remuneration and Nomination Committee (24 October 2019 – 10 July 2020) thereafter member of the Remuneration and Nomination Committee and member of the Audit and Risk Committee.

Non-Executive Director – Mr Xingwang Bao B Sc (appointed 10 January 2020, resigned 12 November 2020)

Independent Non-Executive Director – Mr Brett Lambert B. App Sc, MAICD (appointed 24 October 2019, resigned 10 July 2020)

Independent Non-Executive Director – Mr Anthony Polglase B. Eng (Hons) 1st Class, ACSM (appointed 24 October 2019, resigned 10 July 2020)

2. Company Secretary

Ms. Shannon Coates – LLB, GIA (cert), GAICD (appointed on 1 December 2020)

Ms Coates has over 20 years' experience in corporate law and compliance. She is currently company secretary to a number of public listed and unlisted companies and has provided company secretarial and corporate advisory services to Boards and various committees across a variety of industries, including financial services, resources, manufacturing and technology.

Ms. Fiona Van Maanen – (resigned on 4 December 2020)

3. Directors' Interests

As at the date of this report, the relevant interests of the directors in securities of the Company are:

Directors	Fully Paid Ordinary Shares	Options
Mr Peter Gunzburg	-	-
Mr Brett Smith	210,000	-
Mr Patrick O'Connor	1,000,000	-
Mr Grahame White	-	-
Total	**1,210,000**	**-**

4. Directors Meetings

The number of meetings of Directors' (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr Peter Gunzburg	15	15	2	2	1	1
Mr Brett Smith	15	15	1	1	-	-
Mr Patrick O'Connor	15	15	2	2	1	1
Mr Grahame White	15	15	2	2	1	1
Mr Xingwang Bao	7	-	-	-	-	-
Mr Brett Lambert	1	1	-	-	-	-
Mr Anthony Polglase	1	1	-	-	-	-

5. Nature of Operations and Principal Activities

The Company is a limited liability company and is domiciled and incorporated in Australia. The Company owns a 50% equity interest in the Renison Tin Operation through its 50% stake in the Bluestone Mines Tasmania Joint Venture and comprises the Renison Tin Mine ("Renison") located 15km north-east of Zeehan on Tasmania's west coast and the Mount Bischoff Project, placed on care and maintenance in 2010, which is located 80km north of Renison.

The Wingellina Nickel-Cobalt Project forms part of the Company's Central Musgrave Project straddling the triple-point of the Western Australia, Northern Territory and South Australia borders. Wingellina is development-ready and is the largest undeveloped nickel-cobalt project in Australia. On 25 May 2021, the Company announced it had executed a binding terms sheet with NICO Resources Limited for the sale and spin out of its Nickel-Cobalt portfolio. The associated assets and liabilities have been reclassified as held for sale at 30 June 2021 in the consolidated financial statements.

The principal activities of the Group during the period were:

- Investment in a joint venture company operating a tin mine in Australia; and
- exploration and development of base metals projects in Australia.

There have been no significant changes in the nature of those activities during the year.

6. Financial Results Overview

The Group achieved a consolidated profit after income tax of $87.199 million (2020: loss $80.341 million) and includes $64.274 million from the results and divestment of the Group's Copper assets and the classification of its Nickel assets as held for sale at year end.

Key financial results for the Group include:

- Total revenue from continuing operations: $93.834 million (2020: $73.243 million);
- Contingent consideration income of $10.000 million representing the Mt Gordon Copper Payment, plus the agreed fee of $0.250 million. The associated interest charge of $0.750 million is presented in other income;
- Total cost of sales of continuing operations: $75.145 million (2020: $70.330 million);
- Cash flows from operating activities: $4.404 million (2020: outflow of $21.043 million);
- Cash flows from investing activities: $12.688 million (2020: outflow of $31.285 million);
- Cash flows used in financing activities: $17.715 million (2020: inflow of $55.059 million); and
- Closing cash and cash equivalents: $13.472 million (2020: $14.095 million).

Covid-19 Pandemic Response

The COVID-19 pandemic has had a significant impact on, individuals, communities, and businesses globally. Employees at all levels of the Company's business were asked to change the way they work, and how they interacted professionally and socially. In line with the various Government health measures, the Group implemented significant controls and requirements at all its sites to protect the health and safety of its workforce, their families, local suppliers, and neighbouring communities, while ensuring a safe environment for operations to continue.

The Group's COVID-19 response protocols reinforce, and operate concurrently with, public health advice. They include:

- social distancing protocols;
- suspension of large indoor gatherings;
- cancellation of all non-essential travel;
- flexible and remote working plans for employees;
- access to site restrictions and temperature screening;
- self-isolation following international travel, development of symptoms or interaction with a confirmed case of COVID-19;
- increased inventory of hand sanitiser and hygiene supplies; and
- increased focus on cleaning and sanitation.

As a result, while there was minor travel and logistics issues there were no material additional costs or interruptions to the Company's operation because of Covid -19 during the reporting period. No adjustments have been made to the Group's full-year financial results for the impacts of COVID-19. However, the scale and duration of possible future Government measures, vaccine rollout, and their impact on the Group's operations and financial situation, necessarily remains uncertain.

7. Review of Operations

TIN DIVISION

Renison Tin Operation (50% MLX)

The Renison strategy is focussed on continuing to convert ongoing significant in-mine exploration success into a substantial long-life mining operation, to deliver higher cash margins through an increased mining rate, grade, and recovery, whilst continuing to seek productivity improvements and reduce costs.

Renison production performance summary

Physicals	Unit	30 Jun 2021	30 Jun 2020	Movement	Movement %
UG ore mined	t	405,379	424,453	(19,074)	(4.49%)
UG grade mined	% Sn	1.30%	1.18%	0.12%	10.17%
Ore processed	t	326,750	344,591	(17,841)	(5.18%)
Head grade	% Sn	1.59%	1.42%	0.17%	11.97%
Recovery	%	76.48%	73.56%	2.92%	3.97%
Tin produced	t	3,974	3,591	383	10.67%
Tin sold	t	3,658	3,412	246	7.21%

Renison financial performance summary

Financial	30 June 2021 $'000	30 June 2020 $'000	Movement $'000	Movement %
Revenue from continuing activities	93,834	73,243	20,591	28.11%
Cost of sales	(75,145)	(70,330)	(4,815)	6.85%
Gross profit	18,689	2,913	15,776	541.47%

- Revenue is derived from the Company's 50% interest in Renison. Increased tin sales and tin prices delivered a 28.11% increase in revenue for the year.
- Cost of sales increased by $4.815 million for the year due to the following:
  - Royalty expense increased by $2.560 million to $3.960 million (2020: $1.40 million);
  - Plant and equipment depreciation increased by $0.550 million to $3.780 million (2020: $3.230 million); and
  - Employee costs increased by $1.190 million to $14.220 million (2020: $13.030 million). The cost increase includes redundancy and restructuring costs of $0.500 million and an increase in the number of personnel onsite.

Key Projects and Focus Areas

Area 5 Project

Following completion of the Area 5 Optimisation Study, in conjunction with an updated Renison Life-of-Mine Plan ("LOMP") during June 2020, the execution phase of the Area 5 Project was initiated in July 2020. The objective of the Area 5 Project is to develop and mine the high-grade Area 5 Ore Reserve, including construction of the requisite surface and underground infrastructure to support the development.

Key Area 5 Project activities during the period were:

- completion of the upper strip and line section of new ventilation network from surface and commencement of raise bore of first underground ventilation shaft.
- commencement of detailed engineering for a paste-fill plant. West Coast Council (WCC) and Environmental Protection Authority (EPA) approvals commenced with preliminary site environmental clean-up approved.
- detailed electrical engineering work commenced for the surface infrastructure upgrade with preferred contractor, further long lead items ordered.
- geotechnical review and detailed design work on the stoping layout have continued through the year with a potential reduction in development requirements above the current LOMP identified. This iterative process will continue to further strengthen the mine plan and ensure robustness of the current LOMP.

7. Review of Operations (continued)

Metallurgical Improvement Program

The objective of the Metallurgical Improvement Program ("MIP") is to improve systems to ensure the increased processing throughput rates are sustained and to increase metallurgical recovery. The program is being advanced through ongoing review and updating of control systems and online analytical infrastructure, improved training and communication of standard operating parameters and upgrade or replacement of key processing infrastructure. Key MIP workstreams progressed during the year were:

- on-stream analysis system upgrade – commissioning and project hand-over completed.
- raw water upgrade commissioning completed.
- UF Falcon rinse water and CCD wash water upgrade – construction commenced.
- fine gravity spirals replacement selection test work conducted, and preliminary engineering completed for execution.
- upgrade of gravity table feed distributors – construction commenced.
- sulphide scavenger cleaner circuit – preliminary engineering commenced.
- tin flotation and Ultra Fine Falcon circuits upgrades – completed.
- final concentrate pumping upgrade – engineering study completed.
- sulphide flotation feed pumping stability – preliminary engineering completed.
- talc handling - preliminary engineering work completed for execution.

Thermal Upgrade Project

The Thermal Upgrade Project scoping study was completed during the year. The study examined the production of a low tin grade concentrate as feed for a tin fumer producing a high grade, ~68% Sn, tin fume product suitable for sale to conventional offtakes, and a separate high grade, ~70% Sn, gravity concentrate, with the aim of achieving a step change in recovery beyond that achieved by the Metallurgical Improvement Program. It also considered the development of the full Rentails Project to improve capital efficiency.

A decision announced on 26 July 2021, was made to proceed with an update of the Rentails Definitive Feasibility Study (Rentails DFS Update), to enable a final investment decision for development of the full Rentails Project to be made in 2023. The aim is for the Rentails facility to be designed and operated to be Net Zero Emission through the selection of the technology and energy source for the thermal upgrade plant with consideration of the world's first use of green hydrogen in tin fuming.

Mt Bischoff Project

Mt Bischoff is a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. The project was placed on care and maintenance in 2010 and is entering a phase of rehabilitation.

COPPER DIVISION

Sale of Copper Assets Completed

On 31 March 2021, Metals X announced the completion of the sale of its copper asset portfolio, including the Nifty Copper Operation, Maroochydore Copper Project, and the Paterson Exploration Project (including the farm-in agreement with IGO) (together "Copper Assets") to Cyprium Metals Limited ("Cyprium")

Pursuant to the share sale agreement between Metals X and Cyprium ("Agreement") all of the shares in Paterson Copper Pty Ltd ("Paterson Copper"), which held the Copper Assets through its two 100%-owned subsidiaries Nifty Copper Pty Ltd and Maroochydore Copper Pty Ltd, were transferred from Metals X to Cyprium.

Upon completion of the Agreement, Metals X received:

- A gross payment of A$24 million in cash (inclusive of A$1.0 million cash deposit previously held in an escrow account), plus a working capital adjustment payment of approximately A$0.5 million, in addition to reimbursement to Metals X of approximately A$2.1 million for holding costs paid for the Copper assets from 1 January 2020 to the date of completion;
- A$36 million in aggregate in convertible notes issued by Cyprium ("Convertible Notes") on terms including:

7. Review of Operations (continued)

COPPER DIVISION

Sale of Copper Assets Completed (continued)

- a four-year maturity from 30 March 2021
- convertible at maturity at the election of Metals X, or otherwise redeemable by Cyprium at maturity (with annual interest to be paid in shares at the same conversion price, at the election of Metals X);
- conversion price of $0.355 per Cyprium share;
- annual coupon of 4% to be capitalised and paid annually on a default basis on each anniversary of 30 March 2021 until maturity (with annual interest to be paid in shares at the same conversion price, at the election of Metals X);

• 40.6 million options ("Options") in Cyprium on the following terms:
  - 20.3 million Options exercisable at $0.314 per Option with an expiry date of 30 March 2022; and
  - 20.3 million Options exercisable at $0.355 per Option with an expiry date of 30 March 2023.

Completion of the Agreement also resulted in cash backed security bonds being provided in support of the Copper Assets, totalling approximately A$6.5 million, being released to the accounts of Metals X.

The sale of the Copper Assets underpins the Company's strategy to focus on the development of its Tin asset portfolio. The funds received as a result of completion under the Agreement provides working capital to Metals X and will assist in facilitating the Company's reduction in debt.

NICKEL DIVISION

Spin Out of Nickel-Cobalt Assets

On 25 May 2021, the Company announced it had executed a binding terms sheet with NICO Resources Limited ("NICO") for the sale and spin out of its Nickel asset portfolio, including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia (together the "Nickel Assets") (the "Terms Sheet").

The Terms Sheet provides for the sale of all of the shares in Metals Exploration Pty Ltd ("Metals Exploration"), currently a 100%-owned subsidiary of the Company, to NICO with eligible Metals X shareholders to receive a direct holding in NICO shares so as to spin out the Nickel assets from the Company (the "Transaction"). Metals Exploration holds the Nickel Assets through Metex Nickel Pty Ltd ("Metex Nickel"). The registered holders of the tenements that comprise the Nickel Assets are two 100%-owned subsidiaries of Metex Nickel, being Hinckley Range Pty Ltd and Austral Nickel Pty Ltd.

In conjunction with the Transaction, NICO proposes to undertake an initial public offering of its shares ("IPO") and apply for listing on the ASX. Under the Terms Sheet, NICO proposes to raise at least $8 million by the issue of:

• approximately 20,000,000 fully paid ordinary shares at $0.20 per share to Metals X ("MLX IPO Shares"); and

• at least 20,000,000 fully paid ordinary shares at $0.20 per share under the IPO.

In addition to receiving the MLX IPO Shares, the consideration payable by NICO to Metals X for the purchase of the Nickel Assets will be $5,000,000, to be satisfied by the issue to Metals X of:

• 25,000,000 shares in NICO at a deemed issue price of $0.20 per share; and

• 25,000,000 options to subscribe for shares in NICO, exercisable at $0.25 each, expiring 3 years after grant.

Immediately prior to, or simultaneously with, the IPO, Metals X proposes to conduct an in-specie distribution of 25,000,000 shares received in NICO as sale consideration to eligible Metals X shareholders, being approximately 35% of NICO's total issued share capital on a post-IPO undiluted basis, subject to the approval of Metals X shareholders (Distribution). Metals X will retain the remainder of the NICO shares it obtains under the Transaction (being the MLX IPO Shares and the options) and will directly hold approximately 29% of NICO's total issued share capital on a post-IPO undiluted basis.

7. Review of Operations (continued)

The Transaction is subject to a number of conditions, including:

- completion of satisfactory due diligence by the parties;
- any necessary approval from the Foreign Investment Review Board;
- ASX notifying Metals X that ASX Listing Rule 11.4 does not apply, or alternatively, Metals X shareholders approving the Transaction in accordance with ASX Listing Rule 11.4.1(b);
- Metals X's shareholders approving the Distribution;
- NICO successfully conducting the IPO and listing on the official list of the ASX;
- ASX notifying Metals X or NICO that the ASX has determined on an "in principle" basis that the Consideration Shares will not be classified as restricted securities under the ASX listing rules if NICO is listed on the official list of the ASX;
- any other approvals required pursuant to the ASX Listing Rules and under the Corporations Act 2001 (Cth);
- Metals X obtaining any third-party consents or assumptions required for the sale of Metals Exploration's shares; and
- no material adverse change occurring with respect to the parties from the date of the Terms Sheet until completion of the Transaction, together, the Conditions Precedent.

Under the Terms Sheet, the Conditions Precedent were to be satisfied by 21 September 2021, being 120 days after the date of the Terms Sheet. Completion of the Transaction will occur on the date 5 business days after satisfaction of the Conditions Precedent, or such other date as may be agreed between the parties.

The parties intend to formalise the agreement to the Transaction on terms substantially similar to those provided in the Terms Sheet in a share sale and purchase agreement which will supersede the Terms Sheet ("Formal Agreement"). Either party may terminate the Terms Sheet in the event the Formal Agreement is not executed after 90 days from the date of the Terms Sheet.

An existing 1.75% net smelter royalty on all metals produced from both the Wingellina Nickel-Cobalt Project and the Claude Hills Project, granted by the current tenement holders in favour of Metals X, will be maintained by Metals X after completion of the Transaction.

On 28 June 2021, the Company advised the condition requiring satisfactory due diligence by the parties had been completed.

On 21 September 2021, the date to satisfy all Conditions Precedence passed. However, the parties are in the process of extending the date for completion of the Conditions Precedent which have resulted from procedural delays in obtaining the necessary approval from the Foreign Investment Review Board.

The assets and liabilities associated with Nickel Cobalt project have been reclassified as assets held for sale at 30 June 2021. Refer to note 11 in the consolidated financial statements.

8. Corporate

Repayment of the Citibank Finance Facility

On 31 July 2020, the Company made a final payment of $30.620 million (including interest to that date) repaying the Citibank Finance Facility ("Citi Facility") in full.

The Citi Facility was subsequently closed.

Asia Cheer Finance Facility

On 27 July 2020, the Company executed a new unsecured $26.000 million loan facility ("ACT Loan") with Asia Cheer Trading Limited (ACT), a subsidiary of the Company's substantial shareholder, APAC Resources Strategic Holdings Limited. The funds from the ACT Loan were used to repay the Citi Facility.

The initial key terms of the ACT Loan were:

Repayment date:	Until 31 January 2021
Establishment fee:	3.5%
Fixed interest rate:	1.0%

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8. Corporate (continued)

On 15 December 2020, the Company executed a deed of variation to extend the ACT Loan repayment date to 31 July 2021 and increase the facility amount to $31.000 million ("Outstanding Amount"), all other terms and conditions remain unchanged. The $5.000 million increase was used for general corporate expenditure and to provide working capital.

On 14 April 2021, the Company repaid $15.500 million, comprising 50% of the Outstanding Amount. At 30 June 2021, the Outstanding Amount was $15.500 million.

Refer to Significant Events After Balance Date for changes to the ACT Loan after year end.

Mt Gordon Copper Payment Receivable

On 24 December 2020, the Company entered into a binding terms sheet with Capricorn Holdings Pty Ltd ("CCH") and its parent entity EMR Capital Investment (No 6B) ("ECI") for the $10.000 million conditional copper price payment ("Copper Payment"), detailing the material terms and timing for Copper Payment pursuant to the Mt Gordon Sale Agreement for the now-named Capricorn Copper Tin Mine.

On 1 April 2021, the Company announced that it had agreed to an extension of time for the Copper Payment.

A summary of the varied key terms agreed is as follows:

Payment Terms	Payment of the Copper Payment is to be made in two instalments plus accrued interest: • $5.000 million (Tranche 1 Payment) to be paid on or before 30 June 2021; and • $5.000 million (Tranche 2 Payment) to be paid on or before 24 June 2022.
Interest:	To accrue on the outstanding balance of the Copper Payment at 12% per annum from 25 December 2020 until final payment of the Copper Payment and accrued interest;
Security:	ECI to provide an additional specific security over a further 10% of the ordinary shares it holds in CCH, bringing the total specific security of shares it holds in CCH to 20% exercisable in the event of a default by CCH; and
Extension Fee:	CCH will pay to Metals X an extension fee of $0.250 million on or before 30 June 2021. This fee is required to be made regardless of whether the Tranche 1 Payment is paid to the Company prior to 30 June 2021.

The Copper Payment was recognised in the consolidated statement of comprehensive income as contingent consideration income for $10.250 million. The Copper Payment was received in full after year end. Refer to note 11 Significant Events After Balance Date.

Less than Marketable Parcel Share Sale Facility

On 12 October 2020, the Company announced details of a share sale facility ("Share Sale Facility") established for holders of less than a marketable parcel of shares in the Company's issued capital, defined in the ASX Listing Rules as a parcel of securities of not less than $500 in value. The Share Sale Facility was provided to shareholders without difficulty, and without incurring any costs, that might otherwise make a sale of their shares uneconomic.

Based on the closing price on the ASX of Metals X shares of $0.078 on 9 October 2020, a less than marketable parcel of Metals X shares was 6,410 shares or fewer.

The Share Sale Facility closed on 30 November 2020 with the final number of Metals X shares sold being 6,242,379 Metals X shares from 2,621 shareholders.

9. Dividends

No dividend was paid or declared during the year and no dividend has been recommended or declared by the Directors for year ended 30 June 2021 (30 June 2020: nil).

10. Unissued Shares under Options

As at the date of this report, there are 488,024 ordinary unissued shares under option as follows:

Number	Type	Exercise Price	Expiry Date
66,956	Unquoted	$1.32	30 June 2023
421,068	Unquoted	$1.32	30 June 2024

During the year, 11,496,308 options were forfeited due to performance criteria not being achieved or cessation of employment.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

There were no shares issued under option in the Company since year end.

11. Significant Events After Balance Date

Receipt of Mt Gordon Copper Payment

On 8 July 2021, the Company received $11.000 million as settlement of the Copper Payment pursuant to the Mt Gordon Sale Agreement, and subsequent binding variation agreement, with CCH and its parent entity ECI.

The Copper Payment included the first and second instalments of $5.000 million each, the agreed extension fee of $0.250 million, and interest due of $0.750 million.

Repayment of ACT Loan Facility

On 13 July 2021, the Company repaid $7.75 million, comprising 50% of the outstanding principal amount of $15.50 million to ACT.

On 27 July 2021, the Company announced it had agreed to extend the Loan Facility Termination Date from 31 July 2021 to 31 January 2021, with all other terms and conditions remaining unchanged.

On 30 September 2021, the Company made a final payment of $7.764 million, comprising $7.750 million principal plus interest, to ACT. The Company has now repaid the ACT loan facility in full.

12. Business Strategies and Prospects

With the divestments of the non-tin assets, the Company is looking to develop a broader tin portfolio. This may be through expansions of its existing operations or through acquiring interests in other operations. The Company will also look to extract the maximum value from its participation in the financial instruments and shareholdings in the organisations continuing with its former copper and nickel assets.

The Group expects to continue its participation in the Renison joint venture, undertaking exploration, mining, processing, production, and marketing of tin. These are described in more detail in the Review of Operations.

13. Environmental, Regulation and Performance

The Group's operations are subject to the relevant environmental protection legislation (Commonwealth and State legislation). The Group holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during mining and exploration activities and the storage of hazardous substances.

All environmental performance obligations are monitored by the Board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available at https://www.metalsx.com.au/aboutus/ corporate-governance/.

15. Remuneration Report - Audited

The Directors of Metals X present the Remuneration Report (the "Report") for the Group for the year ended 30 June 2021. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001* and its regulations.

This Report details the remuneration arrangements for the Company's Key Management Personnel ("KMP") defined as those who directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group, including any Director (whether executive or otherwise) and Executives of the Company.

15.1 Remuneration Policy

The Board recognises that the Company's performance depends upon the quality of its Directors and Executives. To achieve its financial and operating activities, the Company must attract, motivate, and retain highly skilled Directors and Executives.

The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre Directors and Executives;
- Structures remuneration at a level that reflects the Executive's duties and accountabilities and is competitive within Australia;
- Benchmarks remuneration against appropriate industry groups; and
- Aligns Executive incentive rewards with the creation of value for shareholders.

Performance related executive remuneration, including cash bonuses, are based on the Company's and individual performance, and are determined at the Board's discretion.

15.2 Company Performance

The table below shows the Company's financial performance over the last five years.

Performance summary	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Closing share price	$0.21	$0.08	$0.25	$0.80	$0.67
(Loss)/profit per share from continuing operations (cents)	2.53	(1.46)	(17.17)	(4.30)	(17.43)
Net assets per share	$0.15	$0.06	$0.15	$0.28	$0.27
Total shareholder return	172%	(68%)	(69%)	19%	12%
Dividend paid per shares (cents)	-	-	-	-	1.00

15.3 Remuneration and Nomination Committee Responsibility

The Remuneration and Nomination Committee (the "Committee") is a subcommittee of the Board and is responsible for making recommendations to the Board on KMP remuneration, and the KMP remuneration framework and incentive plan policies.

The Committee assesses the appropriateness of the nature and amount of remuneration of KMP on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing KMP.

To ensure the Committee is fully informed when making remuneration decisions, it can seek external remuneration advice. No external consultants were utilised during the current year.

15.4 Remuneration of Non-Executive Directors

The Company's Non-Executive Director fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence, and objectivity.

The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors, shall be approved periodically by shareholders. The last determination was at the Annual General Meeting held on 26 November 2014 when shareholders approved an aggregate fee pool of $600,000 per year.

15. Remuneration Report – Audited (continued)

The amount of the aggregate remuneration sought to be approved by shareholders and the way it is paid to Non-Executive Directors is reviewed annually.

15.5 Remuneration of Executives

In determining Executive remuneration, the Committee aims to ensure that remuneration practices are:

- Competitive and reasonable,
- Enabling the Company to attract and retain high calibre talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.

15.6 Executive Remuneration Structure

The Company's remuneration structure provides for a combination of fixed and variable pay with the following components fixed remuneration, short-term incentives ("STI") and long-term incentives ("LTI"). The Company does not currently consider the issue of long-term incentive ("LTI") to Directors and Executives to be appropriate.

15.7 Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits designed to reward for:

- The scope of the executive's role;
- The executive's skills, experience, and qualifications; and
- Individual performance.

15.8 Performance Linked Compensation – STI

Directors and Executives may have an STI component included in their remuneration package representing a meaningful "at risk" short-term incentive payment. The payment will be "at risk" in that it will only be payable if a set of clearly defined and measurable performance metrics or Key Performance Indicators ("KPI") have been met in the applicable performance period. The KPI's may include a combination of Company KPI's and Individual KPI's. The Board must set KPI's that are based on metrics that are measurable, transparent, and achievable, designed to motivate and incentivise the recipient to achieve high performance, and are aligned with the Company's short-term objectives and shareholder value creation.

The STI, if achieved, will be paid annually in cash depending on the eligible employee's employment contract. STI opportunities will vary from employee to employee depending on role and responsibility and will be set out in employee's employment contract. The maximum STI award for the Executive Director for 2021 is $200,000 and represents 67% of FY2021 total fixed remuneration ("TFR") being subject to performance related criteria

On 20 July 2021, the Remuneration and Nomination Committee considered the achievement of the Executive Director STI KPI's at 30 June 2021 and approved a cash bonus payment of $150,000 to Mr Brett Smith. The STI award represents 50% of Executive Director TFR for FY2021. There were no STI payments approved or paid during FY2020.

15. Remuneration Report – Audited (continued)

The STI award threshold for the Directors Executives are subject to annual review of the Board of Directors. KPIs will be set annually as part of the Annual Business Planning Cycle and are targeted to be finalised no later than the 31 July of each financial year as follows:

- KPIs for the Company and Executive Director are set and approved by the Board;
- KPIs for Senior Executives are set by the Executive Director and approved by the Board;
- KPIs will be reviewed by the Board to ensure that hurdles are objectively measurable and aligned with Company strategy; and
- KPI achievement may be subject to 'gate way' tests as itemised for a particular KPI (for example, irrespective of performance, a safety KPI will not be deemed achieved in the event that the Company experiences a fatality).

KPI Targets and Stretch Targets will generally be aligned with the Company's strategic plan and may include HSE metrics, financial metrics, delivery of projects and growth initiatives, sustainability initiatives and improvements to Company systems and processes. KPI Targets are not the same as Budget Targets. Philosophically, employees are paid their total fixed remuneration ("TFR") for delivering budget performance and are paid "at risk" compensation for delivering better than budget performance. Stretch performance should be a level beyond this. Targets and Stretch Targets will be developed as part of the Annual Business Planning Cycle. The Board is responsible for the determination of whether the KPI Targets or Stretch Targets have been achieved and how much of the STI will be payable for each performance period. In making such determination it may obtain external expert advice.

15.9 Equity Based Compensation – LTI

Long-term incentives reward Directors' and Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTI's may be offered to Directors' and Executives' who can influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The Company prohibits Directors' or Executives' from entering arrangements to protect the value of any Company shares or options that the Director or Executive has become entitled to as part of their remuneration package. This includes entering contracts to hedge their exposure.

There was no equity-based compensation issued to KMP during the financial year (2020: nil).

15.10 Executive Employment Arrangements and Service Contracts

Compensation and other terms of employment for KMP are formalised in contracts of employment. The major provisions of each of the agreements relating to compensation are set out below.

A summary of the key terms of employment agreements for KMP is set out below. The Company may terminate employment agreements immediately for cause, in which the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

15. Remuneration Report - Audited (continued)

Name	Fixed Remuneration	Variable STI	Super-annuation	Resigned	Notice period (months)	Maximum termination payment (months)
Directors						
Mr Peter Gunzburg[1]	$100,000	-	9.5%	-	-	-
Mr Brett Smith[2]	$300,000	$150,000	9.5%	-	6	6
Mr Patrick O'Connor[1]	$70,000	-	9.5%	-	-	-
Mr Grahame White[1]	$70,000	-	9.5%	-	-	-
Executives						
Mr Michael Spreadborough[3]	$2,500 / day	-	-	-	1	-
Mr Daniel Broughton[4]	$100,000	-	-	-	-	-
Simon Rigby	$325,000	-	9.5%	4 Dec 21	1	6
Stephen Robinson	$375,000	-	9.5%	4 Dec 21	3	6
Fiona Van Maanen	$365,297	-	9.5%	4 Dec 21	3	6

[1] On 20 July 2021, the Remuneration and Nomination Committee considered Non-Executive Director ("NED") remuneration and increased NED remuneration for the Chairman to $110,000 and other NEDs to $80,000with effect from 1 July 2021.

[2] On 20 July 2021, the Remuneration and Nomination Committee considered the achievement FY2021 STI KPI's and approved a cash bonus payment of $150,000 to Mr Brett Smith. The STI award represents 50% of FY2021 TFR (exclusive of superannuation). On 28 July 2021, Mr Brett Smith's TFR increased from $300,000 to $400,000 per annum exclusive of superannuation, plus a total STI award of up to 66% of TFR payable on achievement of FY2022 Executive STI KPI's.

[3] Mr Michael Spreadborough was employed under a service agreement on a fixed day rate that is inclusive of superannuation and any other employment entitlements. Mr Spreadborough resigned from the Company on 6 August 2021.

[4] Mr Daniel Broughton provides Chief Financial Officer services under a separate service agreement between Dragon Mining Limited and Metals X.

15.11 Equity Instruments

No options over ordinary shares in the Company were granted as compensation to KMP during the year and no options vested during the financial year.

15.12 Modifications of Terms of Equity-Settled Share-Based Payment Transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to KMP) have been altered or modified by the issuing entity during the financial year.

15.13 Exercise of Options Granted as Compensation

During the financial year, no shares were issued on the exercise of options previously granted as compensation to KMP.

15.14 Analysis of Options and Rights Over Equity Instruments Granted as Compensation

No options have been issued, granted, or will vest to KMP personnel of the Company.

15.15 Analysis of movements in options and rights

There were no options granted during the financial year ended 30 June 2021 and 30 June 2020 to KMP.

15. Remuneration Report – Audited (continued)

15.16 Shareholdings of Directors and Key Management Personnel

Ordinary Fully Paid Shares	Balance 1 July 2020	Granted as Remuneration	Net Change Other *	Balance 30 June 2021
Directors				
Mr Peter Gunzburg	-	-	-	-
Mr Brett Smith	160,000	-	50,000	210,000
Mr Patrick O'Connor	1,000,000	-	-	1,000,000
Mr Grahame White	-	-	-	-
Executives				
Mr Simon Rigby	23,334	-	(23,334)	-
Mr Stephen Robinson	338,983	-	(338,983)	-
Ms Fiona Van Maanen	607,882	-	(607,882)	-
Mr Daniel Broughton	-	-	-	-
Total	**2,130,199**	**-**	**(920,199)**	**1,210,000**

Ordinary Fully Paid Shares	Balance 1 July 2019	Granted as Remuneration	Net Change Other *	Balance 30 June 2020
Directors				
Mr Patrick O'Connor	-	-	1,000,000	1,000,000
Mr Patrick Gunzburg	-	-	-	-
Mr Brett Lambert	-	-	-	-
Mr Anthony Polglase	-	-	-	-
Mr Brett Smith	-	-	160,000	160,000
Mr Grahame White	-	-	-	-
Mr Xingwang Bao	-	-	-	-
Executives				
Mr Simon Rigby	20,000	-	3,334	23,334
Mr Stephen Robinson	129,000	-	209,983	338,983
Ms Fiona Van Maanen	521,041	-	86,841	607,882
Total	**670,041**	**-**	**1,460,158**	**2,130,199**

*Represents acquisitions and disposals on market and shares issued under the dividend reinvestment plan, as well as departures and appointments.

15.17 Directors and Executive Officers Remuneration

		Short-Term			Long-Term Benefits	Post-Employment	Share Based Payments			
In dollars		Salary & Fees	Non-Monetary Benefits	Bonuses	Employee Entitlements	Super-annuation Benefits	Options	Termination Payments	Total Emoluments	Proportion of Remuneration Performance Related
Directors		**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**		**AUD**	**%**
Mr Peter Gunzburg[1]	2021	98,172	-	-	-	9,326	-	-	107,498	-
(Non-Executive Chairman)	2020	-	-	-	-	-	-	-	-	-
Mr Brett Smith	2021	294,677	-	150,000	-	42,994	-	-	487,671	31%
(Executive Director)	2020	46,237	-	-	-	4,392	-	-	50,629	-
Mr Grahame White[1]	2021	70,833	-	-	-	6,729	-	-	77,562	-
(Non-Executive Director)	2020	-	-	-	-	-	-	-	-	-
Mr Patrick O'Connor[2]	2021	110,167	4,276	-	-	6,806	-	-	121,249	-
(Non-Executive Director)	2020	270,221	2,816	-	-	6,893	-	-	279,930	-
Mr. Xingwang Bao[3]	2021	-	-	-	-	-	-	-	-	-
(Non-Executive Director)	2020	-	-	-	-	-	-	-	-	-
Mr. Brett Lambert[3]	2021	2,151	-	-	-	204	-	-	2,355	-
(Independent Non-Executive Director)	2020	55,054	-	-	-	5,230	-	-	60,284	-
Mr Anthony Polgase[3]	2021	2,192	-	-	-	219	-	-	2,411	-
(Independent Non-Executive Director)	2020	55,054	-	-	-	5,230	-	-	60,284	-
Total all specified Directors	**2021**	**578,192**	**4,276**	**150,000**	**-**	**66,278**	**-**	**-**	**798,746**	**19%**
	2020	**426,566**	**2,816**	**-**	**-**	**21,745**	**-**	**-**	**451,127**	**-**
Specified Executives										
Mr Michael Spreadborough	2021	591,777	10,928	-	-	-	-	-	602,705	-
(Chief Executive Officer)	2020	359,663	1,661	-	-	-	-	-	361,324	-
Mr Simon Rigby[5]	2021	171,878	7,517	-	12,103	16,328	(36,838)	91,667	262,655	-
(GM Geology & Business Development)	2020	400,437	7,130	-	17,999	38,042	46,085	-	509,693	9%
Mr Stephen Robinson[5]	2021	169,231	7,327	-	11,840	16,077	(45,660)	112,981	271,796	-
(GM Projects and Planning)	2020	389,793	10,858	-	32,876	20,833	58,269	-	512,629	11%
Ms Fiona Van Maanen[5]	2021	170,358	7,517	-	15,715	16,851	(44,591)	273,973	439,823	-
(CFO and Company Secretary)	2020	391,726	11,053	-	8,831	30,783	56,874	-	499,267	11%
Mr Daniel Broughton[6]	2021	50,000	-	-	-	-	-	-	50,000	-
(Chief Financial Officer)	2020	-	-	-	-	-	-	-	-	-
Total all named Executives	**2021**	**1,153,244**	**33,289**	**-**	**39,658**	**49,256**	**(127,089)**	**478,621**	**1,626,979**	**-**
	2020	**1,541,619**	**30,702**	**-**	**59,706**	**89,658**	**161,228**	**-**	**1,882,913**	**9%**
Total all specified Directors and Executives	**2021**	**1,731,436**	**37,565**	**150,000**	**39,658**	**115,534**	**(127,089)**	**478,621**	**2,425,725**	**1%**
	2020	**1,968,185**	**33,518**	**-**	**59,706**	**111,403**	**161,228**	**-**	**2,334,040**	**7%**

[1]Appointed 10 July 2020.
[2]Resigned as Executive Chairman, reappointed Non-Executive Director 10 July 2020.
[3]Resigned 12 November 2020.
[4]Resigned 6 August 2021.
[5]Resigned 4 December 2020.
[6]Appointed 4 December 2020.
[7]Share based payments have been reversed as a result of resignations

16. Indemnification and Insurance of Directors, Officers and Auditors

The Company provides Directors' and Officers' liability insurance covering Directors' and Officers of the Company against liability in their role with the Company, except where:

- The liability arises out of conduct involving a wilful breach of duty; or
- There has been a contravention of Sections 232(5) or (6) of the Corporations Act 2001.

The Directors' have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of this insurance, as such disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

17. Lead Auditor's Independence Declaration

The Directors have received confirmation from the auditor of Metals X that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included on page 65 of this report.

18. Non-Audit Services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services (refer to note 22 of the consolidated financial statements):

Tax Compliance Services $0.104 million

19. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated), and where noted ($'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

Signed in accordance with a resolution of the Directors'.

Brett Smith

Executive Director

30 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

Continuing operations	Notes	2021 $'000	2020 $'000
Revenue	3	93,834	73,243
Cost of sales	5(a)	(75,145)	(70,330)
Gross profit		18,689	2,913
Contingent consideration income	4	10,250	-
Other income	4	1,945	448
General and administrative expenses	5(b)	(5,775)	(6,383)
Commodity and foreign exchange (loss)/gain	5(c)	(1,866)	673
Finance costs	5(d)	(2,999)	(1,494)
Fair value change in financial assets	5(e)	2,337	(83)
Share-based payment reversal/(charges)	21	344	(137)
Rehabilitation provision	17	-	(8,360)
Profit before tax		22,925	(12,423)
Income tax expense	6	-	-
Profit/(loss) for the period from continuing operations		22,925	(12,423)
Discontinued operations			
Profit/(loss) for the period from discontinued operations	25	64,274	(67,918)
Profit/(loss) attributable to:			
Members of the parent		87,199	(80,341)
Total comprehensive income/(loss) attributable to:			
Members of the parent		87,199	(80,341)
Basic Earnings and diluted earnings/(loss) per share attributable to the ordinary equity holders of the parent (cents per share)			
From continuing operations	7	2.53	(1.46)
From discontinued operations	7	7.08	(7.99)
Total		**9.61**	**(9.45)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents	8	13,472	14,095
Trade and other receivables	9	23,427	6,153
Inventories	10	20,526	20,328
Prepayments		570	885
Assets classified as held for sale	11	4,648	-
Convertible note receivable	12	360	-
Derivative financial instruments	12	2,332	1,532
Total current assets		**65,335**	**42,993**
Non-current assets			
Other receivables	9	3,457	9,978
Convertible note receivable	12	37,246	-
Derivative financial instruments	12	3,091	50
Property, plant, and equipment	13	36,034	43,315
Mine properties and development costs	14	37,884	39,633
Exploration and evaluation expenditure	15	352	13,993
Total non-current assets		**118,064**	**106,969**
Total assets		**183,399**	**149,962**
Current liabilities			
Trade and other payables	16	8,675	7,518
Liabilities directly associated with assets classified as held for sale	11	43	-
Provisions	17	3,531	3,680
Interest bearing liabilities	18	17,364	33,108
Total current liabilities		**29,613**	**44,306**
Non-current liabilities			
Provisions	17	12,456	51,397
Interest bearing liabilities	18	2,684	2,468
Total non-current liabilities		**15,140**	**53,865**
Total liabilities		**44,753**	**98,171**
Net assets		**138,646**	**51,791**
Equity			
Issued capital	19	332,406	332,406
Accumulated losses	20	(221,597)	(308,796)
Share based payments reserve	21	27,837	28,181
Total equity		**138,646**	**51,791**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		86,499	147,468
Payments to suppliers and employees		(79,197)	(167,549)
Interest received		57	441
Other income		68	230
Interest paid		(3,023)	(1,633)
Net cash flows from/(used in) operating activities	8	4,404	(21,043)
Cash flows from investing activities			
Payments for property, plant, and equipment		(12,618)	(10,405)
Payments for mine properties and development		(8,500)	(18,230)
Payments for exploration and evaluation		(1,549)	(3,919)
Payments for other financial assets		(30)	-
Proceeds from sale of financial assets		78	155
Proceeds from disposal of subsidiary		26,768	-
Proceeds from sale of property plant and equipment		2,018	319
Proceeds from release of performance bond facility		6,521	795
Net cash flows from/(used in) investing activities		12,688	(31,285)
Cash flows from financing activities			
Repayment of borrowings		(47,985)	(4,814)
Payment of lease and hire purchase liabilities		(3,039)	(5,369)
Payments for share issue costs		-	(2,330)
Payments for dividends		-	(58)
Proceeds from borrowings		33,309	34,899
Proceeds from share issue		-	32,731
Net cash flows (used in)/from financing activities		(17,715)	55,059
Net (decrease)/increase in cash and cash equivalents		(623)	2,731
Cash at the beginning of the year		14,095	11,364
Cash and cash equivalents at the end of the year	8	13,472	14,095

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Issued capital	Accumulated losses	Share based payments reserve	Total Equity
	$'000	$'000	$'000	$'000
At 1 July 2019	302,005	(228,456)	28,044	101,593
Loss for the period	-	(80,340)	-	(80,340)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	-	(80,340)	-	(80,340)
Transactions with owners in their capacity as owners				
Issue of share capital	32,731	-	-	32,731
Share issue costs	(2,330)	-	-	(2,330)
	30,401	-	-	30,401
Other				
Share-based payments	-	-	137	137
At 30 June 2020	332,406	(308,796)	28,181	51,791
At 1 July 2020	332,406	(308,796)	28,181	51,791
Profit for the period	-	87,199	-	87,199
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the period	-	87,199	-	87,199
Transactions with owners in their capacity as owners				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
	-	-	-	-
Other				
Share-based payments	-	-	(344)	(344)
At 30 June 2021	332,406	(221,597)	27,837	138,646

1. Corporate Information and Summary of Accounting Policies

The financial report of Metals X Limited (the "Company" or "Parent") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 September 2021.

The Company was incorporated and domiciled in Australia and is a for profit company limited by shares which are publicly traded on the Australian Securities Exchange. The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries (the "Group"). The Company's registered office address is Level 5, 197 St Georges Terrace, Perth WA 6000.

a) Basis of preparation of the consolidated financial report

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for certain financial instruments measured at fair value through profit and loss.

The amounts contained in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191.

Both the functional and presentation currency of the Group is Australian dollars (A$).

b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

c) New and amended accounting standards and interpretations

Since 1 July 2019, the Group has adopted all Accounting Standards and Interpretations effective from 1 July 2020. The accounting policies adopted are consistent with those of the previous financial year. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

d) Changes in accounting policies and disclosures

Certain new and amended accounting standards and interpretations have been issued that are not mandatory for 30 June 2021 reporting periods. These standards and interpretations have not been early adopted. The Company has performed a preliminary assessment of the standards and interpretations below and anticipates no material impact on the balances and transactions presented in these financial statements when they come into effect.

Reference to the Conceptual Framework – Amendments to IFRS 3 – Business Combinations (effective 1 January 2022)

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective 1 January 2023)

The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or later.

1. Corporate Information and Summary of Accounting Policies (continued)

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions.

AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective 1 January 2022)

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Amendments to IFRS 4, IFRS 16, IFRS 7, IFRS 9 and IAS 39 - Interest Rate Benchmark Reform – Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate is replaced with an alternative nearly risk-free interest rate.

Definition of Accounting Estimates - Amendments to IAS 8 (effective 1 January 2023)

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023)

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries (the 'Group') as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. Corporate Information and Summary of Accounting Policies (continued)

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Transactions and balances

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

All exchange differences in the consolidated financial report are taken to the profit or loss.

g) Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant in understanding of the consolidated financial statements are provided throughout the notes to the consolidated financial statements.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (i.e., an asset that necessarily takes a substantial amount of time to prepare for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i) Goods and service taxes (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

j) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience, independent experts, and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the consolidated financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

1. Corporate Information and Summary of Accounting Policies (continued)

Note	Key estimate or judgement
Revenue – note 3(a), 3(b) and 3(c)	• Identification of the enforceable contract • Identification of performance obligations for arrangements subject to CIF Incoterms • Principal versus agent considerations – freight/shipping services • Determining the timing of satisfaction of freight/shipping services
Property, plant and equipment and depreciation - note 13	• Life of mine method of depreciation provided incorporating residual values and useful lives
Mine property and development and amortisation - note 14	• Determination of mineral resources and ore reserves • Life of mine method of amortisation based on units of production ("UOP") resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves • Impairment of capitalised mine development expenditure • Estimate of future capital development expenditure
Exploration expenditure - note 15	• Impairment of capitalised exploration and evaluation expenditure
Provisions - note 17	• Future cash flows (amounts and timing) required to rehabilitate • Discount rate
Convertible note receivable Derivative financial instruments – note 2(g), 12 and 13	• Share price volatility • Determination of forecast commodity prices • Market interest rate

2. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, lease liabilities, cash and short-term deposits, derivative financial instruments, and equity investments.

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Group enters derivative transactions, principally forward commodity swaps, from time to time, to manage the commodity price risks arising from the Group's operations. The Group did not have any derivative transactions as at 30 June 2021 of these types. Historically, these derivatives provide economic hedges, but do not qualify for hedge accounting and are based on limits set by the Board.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, commodity risk, credit risk, equity price risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange, and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the identified risks, including for interest rate risk, credit allowances and cash flow forecast projections.

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

The accounting classification of each category of financial instruments, as defined in the notes to the consolidated financial statements, and their carrying amounts, are set out below:

2. Financial Risk Management Objectives and Policies (continued)

a) Interest rate risk

The Group's exposure to risks of changes in market interest rates relate primarily to the Group's interest-bearing loans, trade receivables at fair value through the profit and loss, financial assets at fair value through profit or loss, convertible note receivable, other receivables, and cash balances. The Group's policy is to manage its interest cost using fixed rate debt where possible.

The Asia Cheer Trading (ACT) loan facility has a fixed interest rate that is on commercial terms. The Group regularly reviews its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The sensitivity analysis is for variable rate interest bearing loans and cash balances.

At 30 June 2021, if interest rates had moved by a reasonably possible 0.25%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

Judgement of reasonably possible movements:	Post tax profit higher/(lower) 2021 $'000	2020 $'000	Other comprehensive income higher/(lower) 2021 $'000	2020 $'000
+ 0.25% (25 basis points)	17	(23)	-	-
- 0.25% (25 basis points)	(17)	23	-	-

A sensitivity of +0.25% or -0.25% has been selected as this is considered reasonable given the current level of short-term and long-term interest rates. The movements in profit are due to possible higher or lower interest payable or receivable from variable rate interest bearing loans and cash balances.

At the reporting date the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

2021 ($'000)	Floating interest	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	12,869	60	543	13,472
Trade receivables at fair value through the profit and loss	9,147	-	-	9,147
Other receivables	-	11,000	-	11,000
Convertible note receivable	-	22,095	15,511	37,606
Financial assets at fair value through profit or loss	-	-	5,423	5,423
	26,016	**33,155**	**21,477**	**76,648**
Financial liabilities				
Trade and other payables	-	-	(8,675)	(8,675)
Interest bearing liabilities	-	(20,048)	-	(20,048)
	-	**(20,048)**	**(8,675)**	**(28,723)**
Net financial assets/(liabilities)	**22,016**	**14,161**	**12,802**	**48,979**

2020 ($'000)	Floating interest	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	9,674	74	4,347	14,095
Trade receivables at fair value through the profit and loss	1,812	-	-	1,812
Other receivables	4,077	-	266	4,342
Other financial assets	-	9,978	-	9,978
Commodity forward contracts	1,532	-	-	1,532
	17,095	**10,052**	**4,613**	**31,759**
Financial liabilities				
Trade and other payables	-	-	(7,518)	(7,518)
Interest bearing liabilities	(30,186)	(5,390)	-	(35,576)
	(30,186)	**(5,390)**	**(7,518)**	**(43,094)**
Net financial assets/(liabilities)	**(13,091)**	**4,662**	**(2,905)**	**(11,335)**

2. Financial Risk Management Objectives and Policies (continued)

b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Credit risk is managed on a Group basis. Credit risk predominantly arises from cash, cash equivalents, derivative financial instruments, deposits with banks and financial institutions and receivables.

The Group has in place policies that aim to ensure that derivative counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to any one financial institution is limited as far as is considered commercially appropriate. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Cash and cash equivalents and other financial assets are held with ANZ Bank and the National Australia Bank, Australian Banks with an AA- credit rating (Standard & Poor's). Significant concentrations of credit risk are in relation to cash and cash equivalents with Australian banks. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties and as such collateral, letters of credit or other forms of credit insurance is not requested nor is it the Group's policy to securitise its trade and other loans and receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are in several jurisdictions and operate in largely independent markets.

At 30 June 2021, the Group had two customers (2020: two customers) that each owed the Group $8,899,000 and $248,000 respectively and accounted for approximately 100% (2020: 29%) of all receivables owing.

At 31 June 2021, there are $4.031million trade receivables at amortised cost that are past due.

c) Equity security price risk

The Group's revenues may be exposed to equity security price fluctuations arising from investments in equity securities. At 30 June 2021, the Group did not hold any listed equity securities and the Groups investments in unlisted equity securities is not considered material.

d) Foreign currency risk

As a result of tin concentrate sales receipts being denominated in US dollars, the Group's cash flows can be affected by movements in the US dollar/Australian dollar exchange rate.

At the balance date the Group had the following exposure to US dollar foreign currency:

	2021 $'000	2020 $'000
Cash and cash equivalents	543	4,347
Trade and other receivables	9,147	1,812
	9,690	**6,159**

At 30 June 2021, if foreign currency rates had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
Judgement of reasonably possible movements:	2021 $'000	2020 $'000	2021 $'000	2020 $'000
A$/US$ Rate +10%	969	616	-	-
A$/US$ Rate -10%	(969)	(616)	-	-

A sensitivity of +10% or -10% has been selected as this is considered reasonable given recent fluctuations in foreign currency rates and management's expectations of future movements. The overall sensitivity for post-tax profits in 2021 is higher than 2020 due to an increase in the value exposed to fluctuations in US dollar foreign currency.

2. Financial Risk Management Objectives and Policies (continued)

e) Commodity price risk

The Group is exposed to movements in the tin price. As part of the risk management policy of the Group, a variety of financial instruments (such as forward commodity swaps) may be used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. At 30 June 2021, the Group did not hold any commodity derivatives (30 June 2020: $1.532 million).

f) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility using finance and hire purchase leases.

The tables below reflect all contractually fixed payables for settlement repayment resulting from recognised financial liabilities as of 30 June 2021. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as 30 June 2021.

The remaining contractual maturities of the Group's financial liabilities are:

2021 ($'000)	<6 months	6-12 months	1-5 years	>5 years	Total
Financial liabilities					
Trade and other payables	(8,675)	-	-	-	(8,675)
Lease Liabilities	(832)	(1,004)	(2,684)	-	(4,520)
Interest bearing loans	(15,528)	-	-	-	(15,528)
Total outflow	**(25,035)**	**(1,004)**	**(2,684)**	**-**	**(28,723)**

2020 ($'000)	<6 months	6-12 months	1-5 years	>5 years	Total
Financial liabilities					
Trade and other payables	(7,518)	-	-	-	(7,518)
Lease Liabilities	(1,979)	(1,071)	(2,576)	-	(5,626)
Interest bearing loans	(31,510)	-	-	-	(31,510)
Total outflow	**(41,007)**	**(1,071)**	**(2,576)**	**-**	**(44,654)**

g) Fair values

For all financial assets and liabilities recognised in the consolidated statement of financial position, carrying amount approximates fair value unless otherwise stated in the applicable notes.

The methods for estimating fair value are outlined in the relevant notes to the consolidated financial statements.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

2. Financial Risk Management Objectives and Policies (continued)

	30 June 2021			
	Quoted market price (Level 1) $'000	Valuation technique market observable inputs (Level 2) $'000	Valuation technique non-market observable inputs (Level 3) $'000	Total $'000
Trade receivables at fair value[1]	-	9,147	-	9,147
Unlisted equity investments[2]	-	30	-	30
Convertible note receivable[3]	-	-	37,606	37,606
Derivative financial instruments[4]	-	-	5,393	5,393
	-	9,177	42,999	52,176

	30 June 2020			
	Quoted market price (Level 1) $'000	Valuation technique market observable inputs (Level 2) $'000	Valuation technique non-market observable inputs (Level 3) $'000	Total $'000
Trade receivables at fair value[1]	-	1,812	-	1,812
Listed equity investments[2]	50	-	-	50
Derivative financial instruments	-	1,532	-	1,532
	50	3,344	-	3,394

[1]The fair value of trade receivables relates to tin concentrate provisionally sold at the reporting date. The fair value is based on the applicable KLM or LME forward prices.

[2]Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of equity investments and derivatives are based on quoted market prices. Unlisted equity investments are recognised at cost.

[3]The carrying value of the convertible note receivable on inception was equivalent to $35.070 million and on 30 June 2021 $37,606 million (2020: nil). The change in fair value resulted from $2.536 million in remeasurement. To estimate the fair value of the convertible notes, the Group uses a discounted cash flow ("DCF") technique, applying market interest rates.

In addition, the Group adds the fair value of the conversion option. Exercising the conversion option would result in the Group receiving 101.380 million shares in Cyprium Metals Limited. The fair value is estimated using a Black & Scholes valuation model ("B&S Model"). The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free rates, share price volatility and market interest rates.

The inputs used to value the convertible notes at 30 June 2021 are as follows:

	B&S Model	DCF	Total Fair Value at 30 June 2021
Expected volatility	100%	-	
Risk-free interest rate	0.77%	-	
Expected life	3.75 years	3.75 years	
Options exercise price	$0.3551	-	
Share price at grant date	$0.250	-	
Expiry date/maturity date	30 Mar 2025	30 Mar 2025	
Face value of convertible notes	-	$36.000 million	
Market interest rates	-	20%	
Fair value per instrument	$0.153	-	
Number of instruments	101,379,893	-	
Total Fair Value at 30 June 2021	**$15.511m**	**$22.095m**	**$37.606m**

2. Financial Risk Management Objectives and Policies (continued)

[4]The derivative financial assets are 40.6 million options, consisting of two tranches of 20.3 million options each, to acquire shares in Cyprium Metals Limited. Exercising the options can result in bonus shares being awarded to the Group depending on the copper price on the date of exercise. The fair value of the options on inception was equivalent to $4.542 million and on 30 June 2021, $5.393 million (2020: nil). The change in fair value of $0.851 million was the result of remeasurement using an equivalent valuation technique. The fair value of the options was determined using a B&S Model, which considers factors including the option's exercise prices, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at measurement date and the expected life of the options. To accommodate the additional award, the Group has increased the Black & Scholes fair value by estimating the fair value of the bonus shares that are most likely to be awarded at the exercise dates, which is judged to be the expiry dates. The number of bonus shares to be awarded is estimated with reference to forecast copper prices on the expiry dates and applying the pre-set factor. The additional fair value is then calculated by applying that factor to the number of options converted and multiplying by the price of Cyprium shares on the measurement dates.

The inputs used to value the options at 30 June 2021 are as follows:

	T1 Options	T2 Options	T1 Bonus Shares	T2 Bonus Shares	Total Fair Value at 30 June 2021
Expected volatility	100%	100%			
Risk-free interest rate	0.06%	0.06%			
Expected life of options	0.75 years	1.75 years			
Options exercise price	$0.3141	$0.3551			
Share price at measurement date	$0.250	$0.250	$0.205	$0.250	
Forecast copper price per tonne	$US 8,752	$US 8,204			
Bonus share factor / award	1.2x	1.2x	4.045 m	4.045 m	
Expiry date	30 Mar 2022	30 Mar 2023			
Fair value as at 30 June 2021	**$1.338m**	**$2.027m**	**$1.014m**	**$1.014m**	**$5.393m**

The effects of fair value changes are reflected in the consolidated statement of comprehensive Income.

Significant estimates and judgments – level 3 inputs

The following significant estimates and judgments were made for inputs used in determining the fair value of financial instruments categorised as level 3:

(i) Volatility for buyer options and conversion feature

Management used an external expert to assist with the estimate of volatility for the purposes of its Black Scholes valuation technique. Volatility was estimated based on the performance of the shares of the loaned party, Cyprium Metals Limited, over a historical period equivalent to that of the time to expiry of the option being valued.

(ii) Market interest rates

Management used an external expert to assist with the estimate of the market interest rate of borrowing. The estimate compared the terms and conditions of the Group's convertible note to a lending transaction that was judged to have the most similar characteristics. The lending rate in this comparable transaction was 15%. The rate was benchmarked to other lending transactions that were similar in terms and conditions but not as alike. The rate was then risk-adjusted by adding 5% to estimate a market interest rate of 20% of which management has adopted in its valuation technique. The risk adjustment was estimated to address differences between the stages of operations when comparing the loaned party in the comparative lending arrangement to that of the Group's counterparty, Cyprium Metals Limited. A range of 15% - 25% was then estimated to be appropriate to address inherent estimation uncertainty.

(iii) Copper price forecasts

Management used an external expert to assist with the estimate of future copper prices. Future copper prices were estimated based on the mean of results from more than 40 energy and metals analysts.

2. Financial Risk Management Objectives and Policies (continued)

A quantitative sensitivity analysis as at 30 June 2021 is shown below:

Instrument	Valuation technique	Significant unobservable inputs	Value/	Sensitivity of the input to fair value
Convertible note receivable	DCF	Market interest rates	20%	1.5% change in the market interest rate would result in a change in fair value by +/-$1.000 million.
	Black & Scholes	Volatility	100%	+/(-) 10% change in volatility would result in a change in fair value of $1.355 and ($1.484) million.
Derivative financial instruments – T1	Black Scholes model plus share price * estimated bonus shares to be awarded based on forecast copper price	Copper price forecasts on 31 March 2022	US$8,752	US$500 per tonne increase would result in an increase in fair value by $0.500 million. US$500 per tonne decrease would not result in a change in the fair value estimate.
		Volatility	100%	+/(-)10% change in volatility would result in a change in fair value of $0.172 million and ($0.174) million.
Derivative financial instruments – T2	Black & Scholes model plus share price * estimated bonus shares to be awarded based on forecast copper price	Copper price forecasts on 31 March 2023	US$8,204	US$500 per tonne increase would not result in a change in the fair value estimate. US$500 per tonne decrease would result in a decrease in fair value by $0.500 million.
		Volatility	100%	+/(-)10% change in volatility would result in a change in fair value of $0.242 million and ($0.251) million.

h) Changes in liabilities arising from financing activities

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

	1 July 2020 $'000	Payments	Net Transfers & New Leases	Disposals	New loans	Other	30 June 2021 $'000
Current interest -bearing loans and borrowings	33,108	(47,985)	(1,068)	-	33,309	-	17,364
Non-current interest -bearing loans and borrowings	2,468	(3,039)	3,255	-	-	-	2,684
Total liabilities from financing activities	**35,576**	**(51,024)**	**2,187**	**-**	**33,309**	**-**	**20,048**

	1 July 2019 $'000	Payments	Net Transfers & New Leases	Disposals	New loans	Other	30 June 2020 $'000
Current interest -bearing loans and borrowings	5,495	(10,184)	4,266	(4,390)	35,000	2,921	33,108
Non-current interest- bearing loans and borrowings	4,634	-	755	-	-	(2,921)	2,468
Total liabilities from financing activities	**10,129**	**(10,184)**	**5,021**	**(4,390)**	**35,000**	**-**	**35,576**

3. Revenue

	2021 $'000	2020 $'000
Tin concentrate sales	93,834	73,243

Recognition and measurement

The Group is principally engaged in the business of producing tin in concentrate. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Based on the current contractual terms, revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate physically arrives at the customer's works for tin concentrate.

Revenue is measured as the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the Quotational Period (QP), and a corresponding trade receivable is recognised.

The Group's sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant QP stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP.

For the provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of AASB 9 Financial Instruments ("AASB 9") and not within the scope of AASB 15 Revenue from Contracts with Customers ("AASB 15").

Revenue is initially recognised based on the most recently determined estimate of metal in concentrate using the expected value approach based on initial internal assay and weight results. The Group has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results. Subsequent changes in the fair value based on the customer's final assay and weight results are recognised in revenue at the end of the QP.

For CIF arrangements, the transaction price (as determined above) is allocated to the metal in concentrate and shipping services using the relative stand-alone selling price method. Under these arrangements, a portion of consideration is received from the customer at, or around, the date of shipment under a provisional invoice. Therefore, some of the upfront consideration that relates to the shipping services yet to be provided is deferred. This is generally not material at the balance sheet date. It is then recognised as revenue over time using an output method (being days of shipping/transportation elapsed) to measure progress towards complete satisfaction of the service as this best represents the Group's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Group as the services are being provided. The costs associated with these freight/shipping services are also recognised over the same period as incurred.

Key estimates and judgements

Revenue from contracts with customers

a) Identification of the enforceable contract

For tin in concentrate (metal in concentrate) sales, there are master services agreements with key customers that set out the general terms and conditions governing any sales that occur. The customer is only obliged to purchase tin in concentrate when it places an order for each shipment. Therefore, the enforceable contract has been determined to be each purchase order.

b) Identification of performance obligations for arrangements subject to CIF Incoterms

A proportion of the Group's metal in concentrate sales subject to CIF Incoterms, whereby the Group is responsible for providing freight/shipping services. The freight/shipping services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer. The Group determined that both the metal in concentrate and the freight/shipping services are capable of being distinct as the customer can benefit from both products on their own. The Group also determined that the promises to transfer the metal in concentrate and the freight/shipping services are distinct within the context of the contract. Consequently, the Group allocated a portion of the transaction price to the metal in concentrate and the freight/shipping services based on relative stand-alone selling prices.

3. Revenue (continued)

c) Principal versus agent considerations – freight/shipping services

As noted above, in some arrangements subject to CIF Incoterms, the Group is responsible for providing freight/shipping services. While the Group does not actually provide nor operate the vessels, the Group has determined that it is principal in these arrangements because it has concluded it controls the specified services before they are provided to the customer. This is on the basis that the Group obtains control of a right to freight/shipping services after entering into the contract with the customer, but before those services are provided to the customer. The terms of the Group's contract with the service provider give the Group the ability to direct the service provider to provide the specified services on the Group's behalf.

In addition, the Group has concluded that the following indicators provide evidence that it controls the freight/shipping services before they are provided to the customer:

- The Group is primarily responsible for fulfilling the promise to provide freight/shipping services. Although the Group has hired a service provider to perform the services promised to the customer, it is the Group itself that is responsible for ensuring that the services are performed and are acceptable to the customer (i.e., the Group is responsible for fulfilment of the promise in the contract, regardless of whether the Group performs the services itself or engages a third-party service provider to perform the services).
- The Group has discretion in setting the price for the services to the customer as this is negotiated directly with the customer.

d) Determining the timing of satisfaction of freight/shipping services

The Group concluded that revenue for freight/shipping services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the freight/shipping services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The Group determined that the input method is the best method for measuring progress of the freight/shipping services because there is a direct relationship between the Group's effort (i.e., time elapsed) and the transfer of service to the customer. The Group recognises revenue on the basis of the time elapsed relative to the total expected time to complete the service.

4. Contingent Consideration, Interest Income and Other Income

	2021 $'000	2020 $'000
Contingent consideration income (i)	10,250	14
Interest income (ii)	1,886	434
Other income	59	-
Total other income	**1,945**	**448**

(i) Includes contingent consideration income of $10.000 million representing the copper price contingent payment ("Copper Payment"), included in the Mt Gordon Sale Agreement transacted in 2015 and payable by Capricorn Copper Holding Ltd ("CCH"). On 24 December 2020, the Company entered into a binding term sheet with Capricorn Copper Holdings Pty Ltd and its parent entity, EMR Capital Investment (No. 6B) Pte Ltd, detailing the material terms and timing for payment of the Copper Payment. On 1 April 2021, the Company announced that it has agreed to an extension of time and payment terms in exchange for an agreed fee of $0.250, plus interest of $0.750 million. The Copper Payment was received on 8 July 2021. Refer to note 29 Significant Events After Period End.

Reconciliation of contingent consideration income	2021 $'000
Copper Payment	10,000
Agreed extension fee	250
Interest income (ii)	750
Total	**11,000**

(ii) Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income includes $0.750 million interest on the Copper Payment and income and accretion on the convertible notes.

5. Expenses

a) Cost of sales	2021 $'000	2020 $'000
Salaries, wages expense and other employee benefits	14,223	13,027
Superannuation expense	1,351	1,238
Mining	27,940	23,846
Processing	14,706	15,292
Other production costs	3,956	3,411
Changes in stockpiles	(5,557)	(1,615)
Write down in value of stores inventory to NRV	207	41
Royalty expense	3,957	1,400
Depreciation - property, plant, and equipment	3,784	3,231
Depreciation - buildings	466	451
Mine properties and development costs amortisation	10,112	10,009
Total cost of sales	**75,145**	**70,330**

b) General and administration expenses

Salaries and wages expense	1,925	2,618
Directors' fees and other benefits	623	560
Superannuation expense	240	299
Other employee benefits	14	34
Consulting expenses	1,548	2,020
Travel and accommodation expenses	131	237
Net loss/(gain) on sale of assets	108	(558)
Administration costs	926	940
Depreciation – other assets	260	233
Total general and administration expense	**5,775**	**6,383**

c) Commodity and foreign exchange

Foreign exchange loss/(gain)	409	171
Forward commodity swaps	1,457	(844)
Total commodity and foreign exchange	**1,866**	**(673)**

d) Finance costs

Interest	770	1,355
Borrowing costs	2,199	102
Unwinding of rehabilitation provision discount	30	37
Total finance costs	**2,999**	**1,494**

e) Fair value change in financial assets

Fair value change in financial assets through profit and loss (note 12)	(2,337)	83
Total fair value change in financial assets	**(2,337)**	**83**

Recognition and measurement

Salaries, wages, and other employee benefits are recognised as and when employees render their services. Expenses for non-accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable. Refer to note 17 for the accounting policy relating to short term and long-term employee benefits.

Provisions and other payables are discounted to their present value when the effect of time value of money is significant. The impact of the unwinding of these discounts is reported in finance costs.

6. Income Tax

	2021 $'000	2020 $'000
(a) Major components of income tax expense/(benefit):		
Income statement		
Current income tax expense		
Current income tax expense/(benefit)	13,560	(25,432)
Adjustments in respect of current income tax of previous years	-	1,723
Deferred income tax		
Relating to origination and reversal of temporary differences in current year	11,892	629
(Recognition)/derecognition of carry forward losses and other temporary differences	(25,452)	23,080
Income tax reported in the income statement	**-**	**-**

(b) A reconciliation of income tax benefit and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	2021 $'000	2020 $'000
Total accounting profit/(loss) before income tax	**87,199**	**(80,340)**
At statutory income tax rate of 30% (2020: 30%)	26,160	(24,102)
Non-deductible items		
Share-based payments	(103)	41
Sundry items	6	3
Deductible items	(611)	(745)
(Derecognition)/recognition of net deferred tax assets not previously recognised	(25,452)	24,803
Income tax expense/(benefit) reported in income the statement of comprehensive income	-	-

6. Income Tax (continued)

Deferred income tax at 30 June relates to the following:

	Statement of Financial Position 2021 $'000	Statement of Financial Position 2020 $'000	Statement of Other Comprehensive Income 2021 $'000	Statement of Other Comprehensive Income 2020 $'000
Deferred tax liabilities				
Exploration	(1,207)	(4,040)	(2,833)	1,156
Deferred mining	(9,179)	(9,052)	127	(255)
Mine site establishment and refurbishment	(1,800)	(2,729)	(929)	(605)
Consumables	(1,777)	(8,451)	(6,674)	(669)
Prepayments	-	-	-	(2)
Diesel rebate	(18)	(16)	2	(39)
Non-current financial assets	-	361	361	986
Derivative held for trading	-	-	-	26
Gross deferred tax liabilities	**(13,981)**	**(23,927)**		
Deferred tax assets				
Property, plant and equipment	9,168	14,731	5,563	1,127
Derivative Financial Instruments	-	(460)	(460)	460
Inventories	333	5,408	5,075	106
Legal costs	274	149	(125)	(132)
Accrued expenses	38	47	9	-
Provision for employee entitlements	1,308	1,330	22	1,411
Provision for fringe benefits tax	3	5	2	(6)
Provision for rehabilitation	3,503	15,194	11,691	(2,909)
Unrecognised timing differences	(646)	(12,477)		
Gross deferred tax assets	**13,981**	**23,927**		
Deferred tax income/(expense)			**11,831**	**655**

At 30 June 2021, there are unrecognised losses of $240,199,000 (2020: $254,180,000) for the Group, of which $156,354,000 (2020: $156,354,000) are subject to a restricted rate of utilisation.

6. Income Tax (continued)

Recognition and measurement

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or 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 current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Metals X Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2004. The head entity, Metals X Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payments obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement on the basis that the possibility of default is remote.

6. Income Tax (continued)

Tax consolidation legislation (continued)

Members of the group have also entered into tax sharing agreements. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Metals X Limited. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

7. Earnings Per Share

The following reflects the data used in the basic and diluted earnings per share computations.

	2021	2020
For basic and diluted earnings/(loss) per share:		
Profit/(loss) attributable to continuing operations ($'000)	22,925	(12,422)
Profit/(loss) attributable to discontinued operations ($'000)	64,274	(67,644)
	87,199	**(80,340)**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings/(loss) per share	907,266,067	849,817,790
Basic and diluted earnings/(loss) per share (cents)		
From continuing operations	2.53	(1.46)
From discontinued operations	7.08	(7.99)
Total	**9.61**	**(9.45)**

Recognition and measurement

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

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

The Company had 488,024 (2020: 11,984,332) share options on issue which are anti-dilutive and are therefore not required to be included in the calculation of diluted earnings per share.

There have been no transactions involving ordinary shares or potential ordinary shares since that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and before the completion of these consolidated financial statements.

8. Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash at bank and in hand - denominated in AUD	12,869	9,674
Cash at bank and in hand - denominated in USD	543	4,347
Short-term deposits	60	74
Total	**13,472**	**14,095**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Refer to note 2(b) for more details on the Group's credit risk management practices. As all deposits are on demand or have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using lifetime expected credit losses. In this regard, the Group has concluded that the probability of default is insignificant.

Recognition and measurement

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reconciliation of net profit after income tax to net cash flows from operating activities

	2021 $'000	2020 $'000
Profit/(loss) after income tax	87,199	(80,340)
Amortisation and depreciation	14,651	23,508
Impairment reversal in discontinued operations – note 25	(15,753)	-
Fair value change in financial assets	(2,337)	83
Borrowing costs	-	102
Impairment loss on assets	-	15,363
Share based payments	(344)	137
Rehabilitation expense	(587)	8,587
Exploration and evaluation expenditure written off	-	105
Gain on disposal of property, plant, and equipment	(432)	(319)
Gain on disposal of Copper asset portfolio – note 25	(60,930)	-
Interest accrued on convertible note	(1,054)	-
	20,413	**(32,774)**
Changes in assets and liabilities		
(Increase)/decrease in inventories	(198)	23,868
(Increase)/decrease in trade and other receivables and prepayments	(16,860)	10,431
Increase/(decrease) in trade and other creditors	1,157	(17,887)
Decrease in provisions	(108)	(4,681)
Net cash flows from/(used in) operating activities	**4,404**	**(21,043)**

9. Trade and Other Receivables

Current	2021 $'000	2020 $'000
Trade receivables at fair value through profit or loss (i)	9,147	1,811
Contingent consideration receivable – Mt Gordon (ii)	11,000	-
Other receivables at amortised cost (iii)	3,280	4,342
	23,427	**6,153**
Non-current		
Other receivables – performance bond facility (iv)	**3,457**	**9,978**

(i) On 30 June 2021, tin concentrate sales totalling 520 tonnes remained open to price adjustment (2020: 303 tonnes).

Trade receivables (subject to provisional pricing) are non-interest bearing but are exposed to future commodity price movements over the quotational period ("QP") and are measured at fair value through profit or loss up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. For tin concentrate 80% - 85% of the provisional invoice (based on the provisional price) is received in cash within four weeks of the arrival of shipment at smelter. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP.

(ii) The contingent consideration receivable of $11.000 million includes the $10.000 million contingent copper price payment included in the Mt Gordon Sale Agreement, plus the agreed fee of $0.250 million and interest of $0.750 million.

(iii) Cash calls advanced to the Bluestone Mines Tasmania Joint Venture Pty Ltd of $2.306 million, GST receivable $0.764 million, and other debtors of $0.210 million.

(iv) The performance bond facility is interest bearing and is used as security for government performance bonds. The fair value approximates cost. Refer to note 2(b) for credit risk assessment. Bonds held by Metals X to secure Patterson Copper obligations for Nifty rehabilitation provisions and key commercial contracts of approximately $6.521 million, were returned following the completed sale of its Copper Assets.

10. Inventories

	2021 $'000	2020 $'000
Ore stocks at net realisable value	1,201	798
Tin in circuit - at cost	105	52
Tin concentrate - at cost	14,433	9,332
Stores and spares at cost	5,895	28,171
Provision for obsolete and impairment stores and spares	(1,108)	(18,025)
	20,526	**20,328**

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

11. Assets Classified as Held for Sale

On 25 May 2021, the Company announced that it has signed a binding term sheet with NICO Resources Limited ("NICO") for the sale and spin out of its nickel asset portfolio, including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia (together "Nickel Assets") (the "Term Sheet").

As at 30 June 2021, the Nickel Assets were available for immediate sale and the sale was considered highly probable within a 12-month period. The associated assets and liabilities were consequently presented as held for sale.

Assets and liabilities comprising the disposal group are remeasured at the lower of their carrying value and fair value less costs to sell. Any cumulative impairment losses recognised previously in accordance with *IAS 36 Impairment of Assets* should be reversed and allocated against the carrying value of each asset classified as held for sale. Any excess of carrying value over fair value less cost to sell should be recognised as an impairment. No impairment has been reversed because of this reclassification. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

(a) Results for the Nickel Assets for the year are presented as follows:

	2021 $'000	2020 $'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Other income	6	4
Administration costs	32	36
Loss for the period from discontinued operations	38	40

(b) The assets and liabilities classified as held for sale at 30 June 2021:

	2021 $'000
Assets	
Cash and bonds	20
Other receivables	34
Inventory	29
Property, plant, and equipment	397
Exploration	4,168
	4,648
Liabilities	
Trade and other payables	28
Provision for rehabilitation	15
	43
Carrying value of assets held for sale	**4,605**

(c) The net cash flows for assets held for sale:

	2021 $'000	2020 $'000
Net cash flows (used in)/from operating activities	(62)	76
Net cash flows used in investing activities	(1,110)	(1,340)
Net cash outflow	(1,172)	(1,416)

12. Financial Assets at Fair Value Through Profit or Loss

	2021 $'000	2020 $'000
Current		
Convertible notes	360	-
Derivative financial assets	2,332	-
Forward commodity swaps	-	1,532
	2,692	1,532
Non-current		
Shares – Australian listed	-	50
Shares – Australian unlisted	30	-
Derivative financial assets	3,061	-
Convertible notes	37,246	
	40,337	50

Australian shares

On 4 January 2021, the Company sold its remaining 1,113,541 listed shares in Nelson Resources Limited for $0.070 cents per share to receive $0.780 million (less transaction costs).

On 28 June 2021, the Company acquired 600,000 unlisted shares in NICO Resources Limited for $0.05 cents per share for $0.030 million.

Recognition and measurement

Listed equity investments are designated as fair value through profit or loss on initial recognition with all changes in fair value subsequently being recorded in profit or loss within the consolidated statement of comprehensive income. Dividends on listed equity investments are also recognised as other income in the consolidated statement of comprehensive income when the right of payment has been established.

The fair value of listed equity investments has been determined directly by reference to published price quotations in an active market. Unlisted equity investments are initially recognised at cost.

Financial assets and debt instruments

Financial assets are financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

On 30 March 2021, the Group completed the sale of its Copper Assets to Cyprium Metals Limited ("Cyprium") and received $60.000 million worth of consideration, which included four (4) convertible notes with a value of $9.000 million each, for an aggregate of $36.000 million, plus 40.6 million options, consisting of two tranches of 20.3 million options each, to acquire Cyprium shares.

The convertible notes were issued by Cyprium on the following basis:

- a four-year maturity from 30 March 2021;
- convertible at maturity at the election of Metals X, or otherwise redeemable by Cyprium at maturity;
- conversion price of $0.355 (based on the Buyer's 20-day VWAP to Completion x 1.3);
- annual coupon of 4% to be capitalised and paid annually on a default basis on each anniversary of Completion until maturity (with annual interest to be paid in shares at the same conversion price, at the election of Metals X); and
- Cyprium can elect annually to repay all or some of the convertible notes at face value x 1.15, with Metals X able to convert the convertible notes into Cyprium shares in the event Cyprium elects to repay early.

The 40.6 million options were issued by Cyprium on the following basis:

- 20.3 million options exercisable at $0.314 per option with an expiry date of 30 March 2022; and
- 20.3 million options exercisable at $0.355 per option with an expiry date of 30 March 2023.

Initial recognition and measurement

- The Group initially recognises financial assets in the following measurement categories:

12. Financial Assets at Fair Value Through Profit or Loss (continued)

- those to be measured at fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVTOCI"), and
- financial assets measured at amortised cost ("Debt Instruments").

The classification of financial assets at initial recognition, depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed.

For a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. The Group reclassifies debt investments when and only when its business model for managing those assets changes. Convertible notes are financial assets with embedded derivatives which are considered in their entirety when determining whether their cash flows are solely the payment of principal and interest.

Subsequent measurement

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of comprehensive income following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income as other income when the Group's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Debt instruments

The subsequent measurement of Debt Instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories for Debt Instruments:

- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the EIR. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.
- Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of comprehensive income in other gains/(losses) in the period in which it arises

Impairment

Further disclosures relating to impairment of financial assets are also provided in:

- Disclosures for significant assumptions in note 1(j).
- Financial assets at fair value through profit and loss, note 12.
- Trade and other receivables, note 9.

12. Financial Assets at Fair Value Through Profit or Loss (continued)

The Group recognises an allowance for expected credit losses ("ECL's") for all debt instruments not carried at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Comprehensive Income. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by talking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Comprehensive Income. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 18.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Estimates and judgments

Fair value measurement of financial instruments

These financial assets cannot be measured based on quoted prices in active markets and are therefore measured using valuation techniques.

The convertible note receivable conveys a right to receive cash upon maturity of 30 March 2025 or the option to convert the principle amount outstanding into shares of Cyprium Metals Limited. The notes attract interest at a coupon rate of 4% per annum to be capitalised and paid annually, payable in cash unless Metals X elects to receive the interest in fully paid ordinary Cyprium shares.

To determine the fair value of the convertible notes, the Group estimates the fair value of the right to receive the cash using discounted cash flow techniques and market interest rates. In addition, the Group adds the fair value of the conversion option, which is estimated using the Black Scholes valuation model. Refer to note 1(j). The inputs to this model and technique requires a degree of judgement, including consideration of the risk-free rate, Cyprium share price volatility and market coupon rates.

The Group's derivative financial instruments are options to acquire shares in Cyprium with an additional award of shares granted by a factor dependant on commodity prices on the date of exercise. To determine the fair value of these instruments, the Group has used Black Scholes. To accommodate for the additional award, the Group has increased the Black Scholes fair value by multiplying the quoted price of Cyprium shares on the Option grant dates by the most likely factor to apply on the estimated dates of exercise (assumed to be the dates of expiry). Refer to note 1(j). The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free rates, Cyprium share price volatilities and forecast commodity prices.

Changes in assumptions relating to the above factors could affect the reported fair value of financial assets. See note 1(j) for further disclosures. The financial assets estimated fair value of $39.612 million was recognised at the sale completion date (note 25(b{{and remeasured to $42.999 million (note 2(g)) as at the reporting date. Future developments may require further revisions to the estimate. The convertible note and derivative financial instruments are classified as financial assets at fair value through profit or loss.

13. Property, Plant, and Equipment

	2021 $'000	2020 $'000
Plant and equipment		
Gross carrying amount - at cost	56,299	77,185
Accumulated depreciation and impairment	(35,693)	(45,664)
Net carrying amount	20,606	31,521
Land and buildings		
Gross carrying amount - at cost	6,723	11,035
Accumulated depreciation and impairment	(3,424)	(5,192)
Net carrying amount	3,299	5,843
Capital work in progress at cost		
Gross carrying amount - at cost	12,129	5,952
Net carrying amount	12,129	5,952
Total property, plant, and equipment	**36,034**	**43,315**

Reconciliations:
Reconciliations of the carrying amounts of property, plant, and equipment at the beginning and end of the reporting period:

	2021 $'000	2020 $'000
Plant and equipment		
At 1 July net of accumulated depreciation	31,521	37,677
Transfer from capital in progress	8,429	9,729
Disposals	(57)	(3,378)
Disposal and discontinued operations	(15,244)	-
Impairment loss	-	(3,454)
Depreciation charge for the year	(4,043)	(9,052)
At 30 June net of accumulated depreciation	**20,606**	**31,521**
Land and buildings		
At 1 July net of accumulated depreciation	5,843	5,529
Transfer from capital in progress	-	1,377
Disposals	(388)	(25)
Disposal and discontinued operations	(1,690)	-
Impairment loss	-	(220)
Depreciation charge for the year	(466)	(817)
At 30 June net of accumulated depreciation	**3,299**	**5,843**
Capital work in progress		
At 1 July	5,951	3,260
Additions	15,420	15,214
Transfer to mine properties & development	(813)	(1,416)
Transfer to plant and equipment	(8,429)	(9,729)
Transfer to land and buildings	-	(1,377)
At 30 June	**12,129**	**5,951**

13. Property, Plant, and Equipment (continued)

Recognition and measurement

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment or mine properties and development at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine and useful life. Useful life ranges from 2 to 10 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office Plant and equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised

Key estimates and judgements

Life of mine method of amortisation and depreciation

The Group applies the life of mine method of amortisation and depreciation to its mine specific plant and to mine properties and development based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Group's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets, and future developments. When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets.

14. Mine Properties and Development

Recognition and measurement

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

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

Key estimates and judgements

In determining amortisation of its Mine capital development, the Group applies the unit of production method and factors in future development spend required to access the remaining ore reserves. For Mine site establishment, the Group applies the life of mine method of amortisation, which is also based on ore tonnes mined.

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Group estimates its mineral resource and reserves in accordance with the Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC code"). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Determination of future capital development spend

Management estimates its future capital development spend based on historical annual requirements forecasted over the remaining estimated life of mine.

14. Mine Properties and Development (continued)

	2021 $'000	2020 $'000
Development areas at cost		
Gross carrying amount - at cost	-	72,715
Impairment	-	(72,490)
Net carrying amount	-	225
Mine site establishment		
Gross carrying amount - at cost	40,909	43,390
Accumulated depreciation and impairment	(34,315)	(34,426)
Net carrying amount	6,594	8,964
Mine capital development		
Gross carrying amount - at cost	112,175	207,190
Accumulated depreciation and impairment	(80,885)	(176,747)
Net carrying amount	31,290	30,444
Total mine properties and development	**37,884**	**39,633**
Movement in mine properties and development		
Development areas at cost		
At 1 July	225	109
Additions	-	116
Disposal and discontinued operations	(225)	-
At 30 June	**-**	**225**
Mine site establishment		
At 1 July net of accumulated amortisation	8,964	11,109
Additions	-	143
Impairment loss	-	(1,395)
Transfer from capital work in progress	813	1,416
(Decrease)/increase in rehabilitation provision	(540)	370
Amortisation charge for the year	(2,643)	(2,679)
At 30 June net of accumulated amortisation	**6,594**	**8,964**
Mine capital development		
At 1 July net of accumulated amortisation	30,444	31,329
Additions	8,315	17,971
Impairment loss	-	(8,631)
Adjustment to rehabilitation liability	-	736
Amortisation charge for the year	(7,469)	(10,961)
At 30 June net of accumulated amortisation	**31,290**	**30,444**

15. Exploration and Evaluation Expenditure

	2021 $'000	2020 $'000
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Pre-production areas		
At Cost	352	13,993
Net carrying amount	**352**	**13,993**
Movement in exploration and evaluation		
At 1 July net of accumulated impairment	13,993	10,179
Additions	-	3,919
Transfers to assets held for sale	(13,641)	-
Expenditure written off	-	(105)
At 30 June net of accumulated impairment	**352**	**13,993**

Recognition and measurement

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and;

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment regularly and if after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to profit or loss in the period when the new information becomes available.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not recognised pending the commencement of production.

Key estimates and judgements

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

16. Trade and Other Payables

	2021 $'000	2020 $'000
Trade creditors	3,129	3,779
Sundry creditors and accruals	5,546	3,739
	8,675	**7,518**

Recognition and measurement

Trade and other payables are initially recognised, at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade creditors are non-interest bearing and generally on 30-day terms. Sundry creditors and accruals are non-interest bearing and generally on 30-day terms. Due to the short-term nature of these payables, their carrying value approximates their fair value.

17. Provisions

Current	2021 $'000	2020 $'000
Provision for annual leave	2,657	2,679
Provision for sick leave	-	2
Provision for long service leave	874	999
	3,531	**3,680**
Non-current		
Provision long service leave	793	752
Provision for rehabilitation	11,663	50,645
	12,456	**51,397**

Rehabilitation movement

	2021	2020
Balance at 1 July	50,465	40,952
Arising during the year	(460)	9,467
Disposal of copper asset portfolio	(38,537)	-
Reclassification of liability as held for sale	(15)	
Rehabilitation borrowing discount unwound	30	226
Balance at 30 June	**11,663**	**50,645**

Provision for long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Provision for rehabilitation

Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the Consolidated Statement of Comprehensive Income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability. The carrying value of the provision is calculated by applying an inflation factor of 1.10% (2020: 0.70%) which has been estimated based on rates throughout the period and a weighted average discount rate of 0.34% (2020: 0.26%), which has been estimated using government bond yields for an equivalent period of that of the expected cash payments. Costs are inflated and discounted with reference to the Group's anticipated timing of payment, which is estimated based on the Group's life of mine and planned activities. A majority of the payments are anticipated within 5 years (2020: 6 years).

18. Interest Bearing Liabilities

	2021	2020
Current liabilities	**$'000**	**$'000**
Lease liabilities relating to right of use assets	94	191
Hire purchase liabilities	1,742	2,731
Citibank finance facility [1]	-	30,186
ACT finance facility	15,528	-
	17,364	33,108
Non-current liabilities		
Lease liabilities	-	137
Hire purchase liabilities	2,684	2,331
	2,684	2,468

[1]On 31 July 2020, the Company made a final payment of $30.814 million (including principal and interest to that date) fully repaying the Citibank Finance Facility and closing out the associated hedge contracts. The facility has been closed.

ACT Finance Facility

On 27 July 2020, the Company executed an unsecured loan facility with Asia Cheer Trading Limited (ACT) for a $26.000 million unsecured term loan facility (ACT Loan). The ACT Loan was fully utilised on 31 July 2020 to fully repay the Citibank Facility.

On 15 December 2020, the Company executed a deed of variation to extend the ACT Loan repayment date from 31 January 2021 to 31 July 2021 and increase the facility amount by $5.000 million to $31.000 million. Upon execution the Company made a further $5.000 million drawdown, less establishment fees, from its ACT Loan, the funds to be used for working capital and general corporate expenditure.

At 31 December 2020, the key terms of the ACT Loan are as follows:

- Repayment date: 31 July 2021
- Establishment fee: 3.5%
- Fixed interest rate 1.0%

On 14 April 2021, the Company repaid $15.500, comprising 50% of the outstanding principal amount of $31.000 million. As at 30 June 2021, the ACT Loan of $15.500 million remains outstanding plus the interest accrued. Refer to note 29 Significant Events After Period End for additional repayment information.

Recognition and measurement

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

This category generally applies to interest bearing loans and borrowings.

Leases

Group as lessor

The Group has entered into lease contracts for various items of plant, machinery, vehicles, equipment, and remote area residential accommodation. These leases have an average life of between one month and three years with renewal options included in the contracts. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the lease assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period: Reconciliations of the carrying amounts of right-of-use assets and lease liabilities at the beginning and end of the year.

18. Interest Bearing Liabilities (continued)

Right of use assets	2021 $'000	2020 $'000
At 1 July	698	-
Transition adjustment on 1 July 2019	-	776
Additions	-	2,176
Depreciation	(90)	(442)
Impairment	-	(61)
Disposal and discontinued operations	(518)	-
Disposals	-	(1,751)
At 30 June	**90**	**698**

Lease liabilities	2021 $'000	2020 $'000
At 1 July	328	-
Transition adjustment on 1 July 2019	-	776
Additions	-	2,173
Accretion of interest	12	94
Payments	(102)	(593)
Disposal and discontinued operations	(144)	-
Disposals	-	(2,122)
At 30 June	**94**	**328**

	2021 $'000	2020 $'000
Current lease liabilities	94	2,922
Non-current lease liabilities	-	2,468
	94	**5,390**

The maturity analysis of lease liabilities is disclosed in note 2(f).

The following amounts are recognised in profit or loss:

	2021 $'000	2020 $'000
Depreciation expense of right-of-use assets	90	442
Interest expense on lease liabilities	12	94
Expense relating to short-term leases (included in cost of sales)	10	10
Total amount recognised in profit or loss	**112**	**546**

The Group had total cash outflows for lease liabilities related to right of use assets plus hire purchase liabilities related to the Renison operations of $3.039 million in 2021 (2020: $5.369 million).

Recognition and measurement

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Right-of-use assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies.

18. Interest Bearing Liabilities (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-based variable payments incorporating the Group's expectations of extension options and do not include non-lease components of a contract.

The lease liability is re-measured when there are changes in future lease payments arising from a change in rates, index, or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated statement of comprehensive income.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise assets and lease liabilities for short term leases (lease term of 12 months or less) and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

19. Issued Capital

Share capital	30 Jun 2021 Average number. of shares	30 Jun 2020 Average number. of shares	30 Jun 2021 AU$'000	30 Jun 2020 AU$'000
Ordinary shares fully paid	907,266,067	907,266,067	332,406	332,406

Movements in issued capital	**AU$'000**	**No. of Shares**
Balance at 1 July 2020	332,406	907,266,067
Balance at 30 June 2021	332,406	907,266,067

Recognition and measurement

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares.

There were no shares issued under the DRP in the 2021 financial year (2020: nil).

Options on issue

Unissued ordinary shares of the company under option at the date of this report are as follows:

Type	Expiry Date	Exercise Price	Number of options
Unlisted options	30 June 2023	$1.32	66,956
Unlisted options	30 June 2024	$1.32	421,068
Total			488,024

The unlisted options were issued pursuant to the Metals X Limited Employee Option Scheme and can only be exercised pursuant to the scheme rules.

Capital management gearing ratio	**2021 $000**	**2020 $000**
Gearing ratio	14.49%	68.69%
Net debt	20,048	35,576
Capital[1]	138,365	51,791

19. Issued Capital (continued)

[1]Includes issued capital and all other equity reserves attributable to the equity holders of the parent for the purpose of the Group's capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise the shareholder's value. The Group manages its capital structure and adjusts considering changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Group's may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2021 and 30 June 2020. The Group monitors capital using a gearing ratio, which is net debt divided by the aggregate of equity and net debt. The Group includes in its net debt, interest-bearing loans and borrowings, trade and other payables, less cash, and short-term deposits. Net debt in the current year is higher due to the Citi Finance Facility.

20. Accumulated Losses

	2021 $'000	2020 $'000
At 1 July	(308,796)	(228,456)
Net profit/(loss) attributable to members of the parent entity	87,199	(80,340)
At 30 June	**(221,597)**	**(308,796)**

21. Reserves

Share based payments reserve

At 1 June	28,044	28,044
Share based payments	(344)	137
At 30 June	**27,837**	**28,181**

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share-based payments.

During the year ended 30 June 2021, the Company recognised income for reversal of ($0.344) million for share based payments (30 June 2020: $0.137million) in the profit and loss. There were no share-based payments granted during the year.

22. Auditor Remuneration

	2021 $'000	2020 $'000
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	185	212
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm:	52	64
- Renison joint Venture audit		
Fees for other services		
- tax compliance	104	47
Total fees to Ernst & Young (Australia)	**341**	**323**

23. Commitments

Capital commitments

Commitments relating to joint arrangements

At 30 June 2021 the Group has capital commitments that relate principally to the purchase and maintenance of plant and equipment for its mining operations. Refer to note 13.

Estimated capital expenditure contracted for at reporting date, but not recognised as liabilities for the Group:

	2021 $'000	2020 $'000
Within one year	**9,037**	**1,632**

Mineral tenement commitments

The Company has tenements in which the mining operations are located. These tenement leases have a life of up to twenty-one years. To maintain current rights to explore and mine the tenements the Group is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing body. There are no restrictions placed on the lessee by entering into these contracts. The commitments include Joint Operation commitments as disclosed in note 24.

	2021 $'000	2020 $'000
Within one year	128	875
After one year but not more than five years	319	3,228
After more than five years	441	6,347
	888	**10,450**

Other commitments

The Group has obligations for various expenditures such as state government royalties, production-based payments, and exploration expenditure. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

24. Interest in Joint Operations

The Group's interest in the assets and liabilities of joint operations are included in the consolidated statement of financial position.

Renison Tin Project

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest and participating share in the Renison Tin Project, which is operated and managed by Bluestone Mines Tasmania Joint Venture Pty Ltd. The Group is entitled to 50% of the production. The Renison Tin Project is located in Tasmania.

Recognition and measurement

Joint arrangements are arrangements over which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group's share of the net assets of the joint venture.

25. Discontinued Operations

On 30 March 2021, Metals X completed the sale of its Copper asset portfolio including the Nifty Copper operations, the Maroochydore Copper project, and the Paterson exploration project to Cyprium.

(a) Copper assets and liabilities disposed of at 30 March 2021:

	As at 30 Mar 2021 $'000
Assets	
Prepayments	272
Inventories	16,858
Property plant & equipment	16,499
Exploration and evaluation expenditure	11,023
	44,652
Liabilities	
Trade and other payables	647
Interest bearing liabilities	18
Rehabilitation provision	38,537
	39,202
Carrying value of Copper assets disposal group (i)	5,450

(b) Consideration received for Copper asset portfolio:

Consideration received:	30 Mar 2021 $'000
Cash consideration	24,000
Convertible note receivable	35,070
Derivative financial instruments	4,542
Working capital adjustment	2,768
	66,380
Carrying value of Copper assets disposal group (i)	(5,450)
Profit on disposal of Copper assets (ii)	60,930

On 25 May 2021, the Company announced that it had signed a binding term sheet with NICO Resources Limited (NICO) for the sale and spin out of its Nickel asset portfolio. The assets, liabilities and cash flows from this discontinued operation are as shown in note 11.

25. Discontinued Operations (continued)

(c) The results for the discontinued Copper and Nickel asset portfolios during the year are presented as follows:

	2021 $'000	2020 $'000
Revenue	-	70,206
Cost of sales	-	(95,840)
Gross loss	-	(25,634)
Profit on disposal of Copper assets (ii)	60,930	-
Impairment reversal upon categorising as assets held for sale	15,753	-
Other income	73	220
Commodity and foreign exchange trading gains	1	546
Fair value loss on provisionally priced trade receivables	-	(2,066)
Rehabilitation interest accretion	(187)	(190)
Finance and admin costs	(87)	(308)
Care and maintenance costs	(8,463)	(24,744)
Loss on sale of assets	(3,747)	-
Exploration and evaluation expenditure written off	-	(105)
Impairment loss on assets	-	(15,363)
Profit/(loss) for the period from discontinued operations	**64,274**	**(67,644)**

(d) The net cash flows incurred by the Copper and Nickel assets is as follows:

Net cash flows used in operating activities	(9,699)	(1,414)
Net cash flows from/(used in) investing activities	30	(15,965)
Net cash outflow	**(9,669)**	**(17,379)**

26. Key Management Personnel

Compensation of Key Management Personnel

	2021 $	2020 $
Short-term employee benefits	1,919,001	2,961,955
Post-employment benefits	115,534	201,941
Other long-term benefits	39,658	94,140
Share-based payment	(127,089)	75,087
Termination payments	478,621	472,757
	2,425,725	**[1]3,805,880**

[1]KMP compensation for 2020 includes total emoluments paid to KMP who are no longer disclosed in the Remuneration Report.

27. Related Party Disclosure

Subsidiaries

The consolidated financial statements of the Group include Metals X and the subsidiaries listed in the following table:

Name	Country of Incorporation	Ownership Interest 2021	2020
Bluestone Australia Pty Ltd	Australia	100%	100%
Metals Exploration Pty Ltd	Australia	100%	100%
Paterson Copper Pty Ltd (formerly Cupric Pty Ltd)	Australia	-	100%
Subsidiary companies of Bluestone Australia Pty Ltd			
Bluestone Mines Tasmania Pty Ltd	Australia	100%	100%
Subsidiary companies of Metals Exploration Pty Ltd			
Austral Nickel Pty Ltd	Australia	100%	100%
Hinckley Range Pty Ltd	Australia	100%	100%
Metex Nickel Pty Ltd	Australia	100%	100%
Subsidiary companies of Paterson Copper Pty Ltd			
Nifty Copper Pty Ltd	Australia	-	100%
Maroochydore Copper Pty Ltd	Australia	-	100%

Transactions with related parties

Related party transactions		Sales to related parties $'000	Purchases and interest charges from related parties $'000	Amounts owed by related parties $'000	Amounts owed to related parties $'000
Shareholder's Loan & Interest: Asia Cheer Trading Limited (subsidiary of Company's substantial shareholder APAC Resources Strategic Holdings Limited)	2021	-	1,583	-	15,528
	2020	-	-	-	-
Jointly controlled operations Bluestone Mines Tasmania Joint Venture Pty Ltd (Manager of the Renison Tin Project)	2021	126	170	-	48
	2020	888	-	64	-

28. Parent Entity Disclosure

	2021	2020
	$'000	$'000
Current assets	30,913	16,133
Total assets	119,219	22,050
Current Liabilities	15,750	762
Total Liabilities	15,750	762
Issued capital	341,685	341,685
Accumulated losses	(266,053)	(348,578)
Share based payment reserve	27,836	28,181
Total Equity	**103,469**	**21,288**
Profit/(Loss) of the parent entity	**82,526**	**(90,587)**
Total comprehensive profit/(loss) of the parent entity	**82,526**	**(90,587)**

29. Significant Events After Period End

Receipt of Mt Gordon Copper Payment

On 8 July 2021, the Company received $11 million as settlement of the Copper Payment pursuant to the Mt Gordon Sale Agreement, and subsequent binding variation agreement, with Capricorn Copper Holdings Pty Ltd (CCH) and its parent entity, EMR Capital Investment (No. 6B) Pte Ltd.

The payment from CCH includes the first and second instalments of $5,000,000 each, the agreed extension fee of $250,000, and interest due, being a total payment of $11 million.

Repayment of ACT Loan Facility

On 13 July 2021, the Company repaid $7.75 million, comprising 50% of the outstanding principal amount of $15.50 million to ACT.

On 27 July 2021, the Company announced it had agreed to extend the Loan Facility Termination Date from 31 July 2021 to 31 January 2021, with all other terms and conditions remaining unchanged.

On 30 September 2021, the Company made a final payment of $7.764 million, comprising $7.750 million principal plus interest, to ACT. The Company has now repaid the ACT loan facility in full.

Spin Out of Nickel-Cobalt Assets

As described in the Director's Report, on 21 September 2021, the date to satisfy all Conditions Precedent to the binding term sheet to sell the assets passed. However, the parties involved in the sale are in the process of extending the date for completion of the Conditions Precedent which have resulted from procedural delays in obtaining the necessary approval from the Foreign Investment Review Board.

DIRECTORS' DECLARATION

For the year ended 30 June 2021

In accordance with a resolution of the Directors of Metals X Limited, I state that:

In the opinion of the Directors:

(a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

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

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(b) and;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

On behalf of the Board

Brett Smith
Executive Director
30 September 2021

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Auditor's independence declaration to the Directors of Metals X Limited

As lead auditor for the audit of Metals X Limited for the financial year ended 30 June 2021, I declare 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 Metals X Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
30 September 2021

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Independent auditor's report to the members of Metals X Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Metals X Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. The matters we identified are addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on the matters. For the matters below, our description of how our audit addressed the matters is provided in that context. We have determined the matters described below to be key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, Including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. **Fair value of financial assets through profit and loss**

Why significant	How our audit addressed the key audit matter

As described in note 25 *discontinued operations*, the Group completed the sale of its copper asset portfolio on 30 March 2021. As part of the proceeds, the Group received non-cash consideration initially recognised at a fair value of $39.6 million. The non-cash consideration consists of the following financial assets:
▸ a convertible note from the buyer; and
▸ options to acquire shares in the buyer.
These financial assets are required to be subsequently measured at fair value through profit or loss under AASB 9 *Financial Instruments*. At 30 June 2021, the fair value of these financial assets through profit or loss changed to $43.0 million resulting in a gain and interest earned of $3.4 million reported in the Group's profit for the period.
Due to the inherent complexity and judgement required to value these financial assets, management engaged an independent expert to assist in determining the fair value.
Given the size of the financial assets relative to the Group's total assets and judgements involved in determining fair value, this was considered a key audit matter.
	Our procedures included:
	▸ Assessed the Group's recognition, measurement, classification and treatment of the financial instruments, in accordance with the accounting standards, which included understanding of the terms and conditions within the Convertible Note Deed
	▸ Assessed the competency and objectivity of management's expert
	▸ Read the valuation reports prepared by the Group's external expert and:
	  ▸ compared the inputs used by the expert to supporting evidence; and
	  ▸ re-computed the fair value outcomes based on the inputs and techniques applied
	▸ For the options and convertible note conversion feature, we engaged our internal valuation specialist to determine our own point estimate based on the appropriate valuation techniques and compared the results to that the management's expert
	▸ Assessed the adequacy of disclosures in the financial report.

Information other than the financial statements and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Metals X Limited for the year 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.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
30 September 2021

TABLES OF MINERAL RESOURCES AND ORE RESERVES

As at 31 March 2021

Mineral Resource Estimates (50% MLX) – Consolidated Summary & Annual Comparison

Project	Tonnes[1] (Mt)	Tin (%Sn)	Copper (%Cu)	Contained Metal Tin (kt)	Contained Metal Copper (kt)
31 Mar 2020					
Renison Bell	18.5	1.57	0.20	292	36.6
Rentails	23.9	0.44	0.22	104	52.7
Total	**42.4**	**0.93**	**0.21**	**396**	**89.3**
Mining Depletion					
Renison Bell	(0.82)	1.25	0.24	(10.3)	(1.94)
Rentails	-	-	-	-	-
Total	**(0.82)**	**1.25**	**0.24**	**(10.3)**	**(1.94)**
Resource Adjustments					
Renison Bell	0.5	3.95	0.36	19.80	1.8
Rentails	-	-	-	-	-
Total	**0.5**	**3.95**	**0.36**	**19.80**	**1.8**
31 Mar 2021					
Renison Bell	18.2	1.65	0.20	302	36.5
Rentails	23.9	0.44	0.22	104	52.7
Total	**42.1**	**0.96**	**0.21**	**406**	**89.2**

[1]Figures are rounded according to JORC Code guidelines and may show apparent addition errors. Contained metal does not imply recoverable metal.

Ore Reserve Estimates (50% MLX) – Consolidated Summary & Annual Comparison

The Ore Reserve estimates are a subset of the Mineral Resource estimates

Project	Tin Ore Kt	Tin Grade % Sn	Tin Metal Kt Sn	Copper Ore Kt	Copper Grade % Cu	Copper Metal Kt Cu
30 Jun 2019						
Renison Bell	8,100	1.02	82	8,100	0.21	17
Rentails	22,310	0.44	99	22,310	0.23	51
	30,410	**0.60**	**181**	**30,410**	**0.22**	**68**
Mining Depletion						
Renison Bell	(1,583)	1.20	(19)	(1,583)	0.27	(4)
Rentails	-	-	-	-	-	-
Reserve Adjustments						
Renison Bell	1,320	3.56	47	1,320	0.15	3
Rentails	-	-	-	-	-	-
31 Mar 2021						
Renison Bell	7,837	1.90	110	7,837	0.30	16
Rentails	22,310	0.44	99	22,310	0.23	51
	30,147	**0.82**	**209**	**30,147**	**0.25**	**67**

Renison Bell and Rentails Resources and Reserves are 50% owned by Metals X.
The geographic region for Tin Mineral Resources and Ore Reserves is Australia.
For further details on total Mineral Resources refer to ASX announcement dated 7 June 2021. For further details on total Ore Reserves refer to ASX announcement dated 17 June 2020. Ore Reserves have been adjusted to reflet mining depletion to 31 March 2021.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Mineral Resources has been compiled by Bluestone Mines Tasmania Joint Venture Pty Ltd technical employees under the supervision of Mr Colin Carter B.Sc. (Hons), M.Sc. (Econ. Geol), AusIMM. Mr Carter is a full-time employee of the Bluestone Mines Tasmania Joint Venture Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Tin Ore Reserves has been compiled by Bluestone Mines Tasmania Joint Venture technical employees under the supervision of Mr Mark Recklies, B Engineering (Mining Engineering), AusIMM. Mr. Recklies is a full-time employee of Bluestone Mines Tasmania Joint Venture. Mr Recklies has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Recklies consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

STATEMENT OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTORLS

Governance of Metals X's Mineral Resources and Ore Reserves development and management activities is a key responsibility of the Executive Management of the Company.

Senior geological and mining engineering staff of the Company oversee reviews and technical evaluations of the estimates and evaluate these with reference to actual physical and cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

The Executive Director (in consultation with senior staff) is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the Company and the estimation and reporting of resources and reserves. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A four-level compliance process guides the control and assurance activities:

1. Provision of internal policies, standards, procedures and guidelines;
2. Mineral Resources and Ore Reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes;
3. Internal review of process conformance and compliance; and
4. Internal assessment of compliance and data veracity.

The objectives of the estimation process are to promote the maximum conversion of identified mineralisation into JORC 2012 compliant Mineral Resources and Ore Reserves.

Metals X reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with ASX Listing Rule 5.21 and clause 14 of Appendix 5A (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) 2012 Edition).

Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Metals X are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code 2012.

CORPORATE GOVERNANCE

The Company's 2021 Corporate Governance Statement is available for in the Corporate Governance section of the Company's website: https://www.metalsx.com.au/aboutus/corporate-governance/.

SECURITY HOLDER INFORMATION

As at 31 August 2021

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2021.

Issued Equity Capital

	Ordinary Shares	Options
Number of holders	4,072	2
Number on issue	907,266,067	488,024

Voting Rights

The voting rights for each class of security on issue are:

Ordinary fully paid shares

Each ordinary shareholder is entitled to one vote for each share held.

Options

The holders of options have no rights to vote at a general meeting of the company.

Distribution of Holdings of Equity Securities

Fully Paid Ordinary Shares

Holding ranges	Ordinary Shares	
	Number of Holders	Units
1 – 1,000	269	60,419
1,001 – 5,000	539	1,647,995
5,001 – 10,000	815	6,668,660
10,001 – 100,000	1,993	68,125,597
100,001 and over	456	830,763,396
Total	**4,072**	**907,266,067**

Unlisted options expiring 30 June 2023

Holding ranges	Options	
	Number of Holders	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	1	66,956
100,001 and over	0	0
Total	**1**	**66,956**

Unlisted options expiring 30 June 2024

Holding ranges	Options	
	Number of Holders	Units
1 – 1,000	0	0
1,001 – 5,000	0	0
5,001 – 10,000	0	0
10,001 – 100,000	0	0
100,001 and over	1	421,068
Total	**1**	**421,068**

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel was 340 as at 31 August 2021 (being 1,755 shares based on a closing share price of $0.2850 at 31 August 2021).

SECURITY HOLDER INFORMATION (Continued)

As at 31 August 2021

Substantial Shareholders

Substantial Shareholders as disclosed in substantial shareholder notices provided to the Company as at 31 August 2021.

	Number of Ordinary Shares	Percentage (%)
Old Peak Group Ltd[1]	148,485,759	16.36
APAC Resources Limited and its related bodies corporate[2, 5]	130,627,608	15.31
Credit Suisse Holdings (Australia) Limited (on behalf of Credit Suisse Group AG and its affiliates)[3]	55,329,373	6.10
Bank of America Corporation and its related bodies corporate[4]	54,695,622	6.03

1. As lodged on 11 May 2021
2. As lodged on 3 October 2019
3. As lodged on 3 August 2021
4. As lodged on 4 August 2021
5. On16 September 2021, APAC Resources Limited acquired on-market 48,968,711 Metals X Limited shares taking its percentage interest to 19.80%.

On Market Buy Back

There is no current on-market buy-back.

Restricted Securities

The Company has no restricted securities on issue.

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	CITICORP NOMINEES PTY LIMITED	146,854,893	16.19
2	SUN HUNG KAI INVESTMENT SERVICES LIMITED <CLIENT A/C>	79,536,595	8.77
3	BNP PARIBAS NOMS PTY LTD <DRP>	73,197,236	8.07
4	NATIONAL NOMINEES LIMITED <DB A/C>	59,641,333	6.57
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	48,832,964	5.38
6	JINCHUAN GROUP LTD	44,000,000	4.85
7	FARJOY PTY LTD	40,897,831	4.51
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,998,030	3.31
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	25,171,869	2.77
10	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	19,768,769	2.18
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,941,694	1.98
12	NATIONAL NOMINEES LIMITED	10,729,448	1.18
13	NGE CAPITAL LIMITED	10,284,250	1.13
14	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	10,189,465	1.12
15	MRS YUQIN ZHUANG	9,700,000	1.07
16	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	6,583,078	0.73
17	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	5,862,328	0.65
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,635,858	0.62
19	MR RAM SHANKER KANGATHARAN	5,000,000	0.55
20	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	4,336,880	0.48
	Total	**654,162,521**	**72.10**