



IPERIONX LIMITED (FORMERLY HYPERION METALS LIMITED)  
ABN 84 618 935 372

# Interim Financial Report for the Six Months Ended December 31, 2021

**Corporate Office**

129 W Trade Street, Suite 1405, Charlotte, NC 28202

**Tennessee Office**

279 West Main Street Camden, TN 38320

**Utah Office**

1782 W 2300 S, Suite A, West Valley City, UT 84119

**DIRECTORS**

Mr. Todd Hannigan – Executive Chairman  
 Mr. Anastasios Arima – CEO & Managing Director  
 Ms. Lorraine Martin – Independent Non-Executive Director  
 Mr. Vaughn Taylor – Independent Non-Executive Director  
 Ms. Melissa Waller – Independent Non-Executive Director  
 Ms. Beverly Wyse – Independent Non-Executive Director

**COMPANY SECRETARY**

Mr Gregory Swan

**OFFICES****Corporate office**

129 W Trade Street, Suite 1405  
 Charlotte, NC 28202, UNITED STATES

**Tennessee office**

279 West Main Street  
 Camden, TN 38320, UNITED STATES

**Utah office**

1782 W 2300 S, Suite A  
 West Valley City, UT 84119, UNITED STATES

**Registered office**

28 The Esplanade, Level 9  
 Perth, WA 6000, AUSTRALIA

**WEBSITE**

www.iperionx.com

**STOCK EXCHANGE LISTINGS**

Australian Securities Exchange:  
 Fully paid ordinary shares (ASX code: **IPX**)

**SHARE REGISTRY**

Automic Pty Ltd  
 191 St Georges Terrace, Level 5  
 Perth WA 6000, AUSTRALIA

T: 1300 288 664 (within Australia)  
 T: +61 2 9698 5414 (international)

**LAWYERS****United States**

Gibson Dunn  
 Johnston Allison & Hord

**Australia**

Thomson Geer Lawyers

**AUDITOR**

PricewaterhouseCoopers

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The Directors of IperionX Limited (formerly Hyperion Metals Limited) present their report on IperionX Limited ("IperionX" or "Company") and the entities it controlled during the interim six-month period ended December 31, 2021 ("Consolidated Entity" or "Group").

## DIRECTORS

The names of the Directors of IperionX in office during the interim period and until the date of this report are:

|                      |   |
|----------------------|---|
| Mr. Todd Hannigan    | Executive Chairman  |
| Mr. Anastasios Arima | Chief Executive Officer & Managing Director                                 |
| Ms. Lorraine Martin  | Independent Non-Executive Director (appointed effective September 13, 2021) |
| Mr. Vaughn Taylor    | Independent Non-Executive Director  |
| Ms. Melissa Waller   | Independent Non-Executive Director (appointed effective September 13, 2021) |
| Ms. Beverly Wyse     | Independent Non-Executive Director (appointed effective September 13, 2021) |

Unless otherwise shown, all Directors were in office from the beginning of the interim period until the date of this report.

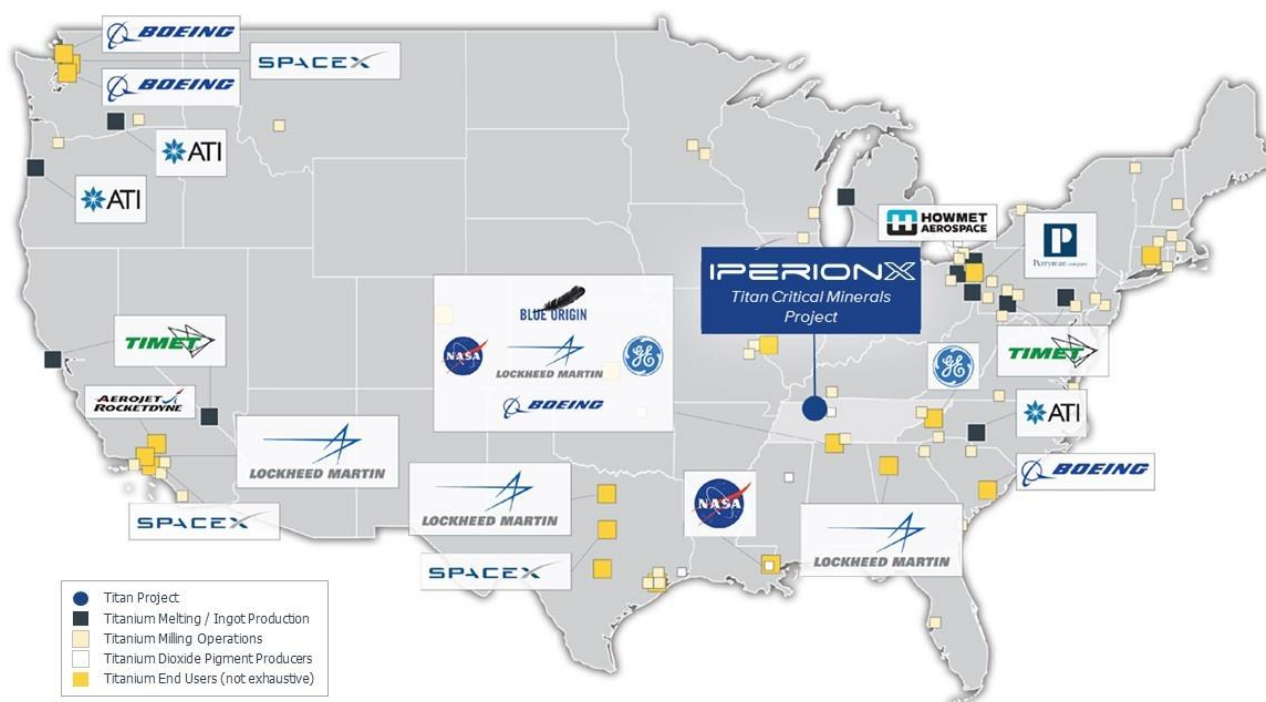
## OPERATING AND FINANCIAL REVIEW

### Overview

IperionX's mission is to be the leading developer of low carbon, sustainable, critical material supply chains focused on advanced industries including space, aerospace, electric vehicles and 3D printing.

IperionX's breakthrough titanium technologies have demonstrated the potential to produce titanium products which are sustainable, 100% recyclable, low carbon intensity and at product qualities which exceed current industry standards.

IperionX also holds a 100% interest in the Titan Project, covering over 11,000 acres of titanium, rare earth minerals, high-grade silica sand and zircon rich mineral sands properties in Tennessee, United States.



## OPERATING AND FINANCIAL REVIEW (continued)

### Highlights

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

#### *Establishing an advanced titanium and critical materials market leader*

- Entered into an option agreement to acquire Blacksand Technology, LLC, establishing a clear market leader in advanced titanium technologies that offer potentially low cost, low carbon titanium metal and powders from sustainable all-American recycled metal and critical minerals supply chains.
- The potential future combination of the Company and Blacksand would be transformational and bring together two highly complementary organizations to establish a world-class titanium and critical materials market leader.
- The strategic rationale behind the agreement includes ownership of an operational pilot titanium production facility in Utah, USA, that can upgrade titanium minerals, produce titanium metal and produce titanium spherical powders.
- Further, the agreement provides security and control over the patented Blacksand technologies, being the exclusive commercial licensing rights for more than 40 global patents focused on advanced metal production technologies.
- The pilot production facility is already producing titanium metals powders for near-term delivery to potential customers.

#### *Outstanding progress at the Titan Project*

- Delivery of the maiden Mineral Resource for the Titan Project confirming the Titan Project as one of the largest and most important critical mineral deposits in the United States.
- The Mineral Resource comprises 431Mt @ 2.2% Total Heavy Minerals ("THM"), containing 9.5Mt THM at a 0.4% cut-off, which includes a high-grade core of 195Mt @ 3.7% THM, containing 7.1Mt THM at a 2.0% cut-off.
- The shallow, high grade and unconsolidated nature of the sandy mineralization enables the potential for simple mining operations such as dozer push followed by an industry standard mineral processing flowsheet.

#### *Rare earths testwork*

- Rare earth concentrates flotation test work identified a 97% overall recovery of rare earth minerals from a heavy mineral concentrate, providing the potential for a higher grade rare earth product than could be achieved without flotation.
- The successful flotation of rare earth minerals as a preliminary processing stage provides the potential for significant benefits to a future mineral separation plant design.
- Importantly, extraction of the highly valuable rare earths as a preliminary processing stage confirms the potential for significant optionality for product strategy and phased plant development.
- The increasing demand for rare earths used in high strength permanent magnets for electric motors used in electric vehicles and wind turbines currently makes up the majority of global consumption.
- In particular, the heavy rare earths dysprosium and terbium are essential for the production of DyNdFeB magnets used in clean energy, military and high technology solutions.
- There is only minor production of dysprosium and terbium outside of China, and no material production within the United States. Their potential production from the Titan Project is strategic and highly valuable to the country's leading defense, electric vehicle ("EV") and clean energy sectors.

## OPERATING AND FINANCIAL REVIEW (continued)

### Highlights (continued)

#### *MoU with Chemours*

- Memorandum of understanding (“MoU”) signed with Chemours for the potential supply of the titanium feedstocks ilmenite and rutile, as well as the industrial mineral staurolite.
- The MoU contemplates the commencement of negotiations of a supply agreement of an initial five-year term on an agreed market-based pricing methodology for the annual supply of up to 50,000 tonnes of ilmenite, 10,000 tonnes of rutile and 10,000 tonnes of staurolite.
- Chemours is one of the world’s largest producers of high-quality titanium dioxide products for coatings, plastics, and laminates, including one of the world’s largest facilities at New Johnsonville, Tennessee, located 20 miles from the Company’s Titan Project.
- The Titan Project benefits from a material logistical advantage over critical minerals imported into the U.S., enabling the potential for significant reductions in carbon emissions in the mine to market supply chain through sales agreements with domestic customers.

#### *Corporate Environmental, Sustainability and Corporate Governance*

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

#### *Corporate*

- Subsequent to the end of the period, the Company announced it plans to file a U.S. registration statement to register its ordinary shares with the United States Securities and Exchange Commission (“SEC”), which if approved, would allow American depositary shares representing ordinary shares of the Company to be listed on a national securities exchange in the United States.
- Listing on a national securities exchange in the U.S. will enhance the visibility and accessibility of the Company to the extensive U.S. market of retail and institutional investors and enable new and existing investors to trade the Company’s shares in U.S. dollars and during normal U.S. trading hours.
- Subsequent to the end of the period, the Company changed its name to “IperionX Limited”, following a potential conflict in the U.S. with the Company’s previous name.
- Appointed Ms. Lorraine Martin, Ms. Melissa Waller, and Ms. Beverly Wyse as Independent Non-Executive Directors.
- Completed a private placement of 20 million shares at an issue price of A\$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A\$24.0 million (US\$17.6 million) to accelerate the scale-up and commercialization of Hyperion’s titanium metal and metal powder technologies. The placement was led by cornerstone investor, Fidelity Management & Research Company, one of the largest investment management firms in the United States.

## OPERATING RESULTS

The Consolidated Entity's net loss after tax for the six months ended December 31, 2021 was US\$10,562,155 (December 31, 2020: US\$6,525,096). This loss is partly attributable to:

- (a) exploration and evaluation expense of US\$3,431,522 (December 31, 2020: US\$285,215), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore, including option payments to landowners) incurred by the Group in the period subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest; and
- (b) non-cash share-based payment expenses of US\$4,764,135 (December 31, 2020: US\$841,896) which is attributable to expensing the value (estimated using an option pricing model) of incentive securities granted to key employees, consultants and advisors. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options.

## SIGNIFICANT POST BALANCE DATE EVENTS

- (a) On January 6, 2022, the Company announced that it plans to pursue a listing on a national securities exchange in the United States; and
- (b) On February 9, 2022, the Company changed its name from 'Hyperion Metals Limited' to 'IperionX Limited'.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of Directors.



**ANASTASIOS (TASO) ARIMA**  
CEO & Managing Director

March 15, 2022



### Auditor's Independence Declaration

As lead auditor for the review of IperionX Limited (Formerly Hyperion Metals Limited) for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read "Craig Heatley".

Craig Heatley  
Partner  
PricewaterhouseCoopers

Perth  
15 March 2022

PricewaterhouseCoopers, ABN 52 780 433 757  
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Liability limited by a scheme approved under Professional Standards Legislation.

Condensed consolidated  
statement of profit or loss and  
other comprehensive income.  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021



|   | Note | Six Months Ended<br>December 31, 2021<br>US\$ | Period Ended<br>December 31, 2020<br>(restated)<br>US\$ |
|---|------|---|---|
| <b>Continuing operations</b>  |      |   |   |
| Exploration and evaluation expenses   |      | (3,431,522)                                   | (285,215)   |
| Corporate and administrative expenses   |      | (998,378)                                     | (185,031)   |
| Business development expenses   |      | (1,501,724)                                   | (71,946)  |
| Share-based payment expense   |      | (4,764,135)                                   | (841,896)   |
| Finance income  |      | 157,435                                       | 118   |
| Finance costs   |      | (23,831)                                      | -   |
| Cost of listing on reverse acquisition  | 9    | -   | (5,141,126)   |
| <b>Loss before income tax</b>   |      | <b>(10,562,155)</b>                           | <b>(6,525,096)</b>                                      |
| Income tax expense  |      | -   | -   |
| <b>Loss for the period</b>  |      | <b>(10,562,155)</b>                           | <b>(6,525,096)</b>                                      |
| <b>Loss attributable to members of IperionX Limited</b>                         |      | <b>(10,562,155)</b>                           | <b>(6,525,096)</b>                                      |
| <b>Other comprehensive income</b>   |      |   |   |
| <i>Items that may be reclassified subsequently to<br/>profit or loss:</i>       |      |   |   |
| Exchange differences arising on translation of<br>foreign operations            |      | (232,068)                                     | 75,680  |
| <b>Other comprehensive loss for the period, net of<br/>tax</b>                  |      | <b>(232,068)</b>                              | <b>75,680</b>   |
| <b>Total comprehensive loss for the period</b>                                  |      | <b>(10,794,223)</b>                           | <b>(6,449,416)</b>                                      |
| <b>Total comprehensive loss attributable to<br/>members of IperionX Limited</b> |      | <b>(10,794,223)</b>                           | <b>(6,449,416)</b>                                      |
| <b>Loss per share</b>   |      |   |   |
| Basic and diluted loss per share (US\$ per share)                               |      | (0.08)  | (0.40)  |

**Notes:**

(1) The Condensed Consolidated Statement of Comprehensive Income for the comparative period ended December 31, 2020 has been restated. Refer to Note 9 for further information.

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



Condensed consolidated  
statement of financial position.  
AS AT DECEMBER 31, 2021



|                                      | Note | December 31, 2021<br>US\$ | June 30, 2021<br>US\$ |
|--------------------------------------|------|---------------------------|-----------------------|
| <b>ASSETS</b>                        |      |                           |                       |
| <b>Current Assets</b>                |      |                           |                       |
| Cash and cash equivalents            |      | 14,256,359                | 1,697,904             |
| Trade and other receivables          |      | 19,722                    | 341                   |
| Prepayments                          |      | 37,185                    | 49,069                |
| <b>Total Current Assets</b>          |      | <b>14,313,266</b>         | <b>1,747,314</b>      |
| <b>Non-Current Assets</b>            |      |                           |                       |
| Exploration and evaluation assets    | 4    | 885,725                   | 504,750               |
| Property, plant and equipment        |      | 714,941                   | 539,619               |
| Financial assets                     |      | 250,000                   | -                     |
| <b>Total Non-Current Assets</b>      |      | <b>1,850,666</b>          | <b>1,044,369</b>      |
| <b>TOTAL ASSETS</b>                  |      | <b>16,163,932</b>         | <b>2,791,683</b>      |
| <b>LIABILITIES</b>                   |      |                           |                       |
| <b>Current Liabilities</b>           |      |                           |                       |
| Trade and other payables             |      | 553,088                   | 544,842               |
| Lease liabilities                    |      | 94,191                    | 81,104                |
| Provisions                           |      | -                         | 11,069                |
| <b>Total Current Liabilities</b>     |      | <b>647,279</b>            | <b>637,015</b>        |
| <b>Non-Current Liabilities</b>       |      |                           |                       |
| Lease liabilities                    |      | 464,696                   | 394,548               |
| <b>Total Non-Current Liabilities</b> |      | <b>464,696</b>            | <b>394,548</b>        |
| <b>TOTAL LIABILITIES</b>             |      | <b>1,111,975</b>          | <b>1,031,563</b>      |
| <b>NET ASSETS</b>                    |      | <b>15,051,957</b>         | <b>1,760,120</b>      |
| <b>EQUITY</b>                        |      |                           |                       |
| Contributed equity                   | 5    | 29,669,773                | 10,255,369            |
| Reserves                             | 6    | 9,175,176                 | 4,735,588             |
| Accumulated losses                   |      | (23,792,992)              | (13,230,837)          |
| <b>TOTAL EQUITY</b>                  |      | <b>15,051,957</b>         | <b>1,760,120</b>      |

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

Condensed consolidated  
statement of **changes in equity**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021



|   | Contributed<br>Equity<br>US\$ | Share-<br>Based<br>Payments<br>Reserve<br>US\$ | Foreign<br>Currency<br>Translation<br>Reserve<br>US\$ | Accumulated<br>Losses<br>US\$ | Total<br>Equity<br>US\$ |
|---|-------------------------------|--|---|-------------------------------|-------------------------|
| <b>Balance at July 1, 2021</b>                                    | <b>10,255,369</b>             | <b>4,738,007</b>                               | <b>(2,419)</b>  | <b>(13,230,837)</b>           | <b>1,760,120</b>        |
| Net loss for the period   | -                             | -  | -   | (10,562,155)                  | (10,562,155)            |
| Exchange differences arising on translation of foreign operations | -                             | -  | (232,068)   | -                             | (232,068)               |
| <b>Total comprehensive loss</b>                                   | <b>-</b>                      | <b>-</b>                                       | <b>(232,068)</b>                                      | <b>(10,562,155)</b>           | <b>(10,794,223)</b>     |
| Issue of shares - share placement                                 | 17,604,000                    | -  | -   | -                             | 17,604,000              |
| Issue of shares - exercise of options                             | 2,239,216                     | (92,479)                                       | -   | -                             | 2,146,737               |
| Share issue costs   | (428,812)                     | -  | -   | -                             | (428,812)               |
| Share-based payment expense                                       | -                             | 4,764,135                                      | -   | -                             | 4,764,135               |
| <b>Balance at December 31, 2021</b>                               | <b>29,669,773</b>             | <b>9,409,663</b>                               | <b>(234,487)</b>                                      | <b>(23,792,992)</b>           | <b>15,051,957</b>       |
| <b>Balance at incorporation (restated)</b>                        | -                             | -  | -   | -                             | -                       |
| Net loss for the period   | -                             | -  | -   | (6,525,096)                   | (6,525,096)             |
| Exchange differences arising on translation of foreign operations | -                             | -  | 75,680  | -                             | 75,680                  |
| <b>Total comprehensive loss</b>                                   | <b>-</b>                      | <b>-</b>                                       | <b>75,680</b>   | <b>(6,525,096)</b>            | <b>(6,449,416)</b>      |
| Issue of shares – incorporation                                   | 1                             | -  | -   | -                             | 1                       |
| Issue of shares – seed placement                                  | 54,011                        | -  | -   | -                             | 54,011                  |
| Reverse acquisition   | 6,433,752                     | 967,582  | -   | -                             | 7,401,334               |
| Share-based payment expense                                       | -                             | 841,896  | -   | -                             | 841,896                 |
| <b>Balance at December 31, 2020 (restated)</b>                    | <b>6,487,764</b>              | <b>1,809,478</b>                               | <b>75,680</b>   | <b>(6,525,096)</b>            | <b>1,847,826</b>        |

**Notes:**

<sup>(1)</sup> The Condensed Consolidated Statement of Changes in Equity for the comparative period ended December 31, 2020 has been restated. Refer to Note 9 for further information.

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

Condensed consolidated  
statement of **cash flows**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021



|   | Note | Six Months Ended<br>December 31, 2021<br>US\$ | Period Ended<br>December 31, 2020<br>(restated)<br>US\$ |
|---|------|---|---|
| <b>Cash flows from operating activities</b>               |      |   |   |
| Payments to suppliers and employees                       |      | (5,892,972)                                   | (452,022)   |
| Interest received   |      | 14,716  | 118   |
| Interest paid   |      | (22,688)                                      | -   |
| <b>Net cash flows used in operating activities</b>        |      | <b>(5,900,944)</b>                            | <b>(451,904)</b>  |
| <b>Cash flows from investing activities</b>               |      |   |   |
| Purchase of exploration and evaluation assets             | 4    | (380,975)                                     | (74,903)  |
| Purchase of property, plant and equipment                 |      | (113,890)                                     | -   |
| Purchase of financial assets                              |      | (250,000)                                     | -   |
| <b>Net cash flows (used in)/from investing activities</b> |      | <b>(744,865)</b>                              | <b>(74,903)</b>   |
| <b>Cash flows from financing activities</b>               |      |   |   |
| Proceeds from issue of shares                             | 5    | 19,750,737                                    | 54,012  |
| Share issue costs   |      | (428,812)                                     | -   |
| Payment of principal portion of lease liabilities         |      | (26,626)                                      | -   |
| Net cash inflow on reverse acquisition                    | 9    | -   | 2,329,111   |
| <b>Net cash flows from financing activities</b>           |      | <b>19,295,299</b>                             | <b>2,383,123</b>  |
| Net increase in cash and cash equivalents                 |      | 12,649,490                                    | 1,856,316   |
| Net foreign exchange differences                          |      | (91,036)                                      | 75,442  |
| Cash and cash equivalents at the beginning of the period  |      | 1,697,905                                     | -   |
| <b>Cash and cash equivalents at the end of the period</b> |      | <b>14,256,359</b>                             | <b>1,931,758</b>  |

**Notes:**

<sup>(1)</sup> The Condensed Consolidated Statement of Cash Flows for the comparative period ended December 31, 2020 has been restated. Refer to Note 9 for further information.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of IperionX Limited and its consolidated entities (collectively, the "Group") for the six-months ended December 31, 2021 were authorised for issue in accordance with the resolution of the directors on March 11, 2021.

IperionX Limited ("Company") is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The Group's principal activities are the exploration and development of mineral resource properties.

### (a) Basis of preparation

This general-purpose financial report for the interim six-month reporting period ended December 31, 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended June 30, 2021 and any public announcements made by the Company and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial report has been prepared on a historical cost basis and is presented in United States dollars (\$).

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

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended June 30, 2021, except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### (b) Statement of Compliance

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after July 1, 2021.

There are no new or revised standards, interpretations or amendments that are effective for the current year that are relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new standards have not had a material effect on the Group's financial statements.

## 2. SEGMENT INFORMATION

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

The Consolidated Entity operates in one segment, being exploration and development of minerals and metals in the United States of America.

## 3. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended December 31, 2021 (December 31, 2020: nil).

#### 4. EXPLORATION AND EVALUATION ASSETS

|   | Titan Project<br>US\$ |
|---|-----------------------|
| Carrying value at July 1, 2021                      | 504,750               |
| Additions   | 380,975               |
| Carrying amount at December 31, 2021 <sup>(1)</sup> | 885,725               |
| Carrying value at incorporation                     | -                     |
| Additions   | 504,750               |
| Carrying amount at June 30, 2021                    | 504,750               |

**Notes:**

<sup>(1)</sup> The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

#### 5. CONTRIBUTED EQUITY

##### Issued capital

|  | December 31, 2021<br>US\$ | June 30, 2021<br>US\$ |
|--|---------------------------|-----------------------|
| 139,488,491 ordinary shares (June 30, 2021: 105,105,787) | 29,669,773                | 10,255,369            |
|  | 29,669,773                | 10,255,369            |

##### Movements in issued capital

|  | No. of<br>Ordinary<br>Shares | No. of<br>Performance<br>Shares | US\$       |
|--|------------------------------|---------------------------------|------------|
| Opening balance at July 1, 2021                | 105,105,787                  | 39,600,000                      | 10,255,369 |
| Issue of shares - share placement              | 20,000,000                   | -                               | 17,604,000 |
| Issue of shares - exercise of listed options   | 12,606,704                   | -                               | 1,857,559  |
| Issue of shares - exercise of unlisted options | 1,776,000                    | -                               | 381,657    |
| Share issue costs                              | -                            | -                               | (428,812)  |
| Closing balance at December 31, 2021           | 139,488,491                  | 39,600,000                      | 29,669,773 |

## 6. RESERVES

### Reserves

|                                      | December 31, 2021<br>US\$ | June 30, 2021<br>US\$ |
|--------------------------------------|---------------------------|-----------------------|
| Share based payments reserve         | 9,409,663                 | 4,738,007             |
| Foreign currency translation reserve | (234,478)                 | (2,419)               |
| Total Reserves                       | 9,175,185                 | 4,735,588             |

### Movements share based payments reserve

|  | No. of<br>Listed<br>Options | No. of<br>Unlisted<br>Options | No. of<br>Performance<br>Rights | No. of<br>RSUs | US\$      |
|--|-----------------------------|-------------------------------|---------------------------------|----------------|-----------|
| Opening balance at July 1, 2021        | 12,624,214                  | 25,800,000                    | 16,325,000                      | -              | 4,738,007 |
| Grant of employee incentive securities | -                           | 600,000                       | 8,990,000                       | 600,000        | -         |
| Exercise of options                    | (12,606,704)                | (1,776,000)                   | -                               | -              | (92,479)  |
| Expiry of options                      | (17,510)                    | -                             | -                               | -              | -         |
| Share-based payments expense           | -                           | -                             | -                               | -              | 4,764,135 |
| Closing balance at December 31, 2021   | -                           | 24,624,000                    | 25,315,000                      | 600,000        | 9,409,663 |

## 7. SUBSIDIARIES

The consolidated financial statements include the financial statements of IperionX Limited and the subsidiaries listed in the following table.

|                                       | Country of<br>Incorporation | December 31,<br>2021 | June 30, 2021 |
|---------------------------------------|-----------------------------|----------------------|---------------|
| <b>Parent Entity</b>                  |                             |                      |               |
| IperionX Limited                      | Australia                   |                      |               |
| <b>Subsidiaries</b>                   |                             |                      |               |
| IperionX Inc.                         | USA                         | 100%                 | -             |
| IperionX Critical Minerals LLC        | USA                         | 100%                 | 100%          |
| IperionX Materials & Technologies LLC | USA                         | 100%                 | 100%          |
| Hyperion Metals (Australia) Pty Ltd   | Australia                   | 100%                 | 100%          |
| Calatos Pty Ltd LLC                   | USA                         | 100%                 | 100%          |

## 8. CONTINGENT ASSETS AND LIABILITIES

At December 31, 2021, the Group had entered into exclusive option agreements with local landowners in Tennessee, United States, in relation to its Titan Project, which upon exercise, allows the Group to lease or purchase approximately 10,934 acres of surface property and the associated mineral rights from the local landowners. Upon exercise, in the case of an option to lease, the Company will pay a production royalty to the landowners, subject to a minimum royalty. Upon exercise, in the case of a purchase, the Company will pay cash consideration approximating the fair market value of the property, excluding the value of any minerals, plus a premium.

## 9. RESTATEMENT OF COMPARATIVES - REVERSE ACQUISITION

### December 31, 2020

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

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

Therefore, the consolidated financial statements of the Company have been prepared as a continuation of the consolidated financial statements of HMAPL. The deemed acquirer, HMAPL, has accounted for the acquisition of the Company from December 1, 2020. In addition, at the date of the transaction, it was determined that the Company was not a business. Accordingly, for accounting purposes, the acquisition has been treated as a share-based payment transaction.

In the Group's interim consolidated financial statements for the period from July 20, 2020 to December 31, 2020, this transaction was provisionally accounted for based on the legal form, as an asset acquisition made by the legal parent. After further consideration it was concluded that in substance the transaction reflects a reverse acquisition as described above. Accordingly, the comparative financial information presented in these interim consolidated financial statements for the period from July 20, 2020 to December 31, 2021 have been restated to reflect the results of its condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the comparative period as they would have been on the basis that HMAPL is the accounting acquirer. In preparing the revised comparative cash flow information we have also restated the classification of the net cash inflow on reverse acquisition from investing to financing cash flows, when compared to the full year financial statements for the prior year ending June 30, 2021.

As a result of the reverse acquisition, during the comparative period from July 20, 2020 to December 31, 2020 the Group recognised an expense of US\$5.1 million in its condensed consolidated statement of profit or loss and other comprehensive income, effectively representing the cost of listing. The cost is calculated as the difference in the fair value of the equity instruments that HMAPL is deemed to have issued to acquire the Company and the fair value of the Company's identifiable net assets, as follows:

|  | Period Ended December 31, 2020<br>US\$ |
|--|--|
| <b>Fair value of consideration:</b>              |  |
| Equity   | 7,401,334                              |
| Direct costs relating to the reverse acquisition | 10,875                                 |
| Cash option fee paid to HMAPL                    | (25,292)                               |
| Pre-acquisition loan to HMAPL                    | (331,471)                              |
| <b>Fair value of consideration</b>               | <b>7,055,446</b>                       |
| <b>Fair value of net assets acquired:</b>        |  |
| Cash and cash equivalents                        | 1,983,223                              |
| Trade and other receivables                      | 33,523                                 |
| Trade and other payables                         | (102,426)                              |
| <b>Fair value of net assets acquired</b>         | <b>1,914,320</b>                       |
| <b>Cost of listing</b>                           | <b>5,141,126</b>                       |
| <b>Net cash inflow:</b>                          |  |
| Net cash acquired on reverse acquisition         | 1,983,223                              |
| Direct costs relating to the reverse acquisition | (10,875)                               |
| Cash option fee paid to HMAPL                    | 25,292                                 |
| Pre-acquisition loan to HMAPL                    | 331,471                                |
| <b>Net consolidated cash inflow</b>              | <b>2,329,111</b>                       |

## **10. SUBSEQUENT EVENTS AFTER BALANCE DATE**

- (a) On January 6, 2022, the Company announced that it plans to pursue a listing on a national securities exchange in the United States; and
- (b) On February 9, 2022, the Company changed its name from 'Hyperion Metals Limited' to 'IperionX Limited'.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.



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

In the opinion of the Directors:

- (a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
  - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**ANASTASIOS (TASO) ARIMA**  
**CEO & Managing Director**

March 15, 2022



## Independent auditor's review report to the members of IperionX Limited (Formerly Hyperion Metals Limited)

### Report on the half-year financial report

#### Conclusion

We have reviewed the half-year financial report of IperionX Limited (Formerly Hyperion Metals Limited) (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2021, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of IperionX Limited (Formerly Hyperion Metals Limited) does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibilities of the directors for the half-year financial report

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

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**Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be "CH".

Craig Heatley  
Partner

Perth  
15 March 2022

## Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements, or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

## Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is extracted from Hyperion’s ASX Announcement dated October 6, 2021 (“Original ASX Announcement”) which is available to view at Hyperion’s website at [www.hyperionmetals.us](http://www.hyperionmetals.us). Hyperion confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcement; b) all material assumptions included in the Original ASX Announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons’ findings are presented in this report have not been materially changed from the Original ASX Announcement.

The Mineral Resource Estimate (“MRE”) for the Titan Project comprises 431Mt @ 2.2% THM, containing 9.5Mt THM at a 0.4% cut-off, including 241Mt @ 2.2% classified in the Indicated resource category and 190Mt @ 2.2% classified in the Inferred resource category