



Alma Metals Limited
(formerly African Energy Resources Limited)
ARBN 123 316 781

Interim Financial Statements
for the six months ended
31 December 2021

ALMA METALS LIMITED

Contents page

Interim Financial Statements - 31 December 2021

Directors' Report	3
Directors' Declaration	4
Independent Auditor's Review Report	5
Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12

ALMA METALS LIMITED

Directors' Report

Interim Financial Statements - 31 December 2021

Your Directors present their report on the consolidated entity consisting of Alma Metals Limited formerly African Energy Resources Limited ("Alma" or the "Company") and the entities it controlled ("Consolidated Entity" or "Group") at the end, or during, the half-year ended 31 December 2021 ("Period").

DIRECTORS

Mr Alasdair Cooke	Executive Chairman
Dr Charles (Frazer) Tabearnt	Executive Director
Mr Valentine Chitalu	Non-Executive Director
Mr Vincent (Ian) Masterton-Hume	Non-Executive Director
Mr John Dean	Non-Executive Director

REVIEW OF OPERATIONS

During the Period, Alma Metals Limited completed a transition to become a mineral explorer with a primary interest in copper and copper-gold projects in Australia. Alma changed its name from African Energy Resources Limited at the annual general meeting held 25 November 2021.

After taking an initial investment in ASX-listed Caravel Minerals in 2017, Alma expanded its project portfolio of copper-gold projects through applications for multiple exploration licences in Western Australia, and by securing an exclusive option over a major porphyry copper project in SE Queensland.

Key assets now held by the Company reflect a strong focus on copper, and include:

- An exclusive option over the Briggs and Mannersley copper project in SE Queensland (143Mt @ 0.29% Cu in inferred mineral resource) for a staged earn-in joint venture where Alma can earn up to 70% of the project.
- Five exploration licences granted for Cu, Cu-Au, and Au in the SW Terrane of Western Australia.
- Nine exploration licence applications submitted for large-scale sediment-hosted copper projects in the East Kimberley district of Western Australia.
- Liquid investments worth ~ A\$5.7M in ASX-listed copper resources companies Caravel Minerals (CVV) and Canterbury Resources (CBY).

As a result of the transition, our portfolio of African coal projects was divested via a spin out to shareholders.

Alma carries no debt and has low corporate overheads. With a focus on copper exploration in stable Tier 1 jurisdictions, the Company has been repositioned to take advantage of the strong long-term market for copper underpinned by the push for global decarbonisation.

EVENTS OCCURRING AFTER REPORTING PERIOD

No matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page 8 and forms part of the Directors' report for the half year ended 31 December 2021.



Charles Frazer Tabearnt
Executive Director
16 March 2022

ALMA METALS LIMITED

Directors' Declaration

Interim Financial Statements - 31 December 2021

The opinion of the directors of Alma Metals Limited:

- a. The financial statements and notes set out on pages 8 to 19 are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b. There are reasonable grounds to believe that Alma Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Charles Frazer Tabcart
Executive Director
16 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alma Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Alma Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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.



Auditor's responsibility for the review of the financial report

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

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 16 March 2022

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ALMA METALS LIMITED

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2022

ALMA METALS LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

	Note	31-Dec-21 A\$	(Restated) 31-Dec-20 A\$
Government grants		-	21,417
Interest received		1,207	4,259
Salaries and employee benefits expense		(568,260)	(135,073)
Administration and other corporate expenses		(324,810)	(115,020)
Exploration & evaluation expensed		(711,992)	(113,669)
Foreign currency gain (loss)		(77,776)	206
Loss before tax		(1,681,631)	(337,880)
Income tax expense		-	-
Loss from continuing operations		(1,681,631)	(337,880)
Loss from discontinued operation	5(c)	(6,912,723)	(158,324)
Loss for the half year		(8,594,354)	(496,204)
Other comprehensive income			
Other comprehensive items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)		(2,304,191)	2,825,327
Other comprehensive items that may be reclassified to profit or loss			
Foreign currency translation reserve		-	234,115
Total other comprehensive (loss) / income for the half year		(2,304,191)	2,563,238
Total comprehensive (loss) / income attributable to the ordinary equity holders of the Company:			
(Loss) / profit from continuing operations		(3,985,822)	2,721,562
(Loss) / profit from discontinued operations		(6,912,723)	(158,324)
Comprehensive loss attributable to the shareholders of the Company		(10,898,545)	2,563,238
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	3	(1.26)	(0.08)
Basic and diluted loss per share from continuing operations (cents per share)	3	(0.25)	(0.08)
Basic and diluted loss per share from discontinued operations (cents per share)	3	(1.01)	-

The above consolidated statement should be read in conjunction with the accompanying notes.

ALMA METALS LIMITED**Consolidated Statement of Financial Position**

As at 31 December 2021

	Note	31-Dec-21 A\$	(Restated) 30-Jun-21 A\$	(Restated) 1-Jul-20 A\$
Assets				
Current assets				
Cash & cash equivalents		2,668,577	1,475,286	1,347,414
Financial Assets at FVOCI	4	5,737,863	7,042,054	839,635
Trade and Other Receivables		93,882	82,243	25,576
Total current assets		8,500,322	8,599,583	2,212,625
Non-current assets				
Investment in Sese Joint Venture	5	-	4,627,261	9,413,744
Total non-current assets		-	4,627,261	9,413,744
Total assets		8,500,322	13,226,844	11,626,369
Liabilities				
Current liabilities				
Trade & other payables		533,475	107,745	195,269
Total current liabilities		533,475	107,745	195,269
Total liabilities		533,475	107,745	195,269
Net assets		7,966,847	13,119,099	11,431,100
Equity				
Contributed equity	6	83,729,876	85,305,933	85,305,933
Retained Earnings (Accumulated losses)		(80,643,605)	(72,049,251)	(66,657,958)
Reserves	7	4,880,576	(137,583)	(7,216,875)
Total equity attributable to shareholders of the Company		7,966,847	13,119,099	11,431,100

The above consolidated statement should be read in conjunction with the accompanying notes.

ALMA METALS LIMITED
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

	Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Other Comprehensive Income Reserve (FVOCI)	Share-Based Payments Reserve	Total equity
	A\$	A\$	A\$	A\$	A\$	A\$
For the half-year ended 31 December 2021						
Opening balance 1 July 2021 (Restated)	85,305,933	(72,049,251)	(6,802,650)	6,665,067	-	13,119,099
Loss from continuing operations	-	(1,681,631)	-	-	-	(1,681,631)
Loss from discontinued operations	-	(6,912,723)	-	-	-	(6,912,723)
Loss for the period	-	(8,594,354)	-	-	-	(8,594,354)
Other Comprehensive loss						
Movement in fair value of financial assets at FVOCI	-	-	-	(2,304,191)	-	(2,304,191)
Total comprehensive income (loss) for the period	-	(8,594,354)	-	(2,304,191)	-	(10,898,545)
Transactions with owners in their capacity as owners:						
Issue of shares net of costs	3,264,248	-	-	-	-	3,264,248
In-specie distribution-note 5(b)	(4,840,305)	-	-	-	-	(4,840,305)
Discontinued operations-note 5(c)	-	-	6,802,650	-	-	6,802,650
Share-based payments	-	-	-	-	519,700	519,700
	(1,576,057)	-	6,802,650	-	519,700	5,746,293
Balance at 31 December 2021	83,729,876	(80,643,605)	-	4,360,876	519,700	7,966,847
For the half-year ended 31 December 2020 (Restated)						
Opening balance 1 July 2020	85,305,933	(66,657,958)	(6,990,084)	(226,791)	-	11,431,100
Net loss for the period	-	(337,880)	-	-	-	(337,880)
Loss from discontinued operations	-	(158,324)	-	-	-	(158,324)
Loss for the period	-	(496,204)	-	-	-	(496,204)
Other Comprehensive loss						
Effect of translation of foreign operations to group presentation currency	-	-	234,115	-	-	234,115
Movement in fair value of financial assets at FVOCI	-	-	-	2,825,327	-	2,825,327
Total comprehensive income (loss) for the period	-	(496,204)	234,115	2,825,327	-	2,563,238
Transactions with owners in their capacity as owners:						
Issue of shares net of costs	-	-	-	-	-	-
	-	-	-	-	-	-
Balance at 31 December 2020	85,305,933	(67,154,162)	(6,755,969)	2,598,536	-	13,994,338

The above consolidated statement should be read in conjunction with the accompanying notes.

ALMA METALS LIMITED**Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2021

	31-Dec-21 A\$	(Restated) 31-Dec-20 A\$
Cash flows from operating activities		
Payment for exploration and evaluation	(695,410)	(54,664)
Payment to suppliers and employees	(70,565)	(334,120)
Interest received	966	3,763
Net cash (used in) operating activities	(765,009)	(385,021)
Cash flows from investing activities		
Investment in Sese JV	(5,948)	2,229
In-specie distribution - note 5(b)	(300,000)	-
Acquisition of listed investments	(1,000,000)	-
Receipts from sale of listed investments	-	56,060
Net cash (used in)/from investing activities	(1,305,948)	58,289
Cash flows from financing activities		
Proceeds from issue of shares	3,400,000	-
Share issue costs	(135,752)	-
Net cash from financing activities	3,264,248	-
Cash and cash equivalents at 1 July (Restated)	1,475,286	1,347,414
Net (decrease) / increase in cash and cash equivalents	1,193,291	(326,732)
Effect of exchange rate fluctuations on cash held	-	153,130
Cash and cash equivalents at 31 December	2,668,577	1,173,812

The above consolidated statement should be read in conjunction with the accompanying notes.

1. Basis of Preparation**1.1 Statement of Compliance**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB'), AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The financial report of the Consolidated Entity also complies with IFRSs and interpretations as issued by the International Accounting Standards Board. Alma Metals Limited is a for-profit entity for the purposes of preparing financial statements.

The financial report was authorised for issue by the Directors on 16 March 2022.

1.2 Basis of measurement

The financial report is prepared under the historical cost convention.

1.3 Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars ('A\$').

On 1 July 2021 the Consolidated entity changed the presentation currency of the Group and functional currency of the Parent and all non-Australian subsidiaries from US Dollars ('US\$') to Australian Dollars ('A\$'). Refer to note 1.8 for details of change in presentational currency for the period ended 31 December 2021 and corresponding comparatives.

Functional currency

The Consolidated entity changed its operational focus from overseas to Australian assets, effectively changing the economic environment in which it operates. Consequently, the Consolidated entity and its subsidiaries are no longer exposed to US\$ as the funding and the costs of the Group's operations are denominated in A\$. The change is applied prospectively from 1 July 2021. An exchange rate of US\$/A\$1.3301 was used for conversion of functional currency.

Presentation currency

The Consolidated entity changed its presentation currency from US\$ to A\$ effective from the 1 July 2021. The change in presentation currency is a voluntary change, which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual financial report for the year ended 30 June 2021. The comparatives have been restated to A\$ at the spot rate on 1 July 2021 of US\$/A\$1.3301

1.4 Going concern

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

1.5 Reporting entity

Alma Metals Limited (referred to as the 'Parent Entity' or the 'Company') is a Guernsey registered company domiciled in Australia. The consolidated financial statements of the Company as at and for the half-year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or the 'Group').

1.6 Use of estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Share-based payments arrangements (Note 10) - The Group values options issued at fair value at the grant date using the binomial option pricing model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option. Performance rights are valued at face value of the share on the date of issue. At each reporting period management assess the probability of the vesting of options and performance rights where applicable in accordance with AASB 2 – Share based payments (non-market conditions). The probability is assessed to either be less likely or more likely (0% or 100%) and a vesting expense is recorded accordingly.
- In-specie distribution (Note 5(b)) - On 1 November the Company completed the in-specie distribution of subsidiary entity African Energy Limited under a Restructure Agreement. Consequently, the Group was required to determine the fair value of assets as at the date of distribution.

1.7 In-specie distribution

The share capital of the company is reduced by the fair value of the financial assets that were spun out during the period into the unlisted public entity, African Energy Limited (details disclosed in note 5(b)) and note 1.6 for estimates and judgements applied.

1.8 Changes to Accounting Policies

As previously disclosed, on 1 July 2021 the Group changed its functional and presentation currency to A\$.

Following the Group's shift in focus to copper and gold exploration within Australia, the Group assessed the appropriateness of its functional and reporting currency. The following factors indicating the currency change were identified:

- Significant reduction in expenditure incurred in US dollars, funding entirely in Australian dollars.
- Operational activities primarily within Australian economic environment; after divestment of African projects no overseas operations or subsidiaries.

All other accounting policies are consistent with those adopted in the annual financial report for the year ended 30 June 2021.

All financial information included in the interim financial report for the period ended 31 December 2021 (including comparatives at 30 June 2021 and 31 December 2020) previously reported in US dollars, has been restated to Australian dollars at the exchange rate on 1 July 2021 of \$/A\$1.3301.

ALMA METALS LIMITED**Notes to the consolidated financial statements
Interim Financial Statements - 31 December 2021****2. Segment information**

For the period ended 31 December 2021	Power Investments	Copper Exploration	Consolidated
	A\$	A\$	A\$
(Loss) before income tax	(6,912,723)	(1,681,631)	(8,594,354)
Segment Assets at 31 December 2021			
Financial assets at FVOCI	-	5,737,863	5,737,863
Cash and short-term receivable	-	2,762,459	2,762,459
Total Segment Assets	-	8,500,322	8,500,322
Segment Liabilities at 31 December 2021			
Trade & other payables	-	533,475	533,475
Total Segment Liabilities	-	533,475	533,475
For the period ended 31 December 2020 (Restated)			
(Loss) before income tax	(158,324)	(337,880)	(496,204)
Segment Assets at 30 June 2021 (Restated)			
Investment in Sese JV	4,627,261	-	4,627,261
Financial assets at FVOCI	-	7,042,054	7,042,054
Cash and short term receivable	-	1,557,529	1,557,529
Total Segment Assets	4,627,261	8,599,583	13,226,844
Segment Liabilities at 30 June 2021 (Restated)			
Trade & other payables	-	107,745	107,745
Total Segment Liabilities	-	107,745	107,745

The Company's main activity is a mineral exploration with a primary interest in copper and copper-gold projects in Australia.

3. Loss per share

	31-Dec-21 A\$	(Restated) 31-Dec-20 A\$
Loss attributable to ordinary shareholders	(8,594,354)	(496,204)
Issued number of ordinary shares at 1 July	622,960,630	622,960,630
Effect of shares issued during the period	57,688,163	-
Weighted average number of shares for year to 30 June	680,648,793	622,960,630
Basic loss per share (cents per share)	(1.26)	(0.08)
Loss from continuing operations	(1,681,631)	(496,204)
Basic loss per share from continuing operations (cents per share)	(0.25)	(0.08)
Loss from discontinued operations	(6,912,723)	(496,204)
Basic loss per share from discontinued operations (cents per share)	(1.02)	-

ALMA METALS LIMITED
Notes to the consolidated financial statements
Interim Financial Statements - 31 December 2021
4. Financial assets at FVOCI

	Shares in ASX: CVV ¹ A\$	Shares in ASX: CBY ² A\$	Total FVOCI A\$
Carrying amount at 30 June 2020 (Restated)	839,635	-	839,635
Additions	-	-	-
Movement in Fair Value of Financial assets at FVOCI	6,891,858	-	6,891,858
Disposals	(689,439)	-	(689,439)
Carrying amount at 30 June 2021 (Restated)	7,042,054	-	7,042,054
Additions	-	1,000,000	1,000,000
Movement in Fair Value of Financial assets at FVOCI	(1,995,858)	(308,333)	(2,304,191)
Disposals	-	-	-
Carrying amount at 31 December 2021	5,046,196	691,667	5,737,863

¹ Caravel Minerals Ltd (ASX: CVV)

² Canterbury Resources Ltd (ASX: CBY)

5. Subsidiaries and Associates
(a) Investments in Associates

	31-Dec-21 A\$	(Restated) 30-Jun-21 A\$
Balance at the beginning of the period	4,627,261	9,413,744
Investment in Sese JV / (Refund of Sese JV contributions)	300,000	(212,061)
Impairment	-	(4,443,395)
Share of losses after income tax	(86,956)	(131,028)
In-specie distribution	(4,840,305)	-
Balance at the end of the period	-	4,627,261

During the half-year ended 31 December, the Consolidated entity disposed of its 33.3% interest in Sese JV, as part of the in-specie distribution detailed in note 4(b).

(b) In-specie distribution

On 1 November the Company completed in-specie distribution ('Distribution') of subsidiary entity African Energy Limited ('AEL') under a Restructure Agreement with the following terms:

- AEL owns 33.3% interest in the Sese Coal Project joint venture company and 100% interest in both the Mmamabula West and Mmamantswe Coal Projects
- the Company affected the Distribution by issuing all the AEL shares it holds as an in specie distribution to the shareholders of the Company, where each shareholder will receive 1 AEL share for each 1 share held in the Company; and
- The Company transferred A\$300,000 to AEL for working capital

The effect of the Distribution on the Group was as follows: \$4,840,305 reduction of the share capital of the Company and release of \$6,869,087 from reserves to the profit or loss as a result of the discontinued operations.

ALMA METALS LIMITED
Notes to the consolidated financial statements
Interim Financial Statements - 31 December 2021

(c) Discontinued operation

The effect of discontinued operation on the consolidated financial statements is set out in the table below.

	31-Dec-21
	A\$
<i>Statement of Profit or Loss and Other Comprehensive Income</i>	
Share of Loss in Sese JV	(86,956)
Other exploration expenses	(23,117)
	(110,073)
Releasing Foreign currency reserves to profit or loss	(6,802,650)
Loss from discontinued operation	(6,912,723)
<i>Statement of financial position</i>	
Net assets of divested subsidiaries	(4,540,305)
Cash contribution	(300,000)
Reduction in share capital	(4,840,305)
Foreign currency translation reserve	6,802,650

(d) Subsidiaries

On 31 December 2021, subsequent to the Distribution, the Company's ownership interest in principal subsidiaries is set out in the table below:

	Country of incorporation	Ownership interest	Ownership interest
		31-Dec-21	30-Jun21
Botswana Energy Solutions Limited	British Virgin Is.	0%	100%
Mmamantswe Coal (Pty) Ltd	Botswana	0%	100%
African Energy Holdings SRL 2	Barbados	0%	100%
Phokoje Power (Pty) Ltd	Botswana	0%	100%
Alma Metals Australia Pty Ltd (formerly AFR Australia Pty Ltd)	Australia	100%	100%

6. Contributed equity

	31-Dec-21	(Restated)
	A\$	30-Jun-21
		A\$
Contributed equity	88,555,340	89,995,645
Cost of share issue	(4,825,464)	(4,689,713)
	83,729,876	85,305,932

Movement in share capital

	Date	Number of	Issue price	A\$
		shares	cents	
Balance 30 June 2020 (Restated)		622,960,630		85,305,933
Balance 30 June 2021 (Restated)		622,960,630		85,305,933
Share placement	18 Aug 2021	63,750,000	2.00	1,275,000
Shares issue	20 Oct 2021	5,000,000	2.00	100,000
Shares issue	20 Oct 2021	1,250,000	2.00	25,000
Share placement	30 Nov 2021	46,511,627	4.3	2,000,000
<i>Capital reduction</i>				
In-specie distribution				(4,840,305)
<i>Less Transaction costs</i>				
				(135,752)
Balance at 31 December 2021		739,472,257		83,729,876

ALMA METALS LIMITED**Notes to the consolidated financial statements****Interim Financial Statements - 31 December 2021****7. Reserves**

	31-Dec-21 A\$	(Restated) 30-Jun-21 A\$
<i>Foreign Currency Translation Reserve</i>		
Opening	(6,802,650)	(6,990,084)
Movement	-	187,434
Releasing Foreign currency reserves to profit or loss – refer note 5(c)	6,802,650	-
Closing	-	(6,802,650)
<i>Other Comprehensive Income Reserve (FVOCI)</i>		
Opening	6,665,067	(226,791)
Movement	(2,304,191)	6,891,858
Closing	4,360,876	6,665,067
<i>Share-Based Payments Reserve</i>		
Opening	-	-
Movement	519,700	-
Closing	519,700	-
Total reserves	4,880,576	(137,583)

8. Fair value measurement

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

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1 A\$	Level 2 A\$	Level 3 A\$	Total A\$
31 December 2021				
Financial assets at FVOCI	5,737,863	-	-	5,737,863
Total assets	5,737,863	-	-	5,737,863
30 June 2021 (Restated)				
Financial assets at FVOCI	7,042,054	-	-	7,042,054
Total assets	7,042,054	-	-	7,042,054

There were no transfers between levels during the Period.

9. Related Party Transactions

There have not been any changes to transactions with related parties in the consolidated entity since the last reporting date (30 June 2021).

10. Share-based Payments

Options granted during the Period have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the

ALMA METALS LIMITED**Notes to the consolidated financial statements****Interim Financial Statements - 31 December 2021**

underlying share and the expected life of the option. See below for the assumptions used for grants made during the Period.

On 18 August 2021, the Company issued 20 million options to a consultant ('Consultant Options') and on 21 October 2021, issued 20 million options to Directors and employees (Directors and Employee Options') exercisable at AUD\$0.05.

The Consultant Options were issued as a fee to 708 Capital for introducing the Briggs, Mannersley and Fig Tree Hill copper project to Alma. The expense for the period arising from Consultant Options of \$114,500 is recognised in the Statement of Profit or Loss and Other Comprehensive Income and is included in Administration and other corporate expenses.

The expense for the period arising from Director and Employee Options of \$405,200 is recognised in the Statement of Profit or Loss and Other Comprehensive Income and is included in Salaries and employee benefits expense.

Terms of options granted during the half-year ended 31 December 2021 were as follows:

	Consultant Options			Director and Employee Options		
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Date of issue	4/08/2021	4/08/2021	4/08/2021	21/10/2021	21/10/2021	4/08/2021
Number of options	10,000,000	7,000,000	3,000,000	8,000,000	8,000,000	4,000,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
Risk free interest rate (%)						
Expected life of the option (years)	1.33	2.04	3.04	2.78	2.78	2.99
Option exercise price (cents per option)	5.0	5.0	5.0	5.0	5.0	5.0
Vesting hurdle	nil	Stage 1 JV	Stage 2 JV	nil	nil	nil
Likely vesting date	4/08/2021	31/12/2021	30/06/2022	21/10/2021	21/10/2021	4/08/2021
Share price at grant date (cents per share)	2.10	2.10	2.10	4.20	4.20	2.10
Fair value per option (\$)	0.420	0.650	0.900	2.310	2.310	0.890
Total value at grant date (\$)	42,000	45,500	27,000	184,800	184,800	35,600
Vested during the period	10,000,000	7,000,000	1,354,555	8,000,000	8,000,000	4,000,000

Director Options were granted to Mr Alistair Cooke (Tranche 4) and Mr Frazer Tabear (Tranche 5). The options fully vested and were expensed during the period.

11. Dividends

No dividends were paid by the consolidated entity (June 2021: nil).

12. Commitments & Contingencies

There have not been any material changes to contingencies in the consolidated entity since the last reporting date (30 June 2021).

13. Events Occurring After Reporting Period

No matters or circumstances have arisen since the end of the interim financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the consolidated entity or the parent company in future reporting periods.

14. New and Amended Standards Adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.