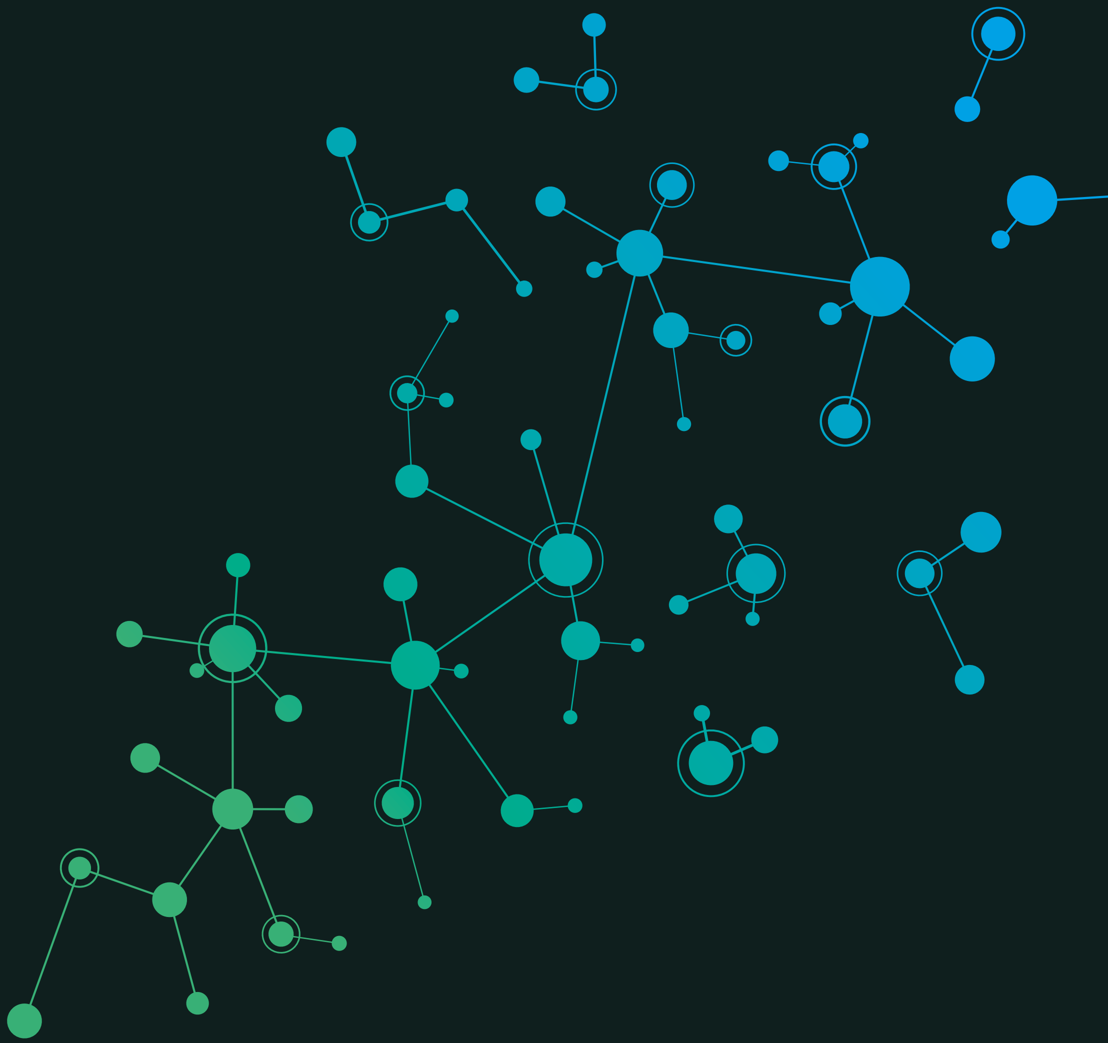
Nm Neometals



Annual
Report 2022


Greener battery materials.
Next generation thinking.

Contents

About us

Our purpose

To consistently generate value through sustainable production of battery materials.

Our values

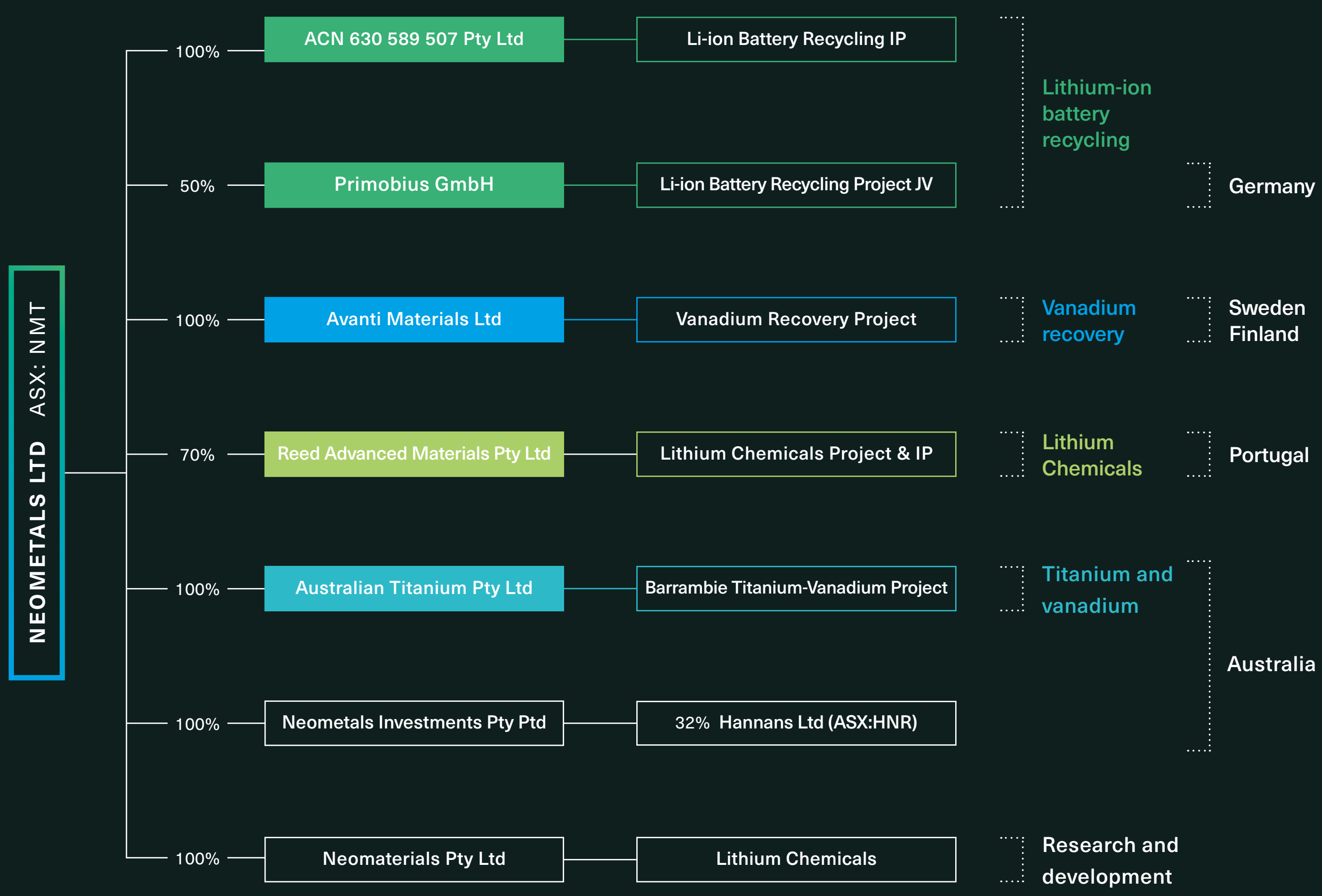
Our six core values underpin all the Company's activities and are reflected in the acronym STRIDE.

Who we are

Neometals Ltd ('Neometals' or the 'Company') is an emerging, sustainable battery materials producer. Our strategic focus is the continuous development and innovative commercialisation of our proprietary technologies to achieve our Purpose in collaboration with strong global partners.

Decarbonisation, and sustainable and resilient supply chains are the key challenges for the energy storage and electric vehicle (EV) supply chain. Neometals believes that the demand for environmentally friendly and ethically sourced battery materials will continue to grow with energy storage being the key enabler for energy transition. Our technologies, particularly those in battery materials recycling and recovery, reduce reliance on traditional mining and processing, and support circular economic principles.

Our corporate structure



2021-22

Financial highlights

$60.2m
Cash

$0
No debt

$108m
Dividends/buy back/return of capital/in-specie distribution in the last 6 years

$26.7m
Investments and other financial assets

$15.5m
Gain on de-merger

90%
Share price increase year on year

2021-22

Project highlights

Lithium-ion Battery Recycling Project

LiB

Binding cooperation agreement signed with Mercedes-Benz recycling subsidiary for the engineering, equipment supply and installation of a 10tpd Spoke and hydrometallurgical refinery Hub plant in Kuppenheim, Germany.

Vanadium Recovery Project

V

Offtake, financing and permitting activities advanced during the year with a decision on the environmental permit expected from Finnish regulators in September 2022.

Lithium Chemicals Project

Li

RAM agreed terms with Portuguese chemical company Bondalti Chemicals, S.A. to evaluate commercialisation of its Eli lithium process in Europe.

Barrambie Titanium/ Vanadium Project

Ti

40 tonne sample of mixed gravity concentrate sample shipped to Jiuxing for commercial smelting trials in China.

A message from our Chairman and Managing Director

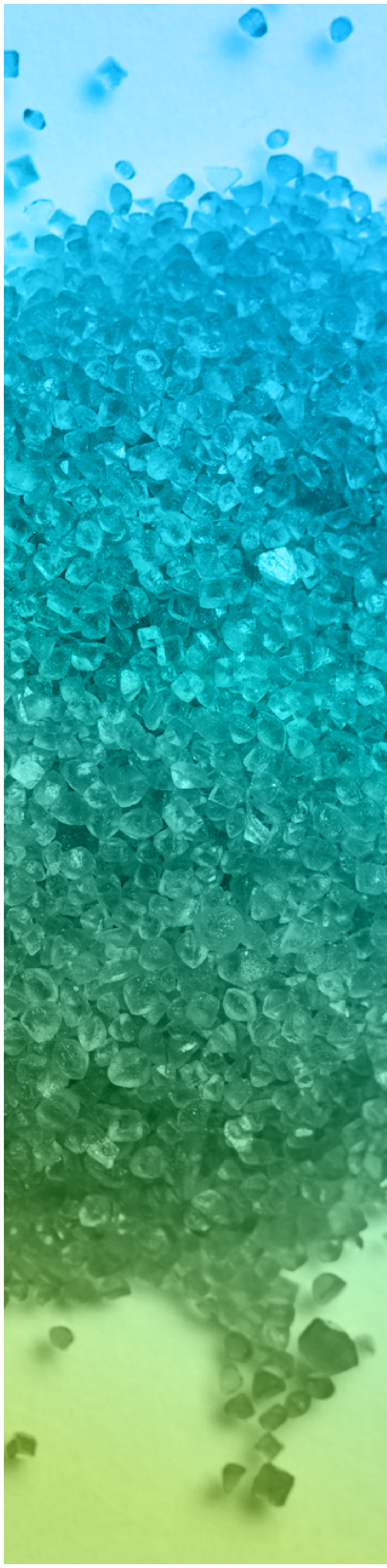
2021/2022 was a dynamic period in the Neometals' development journey with several of the Company's core projects approaching near-term financial investment decisions.

Despite continuing COVID 19 headwinds disrupting the Company's international engagements and European business development focus, the Company's agility enabled it to maintain strategic focus. During the financial year Neometals reached a AUD$1 billion market capitalisation before retreating, along with all stocks in the lithium sector.

"The global drive to mitigate climate change has put the spotlight squarely on sustainability and decarbonisation. Neometals' battery materials recycling and vanadium recovery projects are well positioned to be the beneficiaries of this drive."

Specifically, the Company's two European joint venture recycling endeavours (battery materials and vanadium recovery from steel slags) progressed materially towards financial investment decisions, the Company's Australian titanium/vanadium project continued to be developed towards commercial exploitation, the Mt Edwards nickel project was successfully demerged and in-specie distributed for the benefit of the Company's shareholders. The Company completed its UK AIM Stock Exchange dual listing, commercialisation of the Company's ELi technology commenced with Portguals largest chemical company, Bondalti, and the Company's balance sheet and access to capital to fund its operations remained strong.

Strategically, the economic, social and geopolitical backdrops for Neometals' key projects have been extraordinarily supportive for Neometals and its shareholders. The global drive to mitigate climate change has put the spotlight squarely on sustainability and decarbonisation. The Company's three core projects are well positioned to be the beneficiaries of this drive, with new recycling and emissions control regulations, net-zero targets, stimulus packages, and industry investment all providing significant tailwinds. Alongside this annual report Neometals will also be issuing its third Annual Sustainability Report reflecting the strong commitment being made to ESG principles which underpin Neometals' commitment to the communities in which it operates and the people with whom it works.



“Neometals is clear on its purpose, its values and its strategy. The Company is a sustainable battery materials producer focussed on circular economy principles delivering products and services for a better tomorrow.”

Finally, the dedication and support of the Company’s management team and Board warrant special mention, without all of whom the Company’s continuing growth and success would not be possible.

Neometals is clear on its purpose, its values and its strategy. The Company is a sustainable battery materials producer focussed on circular economy principles delivering products and services for a better tomorrow.

In financial year 2022, your Company’s Board and management delivered on that purpose for the benefit of its stakeholders and investors generally. The growing awareness of Neometals’ and the exciting opportunities before it bode well for another successful year ahead.

In closing, we thank all our stakeholders for their ongoing support.

Steven Cole
Chairman

Chris Reed
Managing Director

Review of operations

The directors of Neometals Ltd ("Company" and "Neometals") present the annual financial report for the Company and its controlled entities ("Consolidated Entity" and "Group").

Neometals' focus is the continuous development and commercialisation of our proprietary innovative technologies with strong global partners to generate value through sustainable production of battery materials.

Location of Neometals' core projects together with partner developments.

Decarbonisation, sustainability and resilient supply chains are the key challenges for the energy storage and electric vehicle supply chain. Our technologies, particularly those in battery materials recycling and recovery, reduce reliance on traditional mining and processing, and support circular economic principles.

Neometals has three core battery materials businesses commercialising proprietary, low-cost, low-carbon process technologies:

Lithium-ion Battery Recycling

50% equity

- To produce nickel, cobalt and lithium from production scrap and end-of-life lithium-ion batteries in an incorporated JV (50% equity) with leading global plant builder, SMS group
- The Primobius JV commence operations at up to 10 tonnes per day (tpd) shredding and beneficiation plant in Germany following receipt of operating permit
- Selected as technology partner by Mercedes Benz

Vanadium Recovery

Earning 50% equity

- To produce high-purity vanadium pentoxide via processing of steelmaking by-product ("slag")
- Finalising evaluation studies on a 300,000 tonnes per annum (tpa) operation in Pori, Finland, and potential JV with Critical Metals
- Project is underpinned by a 2 million tonne (Mt), 10-year slag supply agreement with leading Scandinavian steelmaker, SSAB
- MOU with H2Green Steel for up to 4Mt of slag underpins a potential second, operation in Boden, Sweden

Lithium Chemicals

Earning 35% equity

- To produce lithium hydroxide from brine and/or hard rock feedstocks using our ELi® electrolysis process
- Co-funding pilot plant and evaluation studies on a 25,000 tpa operation in Estrarreja, Portugal
- Potential JV with technology co-owner Mineral Resources Ltd and Portugal's largest chemical producer, Bondalti Chemicals S.A.

Core battery materials business units

Lithium-ion Battery Recycling Project

- Neometals 50% via Primobius GmbH, a 50:50 incorporated JV with SMS group GmbH
- Neometals 100% Intellectual Property ownership, SMS earning 50%

Primobius is commercialising a sustainable, proprietary, LIB recycling process, originally developed by Neometals.

The process recovers materials contained in LIB production scrap and end-of-life cells that might otherwise be disposed of in land fill. Current LIB recycling processes predominantly rely on high emission pyrometallurgy. Primobius' two stage, Spoke and Hub, process flowsheet ("LIB Recycling Technology") is designed for sustainable recovery of nickel, cobalt, lithium, copper, manganese and carbon (amongst other) into saleable products that can be reused in the LIB supply chain.

The LIB Recycling Technology process prioritises maximum safety, environmental sustainability and product recoveries, to support the circular economy and decarbonisation.

A pilot trial ("Pilot") at SGS Lakefield, Canada in 2019/20 successfully produced cathode-grade nickel and cobalt sulphate products which collectively represent approximately 80% of the value of the basket of products recovered. Demonstration trials in Hilchenbach, Germany have been conducted with the shredding and beneficiation Spoke currently ramping up for commercial disposal operations with up to 10tpd LIB feedstock capacity. Data generated during ongoing refinery Hub trials is being used as the basis in ongoing process and product development.

The LIB Recycling Technology, comprises two stages:

1. Spoke

LIB receipting, sorting, discharging, disassembly together with shredding and beneficiation to physically separate all of the components of LIBs received, i.e. metal casings, electrode foils, plastics and active materials.

2. Hub

Leaching, purification and crystallisation of the active materials to produce refined chemical products suitable for use in production of LIB precursor, via a hydrometallurgical processing facility.

Primobius GmbH, incorporated JV with SMS group

Neometals entered into an incorporated 50:50 joint venture ("JV") with SMS GmbH ("SMS group"), called Primobius GmbH ("Primobius") in 2020. Primobius was incorporated to co-fund and complete the commercialisation of the LIB Recycling Technology.

Neometals will contribute its recycling technology as well as its share of Primobius funding required under the various business models targeted i.e. JV partnership, provision of recycling services and technology licensing. SMS group will co-contribute funds equally and will perform the engineering design and cost studies for Primobius. SMS has the right of first offer to provide engineering, procurement and construction services for each recycling plant Primobius undertakes. On a best endeavours basis, SMS will also procure debt financing for no less than 50% of the capital expenditure on projects (for full details refer to Neometals ASX announcement entitled "Neometals and SMS create Lithium Battery Recycling JV" released on 3rd August 2020).

Shredder and beneficiation processing EV cells

Project activities

Demonstration plant

The Hilchenbach Demonstration Spoke is now being operated as a commercial LIB disposal facility with a permit secured to process up to 10tpd ("Hilchenbach 10tpd Spoke"). The hydrometallurgical refining Hub at Hilchenbach continues as a test circuit for product evaluation and Primobius flowsheet optimisation. Demonstration Plant trials have been completed on the Spoke with data generated feeding into evaluation studies ("Spoke ECS") that will inform Primobius' investment decision on its first, large-scale recycling plant, with a throughput capacity at 50tpd (~20ktpa) as part of the Stelco agreement *(for full details refer to Neometals ASX announcement entitled "Li Battery Recycling - MOU with Stelco for North America" released on 27th May 2021).*

Neometals high-level flowsheet

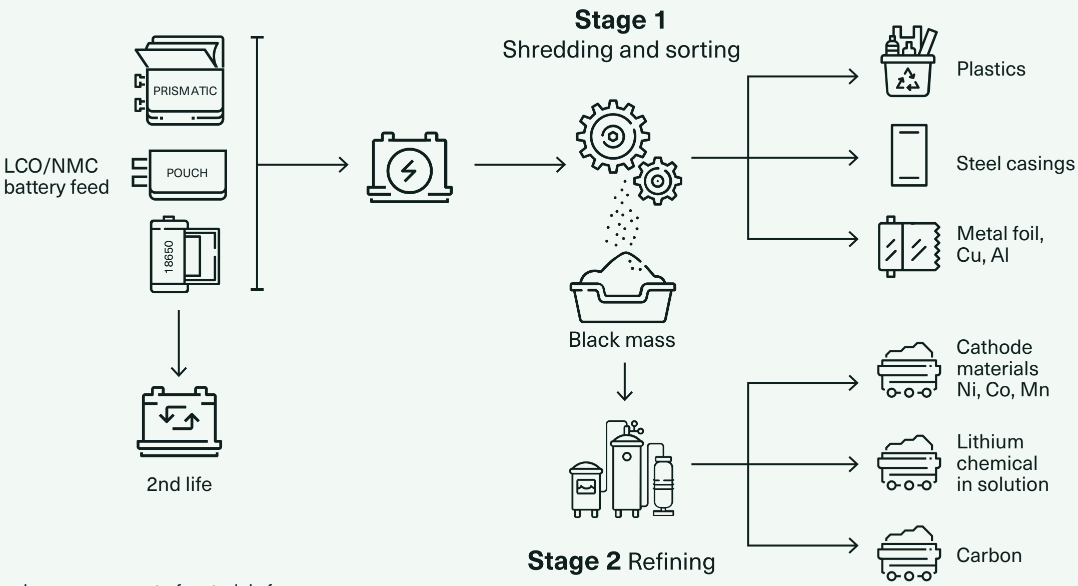


Diagram shows movement of materials from shredding and beneficiation, through to refining stages for the LIB Recycling Technology.

Primobius Managing Directors Horst Krenn and Michael Tamlin (l-r) officially open the 10tpd shredding plant

Commercial activities

Mercedes-Benz Co-operation

During the year, Primobius formalised a binding cooperation agreement with Mercedes-Benz ("Mercedes Co-operation") via its wholly owned subsidiary LICULAR GmbH ("LICULAR").

LICULAR was founded specifically to manage a specialist consortia-based research programme to develop holistic and sustainable LIB recycling approaches for Mercedes-Benz.

Primobius will be responsible for the plant engineering, equipment supply and installation at Kuppenheim ("LICULAR 10tpd Spoke" followed by "LICULAR 10tpd Hub"), under a non-exclusive technology licence, together with participation in long-term research collaboration activities (for full details refer to Neometals ASX announcement titled "Cooperation Agreement with Mercedes Benz" released on 13th May 2022).

The proposed LICULAR 10tpd Plant marks Mercedes-Benz's first entry into the field of LIB recycling. Neometals expects the LICULAR 10tpd Spoke will have a nominal capacity of 2,500 tonnes per annum (up to 10 tonnes per day) and will be built in two stages with the LICULAR 10tpd Spoke commencing production in 2023.

Stelco

Stelco is a wholly-owned subsidiary of Stelco Holdings Inc. ("Stelco"), a Toronto Stock Exchange-listed steelmaking company headquartered in Hamilton, Ontario. Stelco and Primobius entered into a MoU in 2021 to evaluate future joint LIB recycling operations.

The parties are outlining a North American LIB recycling business plan and have entered into binding formal arrangements where Stelco will accelerate its sourcing of LIB feedstock ahead of processing operations. Primobius has an option to secure equity ownership of the Stelco battery recycling special purpose vehicle ("Stelco SPV") and a limited licence for the LIB Recycling Technology has been issued to the Stelco SPV ("Stelco Agreements") (for full details refer to Neometals ASX announcement titled "Primobius to enter North America with Stelco for Recycling of Electric Vehicle Batteries" released on 31st December 2021).

The Stelco Agreements contemplate a 50tpd (18,250tpa) integrated Spoke and Hub facility located at Stelco's Hamilton Works, Canada. Primobius is capable of supplying to the Stelco SPV, a network of 50tpd Spokes across the licenced territories (Canada, USA, Mexico) to feed a larger scale, centralised Hub, as and when required.

LIB storage container at Primobius' Hilchenbach facility. Artwork by lackaffen.de.

Pipeline

The Primobius business development pipeline matured strongly during the year. Several potential project partners continue to conduct diligence under commercial-in-confidence arrangements.

Primobius' rollout of Spokes addresses the immediate need for safe disposal and recovery of LIB materials, ahead of a truly closed loop with integrated Hubs producing products to manufacture new LIB batteries. Primobius is actively prosecuting its flexible approach though its three business models – as principal in Hilchenbach, a potential joint venture with Stelco and a licensed plant supply to LICULAR.

FY 2022 key achievements

- Recycling demonstration plant permitted, constructed, commissioned and trialled at SMS site in Hilchenbach Germany. Hub trials are ongoing.
- Investment decision made to increase throughput of Primobius demonstration plant to allow commercial shredding and beneficiation Spoke operations which commenced in May 2022 with a permit to process up to 10tpd
- Cornerstone LIB feedstock supply and intermediate 'black mass' product off-take agreements secured.
- Binding cooperation agreement signed with Mercedes-Benz recycling subsidiary for the engineering, equipment supply and installation of a 10tpd Spoke and hydrometallurgical refinery Hub plant in Kuppenheim, Germany.
- First stage front-end engineering studies completed for the Stelco 50tpd Spoke plant in Hamilton Canada under a technology licensing and JV 'buy-in' option agreement.
- Appointment of Merrill Gray as Head of Recycling.

Vanadium Recovery Business Unit

- Earning into 50:50 Joint Venture with Critical Metals Ltd
- Neometals 100% intellectual property

Neometals is exploring opportunities to apply its sustainable proprietary vanadium recovery processing flowsheet ("VRP Technology") on stockpiles of vanadium bearing steel manufacturing by-product.

Neometals is currently pursuing two distinct partnership opportunities in Scandinavia and has ambitions to build a pipeline of suitable feedstock sources to increase future production:

1. **VRP 1 (SSAB feedstocks, Pori – Finland location)**
2. **VRP 2 (H2GS feedstock, Boden – Sweden location)**

The VRP offers a compelling business case which is underpinned by:

- Access to very high-grade vanadium feedstocks without upstream mining costs/risk;
- Potentially robust economics indicated by VRP1 AACE® Class 4 (pre-feasibility) study ("PFS") which highlighted a first quartile position on the cost curve (for full details refer to ASX announcement entitled "Vanadium Recovery Project – Outstanding PFS Results" released on 4th May 2021);
- Processing flowsheet utilises conventional equipment operating at atmospheric pressure, mild temperatures, not requiring exotic materials of construction; and
- Likely very low or net zero greenhouse gas footprint given:
  a. the absence of mining and a processing route requiring the use and potential capture CO_2; and
  b. potentially saleable carbonate by-product which sequesters CO_2.

The two current project opportunities are detailed below:

VRP 1 (SSAB)

Neometals and unlisted Scandinavian-focused explorer, Critical Metals Ltd ("Critical"), in which Neometals holds a 19% share, are jointly evaluating the feasibility of recovering high-purity vanadium pentoxide ("V2O5") from high-grade vanadium-bearing steel by-product ("Slag") in Scandinavia. Under the formal collaboration agreement between the parties. Neometals is to fund and manage the evaluation activities, up to consideration of an investment decision. A positive investment decision will lead to a 50:50 incorporated JV with Critical.

Critical has executed a conditional agreement ("Slag Supply Agreement") with SSAB EMEA AB and SSAB Europe Oy, subsidiaries of SSAB ("SSAB"), a steel producer that operates steel mills in Scandinavia (for full details refer to Neometals ASX announcement entitled "High-Grade Vanadium Recycling Agreement" released on 6th April 2020). Slag is a by-product of SSAB's steel making operations. The Slag Supply

Agreement is for 2 million tonnes of Slag and provides a secure basis for the evaluation of an operation capable of processing 200,000 tonnes of Slag per annum without the need to build a mine and concentrator like existing primary producers.

Critical is responsible for advancing government and environmental approvals for VRP1 and managing the SSAB and H2GS relationships.

VRP 2 (H2GS)

Neometals announced that Critical (via its wholly owned subsidiary, Recycling Industries Scandinavia AB ("RISAB")), entered into a non-binding memorandum of understanding with H2 Green Steel AB ("H2GS")("H2GS MoU"). The H2GS MoU outlines an evaluation framework on a potential new source of vanadium bearing Slag that could underpin a second, larger vanadium production operation ("VRP2") capable of processing 400,000tpa of Slag. The H2GS MoU also outlines key commercial terms for a potential Slag supply agreement.

H2GS is a limited liability Swedish company planning a fully integrated and automated green steel manufacturing plant to be located at Boden in Northern Sweden (located 35km from Luleå). This opportunity compliments the existing VRP1 agreement between Neometals and Critical for planned vanadium production in Finland to recycle Slag generated by SSAB. The H2GS MoU is a significant opportunity as it represents another potential source of valuable feed and highlights the growth profile for application of the sustainable Neometals VRP Technology.

Project activities

Evaluation studies

Being the most advanced opportunity, evaluation studies are currently focussed on VRP1. Together with Nordic engineering group Sweco Industry Oy, Neometals completed an AACE® Class 3 ECS in May 2022. Feasibility study activities are ongoing and will include the findings from the ECS (for full details refer to Neometals ASX announcement entitled “Vanadium Recovery Study Confirms Lowest Quartile Cost Potential” released on 8th July 2022).

Neometals was encouraged by the outcomes of the ECS which highlighted low technical risk and confirmed the potential for lowest quartile operating costs. This aligns with prior outcomes from the historical Neometals pre-feasibility study, however the ECS was completed to a ±15% level of accuracy compared to the previous -20% +25%.

Commercial

Much like Neometals’ other processing innovations, the VRP Technology has the ability to spawn multiple projects. At present VRP1 with SSAB is the flagship opportunity followed by VRP2 with H2GS. The Company continues however to pursue other Slag sources that could be amenable to processing using the VRP Technology.

Permitting and approvals

Permitting activities are being managed by Critical and its local team of consultants. The initial ‘Environmental Impact Assessment’ application was made to the Finnish regulators in late November 2021. A decision on the Environmental Permit is expected from Finnish regulators in September 2022.

FY 2022 key achievements

- VRP process successfully demonstrated at scale in 24-day continuous pilot trials.
- Exceptional product purities and strong vanadium recoveries from the pilot trial supported Neometals Board decision to commence feasibility activities for VRP1.
- Potential for lowest quartile operating costs confirmed via AACE® Class 3 Engineering and Cost Study, data from which is being used to finalise feasibility evaluation in parallel with negotiations for additional Slag volumes from SSAB.
- MoU between Neometals’ partner, Critical Metals, and H2 Green Steel for a potential second, larger vanadium recovery plant in Sweden.
- VRP1 Finnish plant site secured by project partner under long-term lease agreement with Port of Pori.
- VRP1 by-product evaluation trials result in offtake Letter of Intent from Betolar for potential use of VRP co-products in green cement-based building materials.
- Community and Stakeholder Days held in Pori attended by members of Neometals’ and Critical Metals’ Board and Senior Executive teams.
- Offtake, financing and permitting activities advanced during the year with a decision on the environmental permit expected from Finnish regulators in September 2022.

Lithium Chemicals Project

- Earning into 50:50 JV with Bondalti Chemicals SA via Reed Advanced Materials Pty Ltd (RAM)
- Neometals 70:30 Mineral Resources Ltd
- Neometals 70% intellectual property

Neometals, through a 70% owned subsidiary, has developed a proprietary process to produce lithium hydroxide from lithium chloride solutions using electrolysis to avoid costly and carbon intensive reagents used by incumbents (Eli® Processing Technology ("Eli®")).

The subsidiary, called Reed Advanced Materials Pty Ltd ("RAM"), is 30% owned by leading mining services provider Mineral Resources Limited (ASX: MIN) ("MIN" – via its wholly owned subsidiary Process Minerals International).

RAM developed the Eli® process from concept through to semi-pilot scale testing during the past 8 years with a view to having a competitive, reliable and low CO_2 footprint method of large-scale lithium hydroxide and carbonate production to decarbonise lithium chemical supply to the LIB supply chain. Sourcing lithium chemical units with a reduced CO_2 footprint is a high priority for the electric vehicle industry. Eli® has the potential to provide a sustainable long-term cost advantage for lithium chemical production. Eli® has been tested on synthetic and actual lithium sources, both hard rock and brine. A number of sources from South American continental brines have generated promising technical results with strong potential economics highlighted in cost studies.

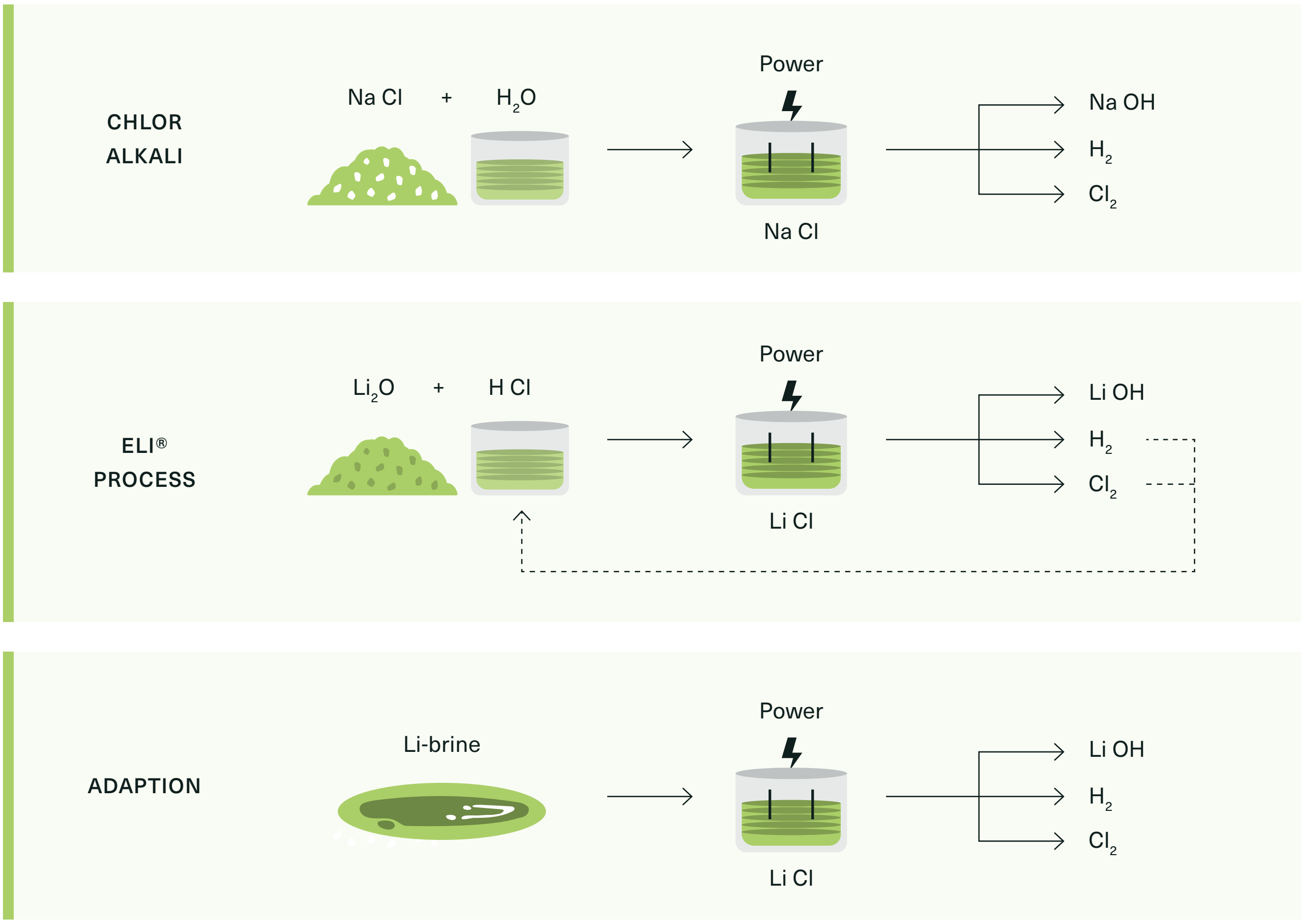
Eli® development aims include:

- Building sustainable long-term cost advantage for lithium carbonate and lithium hydroxide production.
- Adapting conventional chlor-alkali processes to produce high-purity lithium hydroxide as primary product with flexibility to produce high purity lithium carbonate at low additional cost.
- Reducing CO_2 footprint from processing at source with renewable electricity.
- Minimising use (and transport) of high manufacturing carbon footprint reagents.
- Commercialisation in Portugal in partnership with Bondalti Chemicals, S.A. ("Bondalti"), and elsewhere as principal or with other partners, and generate revenue from either toll processing of lithium raw materials, sale of lithium chemicals and securing royalties from technology licensing arrangements.

Background

Eli® is a process for purifying an aqueous lithium chloride solution to produce lithium hydroxide in conventional chlor-alkali (electrolysis) cells. Eli® uses commercially available chlor-alkali and purification process equipment and has been tested for reliability in continuous mini-pilot scale trials using synthetic and actual lithium sources, both hard rock and brine. A pre-feasibility study was completed in 2012 and a feasibility study for the application of the Eli® technology in a Malaysian plant was completed in 2016 (for further details see Neometals announcement titled "Positive Lithium Downstream Processing Feasibility Results" dated 11th July 2016). Under the assumptions for both studies, the Eli® project was shown to be technically feasible and economically viable. Commercialisation requires an industrial partner with chlor-alkali experience to test the process under real world conditions.

Comparison of processes



Schematic showing the similarities between traditional Chlor-Alkali (Sodium Salt) electrolysis and Eli®'s lithium salt electrolysis and the Eli®'s adaption to directly convert salar lithium feedstocks into lithium hydroxide.

Cooperation agreement with Bondalti

During the year RAM entered into a binding Co-operation Agreement ("Co-operation") with Portugal's largest chemical producer, Bondalti (for further details see Neometals announcement titled "Cooperation Agreement with Bondalti to Commercialise Sustainable Eli Lithium Process" dated 13th December 2021).

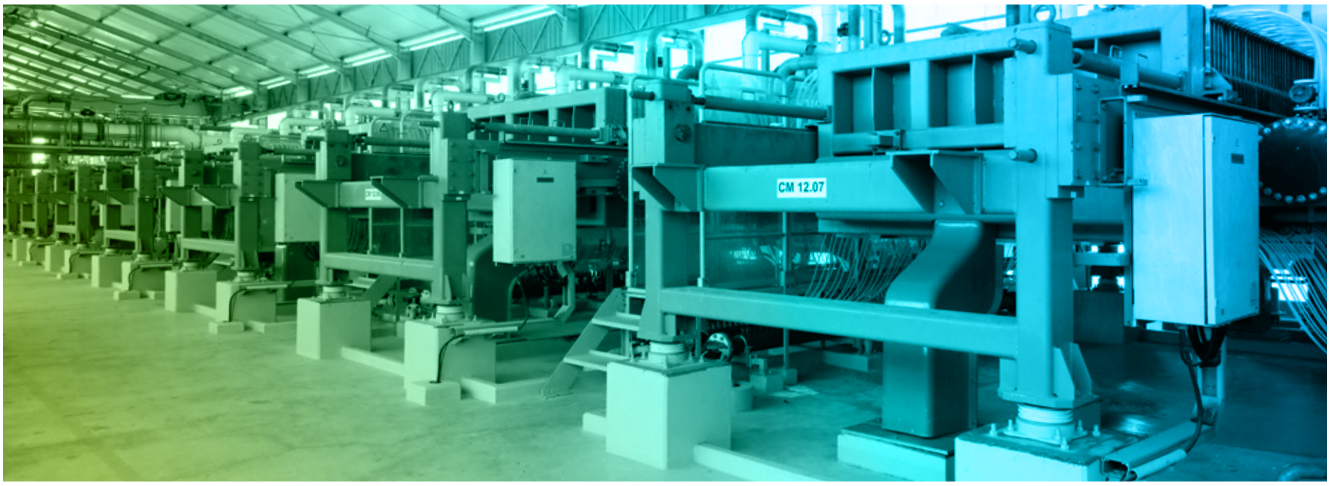
The Co-operation contemplates the co-funding of certain evaluation activities required for a decision to form a 50:50 incorporated joint venture to construct and operate a lithium refinery at Bondalti's extensive chlor-alkali operations in Estarreja, Portugal. The evaluation activities will include the construction and operation of a pilot plant in Portugal and completion of an AACE® Class 2 Front End Engineering and Design (FEED) Study . Completion is targeted for DecQ 2023 at a shared cost of approximately US$4 million. Under the Co-operation, RAM and Bondalti have established a steering committee with equal representation from both parties to oversee the conduct of the evaluation activities and establish a framework of terms for joint venture formation. The proposed lithium refinery will be the first commercial operation to use RAM's Eli® Process, which has successfully produced battery-quality lithium hydroxide from operating spodumene and brine operations. This Co-operation is a significant step towards Eli® commercialisation with an industry-leading partner that operates similar equipment for producing sodium hydroxide at industrial scale. The technology, which radically reduces the requirement for (and transport of) reagents represents the opportunity for a step change in environmental sustainability, operating and capital costs for both spodumene and brine lithium projects. Eli® feedstock flexibility enables domestic production of lithium chemicals from the conversion of both European hard rock and imported brine concentrates ensuring an ethical and resilient local lithium supply chain for the EV battery industry.

FY 2022 key achievements

- RAM agreed terms with Portuguese chemical company Bondalti Chemicals, S.A. to evaluate commercialisation of its Eli® lithium process in Europe.
- Activities have been advanced towards co-funded preparatory trials and construction of an electrolysis pilot plant at the Bondalti chemical complex in Estarreja as part of evaluation towards a proposed 20,000tpa lithium refinery.
- Primero engaged to update previous Neometals AACE Class 3 Engineering Cost Study for a lithium hydroxide operation at Bondalti's chlor-alkali operation in Portugal.
- Commencement of engineering and procurement activities for the proposed pilot plant to prove the process at scale on lithium feedstocks from both brine and hard rock sources.
- Multiple feedstock sourcing negotiations (lithium brine and spodumene concentrates) commenced to secure material for test work trials (bench and pilot).

BONDALTI
EVOLVING CHEMISTRY

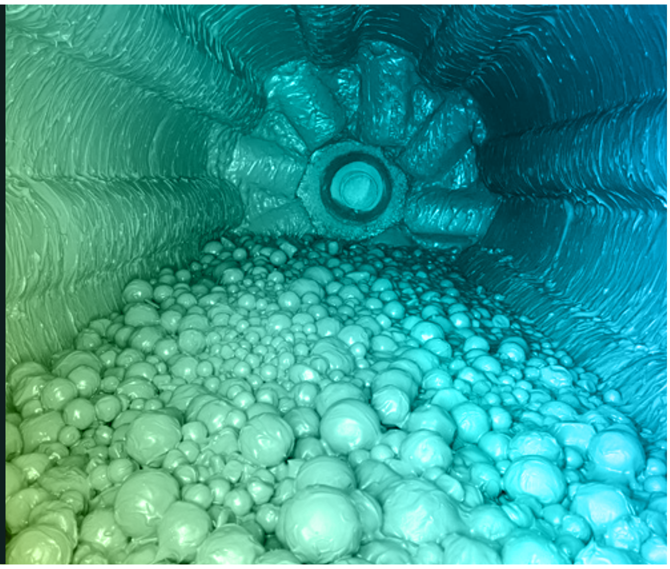
JOSÉ DE MELLO



Upstream: mineral extraction

Barrambie Titanium/ Vanadium Project

- Neometals 100%



The Barrambie Vanadium and Titanium Project in Western Australia (“Barrambie”) is one of the largest vanadiferous-titanomagnetite (“VTM”) Mineral Resources globally (280.1Mt at 9.18% TiO_2 and 0.44% V_2O_5)*, containing the world’s second highest-grade hard rock titanium Mineral Resource (53.6Mt at 21.17% TiO_2 and 0.63% V_2O_5)* and high-grade vanadium resource (64.9Mt at 0.82% V_2O_5 and 16.9% TiO_2) subsets (referred to as the Eastern and Central Bands respectively) based on the latest Neometals 2018 Mineral Resource Estimate.

**For full details refer to ASX announcement entitled “Updated Barrambie Mineral Resource Estimate” released on 17 April 2018 and table (right).*

Classification	Tonnes (M)	TiO_2 (%)	V_2O_5 (%)
Global mineral resource as at 17 April 2018[1]			
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	**280.1**	**9.18**	**0.44**
High grade V_2O_5 mineral resource at (0.5% V_2O_5 cut-off)[2]			
Indicated	49.0	16.93	0.82
Inferred	15.9	16.81	0.81
Total	**64.9**	**16.90**	**0.82**
High grade TiO_2 mineral resource at (14% TiO_2 cut-off)[2]			
Indicated	39.3	21.18	0.65
Inferred	14.3	21.15	0.58
Total	**53.6**	**21.17**	**0.63**

1. Based on Cut-off grades of ≥10% TiO_2 or ≥0.2% V_2O_5
2. The high-grade titanium and vanadium figures are a sub-set of the total Mineral Resource. These figures are not additive and are reporting the same block model volume but using different cut-off grades.

The Barrambie Vanadium and Titanium Project is one of the largest vanadiferous-titanomagnetite mineral resources globally.

Barrambie is located approximately 80km north-west of Sandstone in Western Australia and the Mineral Resource is secured under a granted mining lease. Neometals has a granted mining proposal to extract approximately 1.2Mtpa of ore and has Ministerial Approval to construct a 3.2Mtpa processing plant.

In October 2019, Neometals entered a memorandum of understanding with Chinese research organisation, IMUMR, to jointly evaluate the development of Barrambie ("IMUMR MoU"). Notwithstanding that the IMUMR MoU outlines a potential pathway towards a 50:50 operating joint venture to bring Barrambie into production (for full details refer to ASX announcement entitled "MoU for JV to develop Barrambie" released on 4th October 2019), it should be noted that IMUMR has a Chinese national mandate that includes development of upstream supply chains for industries of strategic relevance to China. Specifically, IMUMR will have the right, subject to Neometals approval, to assign its interests under the MoU to a commercial Chinese chemical processing partner.

In addition to the relationship with IMUMR, Neometals also has an offtake memorandum of understanding with Jiuxing Titanium Materials (Liaonging) Co. Ltd ("Jiuxing MoU") ("Jiuxing") (for full details refer to ASX announcement entitled "Barrambie - MOU for Cornerstone Concentrate Offtake" released on 16th April 2021). Jiuxing is one of the leading chloride-grade titanium slag producers and is the largest in north-eastern China. Importantly, the Jiuxing MoU builds on, and complements, the existing IMUMR MoU.

The Jiuxing MoU* contemplates a path to a formal offtake agreement where Neometals supplies a mixed gravity concentrate or separate ilmenite and iron vanadium concentrate from Barrambie to Jiuxing. Specifically, the MoU outlines a product evaluation regime and contains the key commercial terms for a formal offtake agreement (i.e. pricing, volumes, price floor etc.), subject to product evaluation. Following satisfactory completion of testing and technical due diligence, the Jiuxing MoU contemplates the parties negotiating and entering into a binding formal offtake agreement for the supply of 800,000 dry tonnes per annum (dtpa) of mixed gravity concentrate or 500,000 dtpa of ilmenite and 275,000 dtpa of iron-vanadium concentrate, on a take-or-pay basis for a period of 5 years from first production. If executed, it will potentially be the industry's largest individual offtake agreement.

The current business plan contemplates conventional open-cut mining, comminution and gravity concentration on site at Barrambie with a mixed titanium/vanadium/iron concentrate product being shipped to China for further processing. Irrespective of whether Neometals supplies its offtake partners with a mixed gravity concentrate or separate ilmenite and iron vanadium concentrates from Barrambie, the purchasers will likely target contained ilmenite in a smelting process to produce a chloride-grade titanium slag as well as an iron vanadium product. Titanium slag is an intermediate product used to feed the fast-growing demands of the Chinese chloride pigment market as it switches towards this more environmentally sustainable product which requires high quality titanium feedstocks. The vanadium-rich iron (magnetite) concentrate is targeted for blending by steelmakers to obtain vanadium and iron units.

Potential downstream processing

Potential for downstream processing Barrambie mixed gravity concentrate by smelting into separate ilmenite (titanium) and vanadium rich magnetite (iron) products.

Barrambie

Mineralisation > Gravity concentration > Fe/V/Ti concentration >

Bulk shipping >

China

Electric arc furnace >

Ti slag >90% TiO_2 > TiO_2 pigment >

Pig iron > 98.5% V_2O_5 flake >

Steel >

*The Jiuxing MoU is a memorandum of understanding to allow Jiuxing to conduct large scale test work and negotiate a binding offtake agreement. There is no guarantee that any binding formal agreement will result from the cooperation under the Jiuxing MoU or that any binding formal agreement will reflect the key commercial terms set out in the MOU given that these arrangements are subject to the testing and evaluation work to be completed under the Jiuxing MOU. This Jiuxing MoU is effective for 24 months

Feed and product bags for the bulk sample at Menzies Pilot Plant

Project development activities

Pilot trial and offtake

Historical pilot plant trials established that a simple Barrambie gravity mixed concentrate can be produced. This processing path supports Neometals' goal to develop Barrambie as a capital-light concentrate operation.

During the year, a mixed gravity bulk sample was prepared with approximately 40 tonnes delivered to Jiuxing in China on the 6th June 2022 for smelting trials. Jiuxing is blending the Barrambie mixed concentrate with other commercially available ilmenites to produce a titanium chloride slag, a well-established standard titanium industry feedstock. The balance of mixed gravity concentrate, approximately 90 tonnes, remains in Neometals warehouse stock in Perth.

Evaluation studies

The Neometals Barrambie contractor engagement process continued during the year with leading service providers and this information has been utilised in advancing an AACE® Class 4 Barrambie pre-feasibility study ("PFS"). The PFS was advanced during the year and is on track for completion in the December quarter of 2022.

The Barrambie PFS exercise will form a large component of the due diligence required by the successful 'build-own-operate' partner. This development model was used successfully by Neometals and its partners to advance the Mt Marion Lithium Project in 2015, which is now the world's second largest producer of spodumene (hard-rock lithium) concentrates.

FY 2022 key achievements

- Preparation and shipment of Barrambie 40 tonne sample of mixed gravity concentrate sample for Jiuxing commercial smelting trials in China.
- Leading mining service providers commenced due diligence to provide "Build-Own-Operate" proposals for the development of Barrambie on a capital-light basis assuming an Australian mining and beneficiation operation coupled to Chinese refining activities.
- AACE Class 4 PFS advanced on Australian mining and beneficiation operation with Chinese refining activities.

Annual mineral resource statement

Barrambie Project mineral resource estimate

Classification	Tonnes (Mt)	TiO_2 (%)	V_2O_5 (%)
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	**280.1**	**9.18**	**0.44**

Reporting criteria: ≥ 10% TiO_2 or ≥ 0.2% V_2O_5; small discrepancies may occur due to rounding

See ASX Release 17 April 2018 titled: Updated Barrambie Mineral Resource Estimate

There has been no change in the Barrambie Mineral Resource estimate since the 2021 Annual Statement.

Competent persons statement

The Barrambie Mineral Resource statement has been approved by Mr Michael Andrew, who consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Andrew is a full-time employee of Snowden Optiro and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.'

Sustainability at a glance

2021-22 highlights

55%

Increase in number of employees.

33%

Female representation on the Board.

Commercial operations approval

Recycling JV company, Primobius, received commercial operations permit approval to operate up to 10 tonnes per day recycling disposal service in Hilchenbach Germany.

$150k

Spend on community contributions.

0&0

Zero lost time injuries and zero medical treatment injuries.

Climate-risk evaluation

Climate-risk and opportunities evaluation in accordance with TCFD recommendations.

Carbon neutral

Achieved carbon neutrality with tree sequestration.

supporting carbon neutral Turn Emissions into Trees®

Our sustainability approach

We recognise that our technology driven projects should be developed in a sustainable and ethical manner.

Our sustainability framework is underpinned by our Economic, Environmental, Social and Governance (EESG) policy and our four sustainability pillars; Environmental care, Community benefits; People; and Ethics and accountability. The framework reflects our projects, key environmental, social, governance and other sustainability risks, external frameworks, and regulatory governance.

In FY21-22, material topics were identified using the process defined in the global standard, GRI 3: Material Topics (2001). The process also considered internal and external stakeholder consultation, and a review of current and emerging sustainability matters, to identify a list of contemporary sustainability topics relevant to Neometals. Topics were evaluated and prioritised to ensure alignment with the Company's purpose and strategic focus areas. Additional topics were prioritised based on employee and stakeholder feedback.

Environmental care

Minimise negative impact on people and the planet

FY21-22 material topics

- Climate and emissions

Topics identified to monitor

- Energy efficiency
- Resource optimisation and rehabilitation
- Water stewardship
- Waste reduction

People

Foster an environment where employees are valued and supported to fulfill their potential

FY21-22 material topics

- Health, safety and wellbeing

Topics identified to monitor

- Talent attraction and development
- Diversity and equal opportunity

Community benefit

Create shared value

FY21-22 material topics

- Shared economics and social outcomes
- Products for a sustainable future

Topics identified to monitor

- Human rights and dignity

Ethics and accountability

Continually operate in an ethical and transparent manner

FY21-22 material topics

- Ethical values

Topics identified to monitor

- Supply chain integrity

Environmental care

Neometals takes all appropriate measures to manage and mitigate the physical risks and environmental impacts that may arise from its activities. Through our Environmental Policy, we are committed to developing, maintaining, and improving standards/practices to meet our environmental responsibilities. Environmental respect and care are the responsibility of everyone who works for, contracts with, or does business with Neometals.

Neometals is committed to understanding and proactively managing the impact of climate-related transitional and physical risks to its business as well as the environment and the communities in which it operates. We support the intent of the Paris Agreement to limit global warming to less than 1.5°C relative to pre-industrial levels, and the position expressed by the Intergovernmental Panel on Climate Change (IPCC). Our Economic, Environmental, Social and Governance (EESG) Policy sets a commitment for continuous improvement and it adheres to the Taskforce on Climate-related Financial Disclosure (TCDF) framework and our commitments to climate change. By the very nature of our business, we are well positioned to contribute to global decarbonisation, minimise transitional risks and the Company is already taking advantage of opportunities in this regard.

Community benefit

We support the development of resilient local economies and communities by contributing to projects that improve the social, environmental, and economic wellbeing of the regions where we operate, and society at large. During the reporting year, we defined our social investment strategy to focus on improving quality-of-life and societal benefits in alignment with Neometals' core values which underpin the acronym STRIDE. To achieve STRIDE in social investment, the Company will look to forge innovative and sustainable partnerships with our suppliers, governments, community groups, industry leaders, education providers, technology partners and NGOs spanning our four sustainability pillars.

People

At Neometals we know that we need human capital to achieve our purpose. A safe and healthy working environment is essential to the long-term wellbeing of our people. We believe that all employees, contractors, partners and visitors have a fundamental right to a healthy and safe working environment. We want our people to enjoy coming to work. A key focus in FY21-22 was the development of an employee wellbeing program which seeks to deliver informative and participative initiatives focussed upon four key pillars - physical health, metal health, community and environment.

Ethics and accountability

We are committed to maintaining open and transparent communications with governments, regulatory agencies and our stakeholders. The Company's existing projects are primarily in Australia, Europe and Northern America, all locations with lower-risk jurisdictions. Neometals, by its actions, stands strongly against dishonest or illegal activities, or anything that represents a breach of trust. Our Whistleblower Policy fosters an environment where concerns about illegal or unethical behaviour can be reported in confidence and without fear of retribution.

In FY21-22, Neometals incorporated sustainability into the Board Risk Committee. The Risk and Sustainability Committee sets and monitors sustainability objectives and targets in line with international frameworks and regulation. The Committee strives to enhance reporting and disclosures relating to all significant and non-significant sustainability risks and opportunities (including climate-related issues).

Sustainability objective: Neometals is committed to optimising finite resources with circular practices to benefit society and the environment for a sustainable future.

Directors' report

The directors of Neometals Ltd submit their report for the financial year ended 30 June 2022.

The names and particulars of the directors of the Company during or since the end of the financial year are:

Current Directors

Steven Cole

Non-executive Chairman

Steven Cole has over 40 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments.

His extensive boardroom and board sub-committee experience includes ASX listed, statutory, proprietary and NFP organisations covering the industrial, financial, educational, professional services, agribusiness, health and resources sectors.

Steven's professional qualifications include:

- Llb (hons)– University of Western Australia
- AICD Company Directors Diploma and Fellow;
- Wharton Business School – University of Pennsylvania – Corporate Governance Program 2010
- Harvard – Corporate Governance Program 2015

Appointed: 24 July 2008

Special responsibilities: Chairman of each of the Nomination and Remuneration Committees and Member of each of the Audit and Risk Committees.

Directorships of other listed companies: Non-executive Director Matrix Composites and Engineering Ltd

Christopher J Reed

Managing Director

Christopher Reed is an accountant with over 25 years' experience in the resource industry including more than 15 years in corporate administration and management. Christopher served as Managing Director of Reed Resources Ltd (now Neometals Ltd) from September 2007 until May 2012 at which time he assumed the role executive director. Christopher resumed the role as Managing Director from 1 October 2013.

Mr. Reed holds a Bachelor of Commerce from the University of Notre Dame and a Graduate Certificate in Mineral Economics from the WA School of Mines. He is a member of the AusIMM.

Appointed: 20 December 2001

Special responsibilities: CEO

Dr Natalia Streltsova

Non-executive Director

Natalia Streltsova is a PhD qualified chemical engineer with over 25 years' experience in the minerals industry, including over 10 years in senior technical and corporate roles with mining majors - WMC, BHP and Vale. Dr Streltsova has considerable international experience covering project development and acquisitions in South America, Africa and the Former Soviet Union. In the last 10 years, since finishing full-time executive roles, her focus has been on non-executive board memberships and consulting. She is a council member of Association of Mining and Exploration Companies and a graduate of the Australian Institute of Company Directors.

Appointed: 14 April 2016

Special responsibilities: Chair of the Risk Committee and Member of each of the Remuneration and Audit Committees.

Directorships of other listed companies: Ramelius Resources Limited and Australian Potash Limited

Mr Douglas Ritchie

Non-executive Director

Doug has over four decades experience working in the mining industry, including as a member of Rio Tinto's Executive Committee, and the Group Executive responsible for China, Doug's expertise across the industry is extensive.

He has previously been an Executive Director of Jinchuan Group International Resources (HKSE), Rossing Uranium Limited, Coal & Allied Limited (ASX 50), and Director of various other ASX listed companies. He was also formerly Chairman of the Coal Industry Advisory Board to the International Energy Agency, a Director of the World Coal Association and a Director of the Queensland Resources Council. Between 2013 and April 2016, Doug was Chairman of UniQuest, the main commercialisation vehicle of the University of Queensland.

Doug is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

Appointed: 14 April 2016

Special responsibilities: Chairman of the Audit Committee and Member of each of the Nomination and Risk Committees.

Directorships of other listed companies: Chairman, Metro Mining Limited

Dr Jenny Purdie

Non-executive Director

Dr Purdie's extensive career has seen her hold roles in engineering, senior technology, strategy and operations for leading international mining companies. Dr. Purdie is currently a Asset president for BHP, managing the Olympic Dam copper/gold/silver/uranium project in South Australia. Dr. Purdie previously served as a senior executive for Jemena Management Holdings – Executive General Manager Gas Distribution, CEO of Adani Renewables Australia, Executive Vice President - Enterprise Services at Aurizon, Global Practice Leader for Rio Tinto's Technology and Innovation team (leading a global network of in-house technologists and suppliers to deploy innovative technologies across Rio Tinto operations) and she filled engineering and management roles with Rio Tinto, Alcoa and Altona Petrochemical.

Dr Purdie has worked in a number of senior management and operational roles and has been deeply immersed in technology development. She has a PhD and Bachelor of Engineering (Chemical and Materials, Hons 1) from Auckland University and an Executive MBA from the University of Queensland. She is a fellow of the Institution of Chemical Engineers and a graduate of the Australian Institute of Company Directors and was previously a committee member of Women in Mining and Resources Queensland.

Appointed: 27 September 2018

Special responsibilities: Member of each of the Audit and Nomination Committees.

Directorships of other listed companies: Nil

Mr Les Guthrie

Non-executive Director

Mr Guthrie is an engineer with over 45 years experience in the project delivery space. He has held corporate executive and project management roles, across the UK, Australia, North America and Asia. It is a background steeped in the strategy, development and delivery of major capital programs spanning mining, infrastructure and oil and gas.

He is Managing Director of Bedford Road Associates, where he has provided advice and delivery support to clients in Mongolia, S.Korea, New Zealand as well as in Australia.

Prior to establishing Bedford Road Mr Guthrie was Vice President Projects for BHP Billiton. Previously he held roles as Group Head of Capital Projects and President LNG for BG Group in the UK, President of Aker Kvaerner Inc. in the US, and Managing Director of Aker Kvaerner Australia.

Mr Guthrie was a founding contributor to the John Grill Centre for Project Leadership at Sydney University and was previously engaged as a subject matter expert by EY Advisory. He holds a B.Sc. from the University of West of Scotland and is a member of the Australian Institute of Company Directors.

Appointed: 27 September 2018

Special responsibilities: Member of the Risk Committee and Remuneration Committee.

Directorships of other listed companies: DRA Global Ltd & Australian Mines Ltd

Company Secretary

Jason Carone

Chief Financial Officer and Company Secretary

Mr. Carone is a Chartered Accountant with over 20 years' experience in accounting and company administration in Australia and South East Asia.

Mr. Carone holds a Bachelor of Commerce in Accounting and Business Law from Curtin University and is a member of the Chartered Accountants Australia & New Zealand, and Chartered Secretaries Australia.

Appointed: 4 March 2009

Review of operations

The consolidated profit after income tax for the year attributable to members of Neometals Ltd was $11.2 million loss (2021: 16.3 million profit). A detailed review of the Company's operations during the financial year can be found on pages 8 to 23 of this Annual Financial Report.

Changes in state of affairs

During the financial year the Consolidated Entity's primary focus was the continuous development and commercialisation of our proprietary innovative technologies with strong global partners to generate value through sustainable production of battery materials.

In particular, the Company has continued to actively pivot away from reliance on hard rock mining and explorations towards circular, sustainable materials recovery and recycling opportunities. Having sold its stake in the Mt Marion mine in 2019 and extinguished its remaining Mt Marion offtake rights last year (for $30 million in consideration), the Company continued the trend with the demerger of its Mt Edwards nickel project during the year via an in-specie share distribution to Neometals shareholders ($26M based on capital raising price). This is enabling Neometals to keep a laser focus on its aim of decarbonising the battery minerals supply chain with eco-friendly processing solutions.

In addition to the demerger and the myriad commercial developments mentioned elsewhere in this document, Neometals has also admitted its shares to trading on the AIM market of the London Stock Exchange ("LSE").

There have not been any other significant changes in the affairs of the Consolidated Entity from the previous year other than as disclosed in the Director's Report.

Principal activities

The Consolidated Entity's principal activities during the year centred on continuous development and commercialisation of our proprietary innovative technologies with strong global partners to generate value through sustainable production of battery materials.

Events after the reporting period

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

COVID-19

Whilst acknowledging the disruption COVID-19 has had on global commerce, Neometals finds itself well placed to continue to progress its projects and will continue to monitor any impacts the pandemic may have on its projects. The COVID19 outbreak and disruption during the past few financial years has not had a significant impact on Neometals financially. At this point in time the Company is experienced minor delays in project timelines as a result of the pandemic. These delays have not been significant.

Future developments

The Consolidated Entity intends to continue its focus on disciplined development and commercialisation of its four core assets, Lithium-ion Battery Recycling, Vanadium Recovery, Lithium Chemicals Project and the Barrambie Vanadium and Titanium Project. These core projects are characterised by a combination of proven and innovative process flow sheets and large JORC – compliant Resources in relation to the Barrambie Project.

Environmental regulations

As required by section 299(1)(f) of the Corporations Act the Company confirms that it has performed all of its environmental obligations in accordance with applicable environmental regulations.

Dividends

No dividends were paid during the year.

Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and of any related body corporate against a liability incurred as a director or officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Unissued shares under option

There were no unissued ordinary shares of the company, Neometals Ltd, under option at the date of this report.

No shares of the Company were issued during or since the end of the financial year as a result of the exercise of an option over the unissued shares of the Company.

Please refer to the Remuneration Report at page 36 below for details of Performance rights issued as part of KMP remuneration.

Directors' security holdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report:

	Fully paid ordinary shares	Share options	Performance rights
Director	Number	Number	Number
S. Cole	1,951,771	-	54,499
C. Reed	7,868,589	-	2,477,407
D. Reed[1]	37,588,900	-	-
D. Ritchie	265,269	-	40,875
N. Streltsova	280,269	-	40,875
J. Purdie	385,5822	-	40,875
L. Guthrie	231,357	-	8,175

[1] David Reed resigned from his position as Non-Executive Director on 30 November 2021. The shares in the table represent his final security holdings as at the date of his resignation.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 8 board meetings, 3 nomination committee meeting, 2 remuneration committee meetings, 1 risk committee and 3 audit committee meetings were held.

Meeting numbers in the "Held" column are the number of meetings held whilst the relevant director was a member of the board or committee.

	Board of Directors		Nomination Committee		Remuneration Committee		Risk Committee		Audit Committee	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
S. Cole	9	9	3	3	3	3	1	1	3	3
C. Reed	9	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D. Reed [3]	9	4	3	2	3	2	n/a	n/a	n/a	n/a
N. Streltsova	9	9	n/a	n/a	3	3	1	1	3	3
D.Ritchie	9	7	3	3	3	3	1	1	3	3
J. Purdie	9	9	n/a	n/a	n/a	n/a	n/a	n/a	3	3
L. Guthrie	9	9	n/a	n/a	n/a	n/a	1	1	n/a	n/a

(1) Excludes several informal meetings of the members of the Nomination and Remuneration Committees to discuss matters including the establishment of executive KPIs for incentive-based remuneration and the TSR comparator group, board evaluation and board succession planning.

(2) Excludes several informal meetings of the members of the Risk Committee and management to discuss matters including the Company's strategic direction and resultant changes in risk exposure.

(3) David Reed resigned from his position as Non-Executive Director on 30 November 2021.

Proceedings on behalf of the company

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments (together "Charter").

The Company's Charter is based on a template which has been professionally verified to be complementary to and in alignment with the ASX Corporate Governance Council Principles and Recommendations 4th Edition 2019 ("ASX CGC P&R") in all material respects. The Charter also substantially addresses the suggestions of good corporate governance mentioned in the "Commentary" sections of the ASX CGC P&R.

The Charter was formally adopted by the Board on 19 December 2019 and subsequently updated for the Companies compliance listing on the London Stock Exchange and adopted by the Board on 16 February 2022.

The Board of Neometals is responsible for the corporate governance of the company and its subsidiaries. The Board has governance oversight of all matters relating to the strategic direction, corporate governance, policies, practices, management and operations of Neometals with the aim of delivering value to its Shareholders and respecting the legitimate interest of its other valued stakeholders, including employees, suppliers and joint venture partners.

Under ASX Listing Rule 4.10.3, Neometals is required to provide in its annual report details of where shareholders can obtain a copy of its Corporate Governance Statement, disclosing the extent to which the Company has followed the ASX Corporate Governance Council Principles and Recommendations in the reporting period. Neometals has published its Corporate Governance Statement on the Corporate section of its website: **neometals.com.au/reports/corporate-governance-statement.pdf**

Risk management

The Company is exposed to a range of market, financial, operational, environmental, and socio-political risks that could have an adverse effect on the Company's future performance. The nature and potential impact of these risks can change over time and vary in the degree to the extent the Company can control them.

During the reporting period, the Risk and Sustainability Committee reviewed the effectiveness of the Company's risk management policy, risk framework, and the processes required to govern risk identification, assessment, monitoring, and reporting with due regard o the Company's risk appetite and tolerance levels.

The Company considers that any material exposure to environmental, social, or other sustainability risks it may have are addressed in the following observations:

a) Economic Risks: The Company operates in a global market for mineral commodities with their pricing and supply/demand attributes inherently the subject of many factors beyond the absolute control of the Company. The Company's projects are also in development phase with anticipated future capital requirements for their operationalisation. The Company will be dependent on future raisings (equity and debt) from the capital markets to support the ongoing development of those projects;

b) Environmental and Sustainability Risks: The Company's focus is on the continuing development and commercialisation of proprietary innovative technologies relating to the sustainable production of battery materials to meet the demands of an energy transitioning world from fossil fuel dependence. The nature and design of the Company's projects include decarbonisation of the supply chain and the sustainability of circular economy practices. Accordingly environmental and climate change issues pose more as opportunities than risks for the Company.

c) Social Risks: The Company is pro-active in its commitment to the United Nations 17 Sustainable Development Goals and with its primary business operations being in developed countries with relatively mature social frameworks it effectively actively manages any social risks that may otherwise arise.

Remuneration report (audited)

Key management personnel

The following persons were deemed to be Key Management Personnel ("KMP") during or since the end of the financial year for the purpose of Section 300A of the Corporations Act 2001 and unless otherwise stated were KMP for the entire reporting period.

Non-executive Directors	
Steven Cole	Non-executive Director/ Chairman
David Reed	Non-executive Director/ Deputy Chairman (Resigned 30 November 2021)
Natalia Streltsova	Non-executive Director
Douglas Ritchie	Non-executive Director
Jenny Purdie	Non-executive Director
Les Guthrie	Non-executive Director
Executive Directors	
Christopher Reed	Managing Director and CEO
Other executives	
Jason Carone	Chief Financial Officer and Company Secretary
Michael Tamlin	Chief Operating Officer
Darren Townsend	Chief Development Officer

Remuneration policy for key management personnel

Non-executive Directors

The Board's policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee on behalf of the board determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, shareholder sentiment, board workload, company cashflow capacity and corporate performance generally. Independent external advice and/ or benchmark comparisons are sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is $600,000 as approved by shareholders at the Annual General Meeting on 27 November 2015. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and invited to salary sacrifice fees for performance rights pursuant to the company's Performance Rights Plan ("PRP").

General

The remuneration policy for employees is developed by the Remuneration Committee taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Company adopted a revised PRP for its staff, executive KMP and Non-executive Directors in November 2020 and shareholders reapproved the issue of securities under the plan in November 2020. The Board believes that the PRP will assist the Consolidated Entity in remunerating and providing ongoing incentives to employees of the Group.

The rules of the PRP enable the Company to issue performance rights to eligible personnel subject to performance and vesting conditions determined by the Company. Each performance right entitles the holder, for nil cash consideration, to one fully paid ordinary share in the Company for every performance right offered, if the applicable performance and vesting conditions set for that holder are satisfied.

During the financial year a total of 1,573,173 (2021: 4,237,645) performance rights were offered to and accepted by KMP. Of this amount 1,334,122 performance rights are subject to relative and absolute Total Shareholder Return ("TSR") and other strategic hurdles, details of which can be found in the "Service agreements - performance based remuneration" section below. Testing undertaken for the period ended 31 December 2021 resulted in no performance rights subject to the TSR criteria vesting. Testing undertaken for the period ended 30 June 2022 resulted in 80% or 2,259,401 performance rights subject to the TSR criteria vesting. The remaining 20% will be retested at 31 December 2022.

The Group's Remuneration Policy for executive KMP seeks to balance its desire to attract, retain and motivate high quality personnel with the need to ensure that remuneration incentivises them to pursue growth and success of the Company without taking undue risks and without it being excessive remuneration.

To align the interests of the executive with that of the company remuneration packages for executive KMPs contain the following key elements:

a) **Fixed base salary** – salary, superannuation and non-monetary benefits;

b) **Short term incentives** – cash incentives applied to a maximum percentage of Fixed Base Salary and structured against relative satisfaction (at the reasonable discretion of the Board) of certain corporate and personally related key performance indicators of the executive.

c) **Long term incentives** – the grant of performance rights in the Company, with value capped to a maximum percentage of Fixed Base Salary, vesting progressively while the executive remains employed, with the degree of vesting structured against the Company's relative and absolute TSR performance against a comparator group of companies as well as other strategic hurdles.

The Company's remuneration is specifically designed to encourage loyalty and longevity of employment as well as aligning the employee's interests with those of the Company and the creation of genuine long term sustainable value for security holders.

All remuneration provided to KMP in the form of share based payments are valued pursuant to AASB 2 Share-based Payment at fair value on grant date and are expensed on a pro rata basis over the vesting period of the relevant security.

Relationship between the remuneration policy and company performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2021:

	30 June 2022 $	30 June 2021 $	30 June 2020 $	30 June 2019 $	30 June 2018 $
Revenue(i)	-	-	-	-	-
Net profit / (loss) before tax(ii)	(16,234,234)	20,976,747	(19,837,973)	(19,242,733)	4,009,985
Net profit / (loss) after tax(iii)	4,360,700	16,343,172	(14,553,693)	76,178,556	15,679,541
Share price at start of year	0.48	0.16	0.21	0.30	0.27
Share price at end of year	0.91	0.48	0.16	0.21	0.30
Market capitalisation at year end (undiluted)	496,280,638	261,768,607	87,122,706	114,234,596	163,059,742
Basic profit / (loss) per share	0.80	0.030	(0.027)	0.1400	0.0290
Diluted profit / (loss) per share	0.79	0.030	(0.027)	0.1401	0.0288
Dividends paid	-	-	10,890,338	10,879,485	5,435,325

(i) Although 2 financial years have returned a net profit before tax there has been no revenues from ordinary activities. The group has been profitable in those financial years from profits booked from the Mt Marion project in 2018 and 2021 and an impairment reversal in 2018 relating to the Barrambie project.

(ii) Exclusive of profits resulting from discontinued operations.

(iii) Inclusive of profits resulting from discontinued operations.

Key management personnel remuneration

The KMP received the following amounts during the year as compensation for their services as directors and executives of the Company and/or the Group.

2022	Short-term employee benefits Salary and fees $	Bonus FY 20'21 $	Non-monetary[2] $	Other $	Super-annuation $	Share based payments Shares $	Performance rights $	Total $	Remuneration linked to performance %
Non-executive directors									
S. Cole	90,909	-	-	-	9,091	-	50,000	150,000	-
D. Reed[1]	34,091	-	-	-	3,409	-	-	37,500	-
N. Streltsova	40,909	-	-	-	4,091	-	45,000	90,000	-
D. Ritchie	40,909	-	-	-	4,091	-	45,000	90,000	-
J. Purdie	40,909	-	-	-	4,091	-	45,000	90,000	-
L. Guthrie	73,636	-	-	-	7,364	-	9,000	90,000	-
	321,363	-	-	-	**32,137**	-	**194,000**	**547,500**	-
Executive directors									
C. Reed	545,000	228,000	42,062	-	25,000	-	282,324	1,122,386	45
	545,000	**228,000**	**42,062**	-	**25,000**	-	**282,324**	**1,122,386**	-
Other executives									
M. Tamlin	375,000	95,000	55,145	-	25,000	-	128,715	678,860	33
J. Carone	335,000	95,000	31,495	-	25,000	-	114,428	600,923	35
D. Townsend	375,000	115,800	29,461	-	25,000	-	125,786	671,047	36
	1,085,000	**305,800**	**116,101**	-	**75,000**	-	**368,929**	**1,950,830**	-
Total	**1,951,363**	**533,800**	**158,163**	-	**132,137**	-	**845,253**	**3,620,716**	-

(1) David Reed resigned from his position as Non-Executive Director on 30 November 2021
(2) Relates to fringe benefits received by key management personnel

2021	Short-term employee benefits Salary and fees $	Bonus FY 20'21 $	Non-monetary[1] $	Other $	Super-annuation $	Share based payments Shares $	Performance rights $	Total $	Remuneration linked to performance %
Non-executive directors									
S. Cole	73,059	-	-	-	6,941	-	50,000	130,000	-
D. Reed	73,059	-	-	-	6,941	-	-	80,000	-
N. Streltsova	62,100	-	-	-	5,900	-	12,000	80,000	-
D. Ritchie	62,100	-	-	-	5,900	-	12,000	80,000	-
J. Purdie	54,795	-	-	-	5,205	-	20,000	80,000	-
L. Guthrie	63,927	-	-	-	6,073	-	10,000	80,000	-
	389,040	-	-	-	**36,960**	-	**104,000**	**530,000**	-
Executive directors									
C. Reed	515,000	153,000	48,691	-	25,000	-	188,294	929,985	37
	515,000	**153,000**	**48,691**	-	**25,000**	-	**188,294**	**929,985**	-
Other executives									
M. Tamlin	349,400	111,197	55,145	-	25,000	-	85,975	626,717	31
J. Carone	305,000	74,250	30,891	-	25,000	-	73,117	508,258	29
D. Townsend	335,000	106,920	29,461	-	25,000	-	82,668	579,049	33
	989,400	**292,367**	**115,497**	-	**75,000**	-	**241,760**	**1,714,024**	-
Total	**1,893,440**	**445,367**	**164,188**	-	**136,960**	-	**534,054**	**3,174,009**	-

(1) Relates to fringe benefits received by key management personnel

Service agreements – performance based remuneration

The KMP of the Company, other than non-executive directors, are employed under service agreements. A summary of performance conditions for relevant KMP are detailed below:

Mr J Carone

Chief Financial Officer/Company Secretary

Term: No defined term

Termination: 3 months notice period and 3 months termination payment

Incentive based remuneration

Short term incentive

Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus up to 33% of the KMP's annual salary package ($360,000 inclusive of superannuation for 2021-22). The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance/position and share price. The STI for 2021-22 was set at a maximum of $118,800 of which 80% or $95,000 was agreed to be paid by management.

Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below.

Calculation of potential entitlement to performance rights

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Mr C Reed

Managing Director

Term: Expiry date of 30 June 2024

Termination notice period: 12 months by employee, and 6 months by executive

Incentive based remuneration

Short term incentive

Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to one third of the KMP's annual salary package ($570,000 inclusive of superannuation for 2021-22). The STI for 2021-22 was set at a maximum of $285,000 representing approximately 50% of the annual base salary package of which 80% or $228,000 was acknowledged and agreed by the Board and Mr C Reed. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance/position and share price.

Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{50}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Mr M Tamlin

Chief Operating Officer

Term: No defined term

Termination notice period: 6 months

Incentive based remuneration

Short term incentive

Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package ($400,000 inclusive of superannuation for 2021-22). The STI for 2021-22 was set at a maximum of $132,000 representing approximately 33% of the annual base salary package of which 72% or $95,000 was acknowledged and agreed by the board and Mr M Tamlin. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance/position and share price.

Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Mr D Townsend

Chief Development Officer

Term: No defined term

Termination notice period: 6 months

Incentive based remuneration

Short term incentive

Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package ($400,000 inclusive of superannuation for 2021-22). The STI for 2021-22 was set at a maximum of $132,000 representing approximately 33% of the annual base salary package of which 87% or $115,800 was acknowledged and agreed by the CEO and Mr D Townsend. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance/position and share price.

Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

Calculation of potential entitlement to performance rights

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

Criteria

The grant of Performance Rights is designed to reward long term sustainable business performance measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The KMP's entitlement to the performance rights is dependent on 3 criteria:

(a) Tranche 1 – Relative TSR

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (TSR) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

(b) Tranche 2 – Absolute TSR

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (Absolute TSR).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.
- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- For each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

(c) Tranche 3 – Business plan

The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% to vest at the discretion of the Board based on the overall achievement by NMT of its strategic objectives (both financial and non-financial) under the leadership of the CEO and in delivering value to NMT's shareholders and broader stakeholders.

Performance rights granted to the KMP have a vesting period of 3 years from grant date and will lapse on the KMP ceasing to be an employee of the Group prior to the vesting date.

The Company provides the KMP with performance based incentives in order to incentivise KMP to pursue strategies that are aligned with the overall business strategy and the interests of the shareholders. Where deemed appropriate the Company has set specific Key Performance Indicators as performance criteria for staff that have a direct role/responsibility in achieving a specific outcome. To ensure that KMP are also incentivised to pursue longer term strategies that increase shareholder wealth a portion of the KMP's remuneration is linked to a "comparative TSR model" which links the level of the KMP remuneration to the Company's performance against a group of comparable ASX listed entities, using Total Shareholder Return as the basis of comparison. KMP are also issued with performance rights with service conditions as vesting criteria which assist the company retain staff as well as aligning the interests of the KMP with shareholders. The Company has deemed the issue of service based performance rights as an appropriate form of remuneration due to the uncertain nature of the Group's business, that is, mineral exploration, mining and developing new mineral processing technologies.

The comparator group adopted by the company for LTI granted in 2020 (vest 2022) is as follows:

Galaxy Resources Limited	ASX: GXY
Global X Lithium ETF	NYSE Arca: LIT
TNG Ltd	ASX: TNG
S&P ASX Small Resources Index	ASXR: ASX
Nemaska Lithium Inc.	TSX: NMX
Iluka Resources Limited	ASX: ILU
S&P ASX 300	ASX: XKO
Orocobre Limited	ASX: ORE
Argex Titanium Inc.	TSX: RGX
Pilbara Minerals Limited	ASX: PLS
Umicore Belgium	BSE:UMI
AVZ Minerals Limited	ASX:AVZ

The comparator group adopted by the company for LTI granted in 2021 (vest 2023) is as follows:

Albermale	NYSE: ALB
Global X Lithium ETF	NYSE Arca: LIT
TNG Ltd	ASX: TNG
S&P ASX Small Resources Index	ASXR: ASX
AMG Metallurgical Group NV	AMS: AMG
S&P ASX 300	ASX: XKO
Iluka Resources Limited	ASX: ILU
Lithium Australia NL	ASX: LIT
Bushveld Minerals	LSE: BMN
Piedmont Lithium Inc.	ASX: PLL
Umicore Belgium	BSE: UMI

The comparator group adopted by the company for LTI granted in 202 (vest 2024) is as follows:

Albermale	NYSE: ALB
Global X Lithium ETF	NYSE Arca: LIT
TNG Ltd	ASX: TNG
S&P ASX Small Resources Index	ASXR: ASX
AMG Metallurgical Group NV	AMS: AMG
S&P ASX 300	ASX: XKO
Iluka Resources Limited	ASX: ILU
Lithium Australia NL	ASX: LIT
Bushveld Minerals	LSE: BMN
Standard Lithium Inc.	TSX: SLI
Umicore Belgium	BSE: UMI

The Company has selected the above group of companies as the comparator group for the following reasons:

1. It represents a reasonable cross section of resource companies with reasonably comparable market capitalisation, resource base and stage of development to that of the Company
2. The group is primarily focused on developing industrial minerals projects.

The Company's performance rights plan was approved by shareholders at the 2020 AGM.

Performance rights issued as part of KMP remuneration

Performance rights granted to key management personnel

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

		During the financial year				
Name	Grant date	No. granted	No. vested	Fair value at grant date[3]	Earliest exercise date	Consideration payable on exercise
C. Reed[1]	11/10/2021	574,049	-	436,277	30/06/2024	-
J. Carone[1]	11/10/2021	235,885	-	179,273	30/06/2024	-
M. Tamlin[1]	11/10/2021	262,094	-	199,191	30/06/2024	-
D. Townsend[1]	11/10/2021	262,094	-	199,191	30/06/2024	-
N. Streltsova[2]	11/10/2021	55,450	55,450	45,000	30/06/2022	-
D. Ritchie[2]	11/10/2021	55,450	55,450	45,000	30/06/2022	-
S. Cole[2]	11/10/2021	61,611	61,611	50,000	30/06/2022	-
J. Purdie[2]	11/10/2021	55,450	55,450	45,000	30/06/2022	-
L. Guthrie[2]	11/10/2021	11,090	11,090	9,000	30/06/2022	-
Total		**1,573,173**	**239,051**	**1,207,932**		**-**

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) These Non-executive Directors have forgone Directors Fees for performance rights pursuant to the company's PRP.

(3) These values have been calculated using the monte carlo valuation method.

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

	Balance at 01/07/21	Grant date	Granted	Fair value of rights at grant date[3]	Vested during the financial year	Forfeited/ lapsed during the financial year	Balance at 30/06/2022[4]	Ordinary shares issued on exercise of rights
2022	No.		No.	$	No.	No.	No.	No.
KMP								
C. Reed[1]	3,725,114	11/10/2021	574,049	436,277	986,417	(167,068)	3,463,824	668,271
J. Carone[1]	1,466,546	11/10/2021	235,885	179,273	394,668	(61,431)	1,395,275	245,725
M. Tamlin[1]	1,698,711	11/10/2021	262,094	199,191	447,769	(76,666)	1,577,475	306,664
D. Townsend[1]	1,633,376	11/10/2021	262,094	199,191	430,547	(73,717)	1,526,883	294,870
N. Streltsova[2]	49,911	11/10/2021	55,450	45,000	55,450	-	55,450	49,911
D. Ritchie[2]	49,911	11/10/2021	55,450	45,000	55,450	-	55,450	49,911
S. Cole[2]	207,962	11/10/2021	61,611	50,000	61,611	-	61,611	207,962
J. Purdie[2]	83,185	11/10/2021	55,450	45,000	55,450	-	55,450	83,185
L. Guthrie[2]	41,592	11/10/2021	11,090	9,000	11,090	-	11,090	41,592
Total	**8,956,308**		**1,573,173**	**1,207,932**	**2,498,452**	**(378,882)**	**8,202,508**	**1,948,091**

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights.

(3) These values have been calculated using the monte carlo valuation method.

(4) Includes vested performance rights that have not been exercised at 30 June 2022.

2021	Balance at 01/07/20	Grant date	Granted	Fair value of rights at grant date[3]	Vested during the financial year	Forfeited/ lapsed during the financial year	Balance at 30/06/2021[4]	Ordinary shares issued on exercise of rights
	No.		No.	$	No.	No.	No.	No.
KMP								
C. Reed[1]	3,020,834	7/12/2020	1,656,754	299,872	668,271	(952,474)	3,725,114	-
J. Carone[1]	1,170,503	7/12/2020	666,055	120,556	245,725	(370,012)	1,466,546	-
M. Tamlin[1]	1,387,056	7/12/2020	755,670	136,776	306,664	(444,015)	1,698,711	-
D. Townsend[1]	1,350,786	7/12/2020	726,605	131,516	294,870	(444,015)	1,633,376	-
N. Streltsova[2]	68,512	7/12/2020	49,911	12,000	49,911	-	49,911	68,512
D. Ritchie[2]	68,512	7/12/2020	49,911	12,000	49,911	-	49,911	68,512
S. Cole[2]	285,467	7/12/2020	207,962	50,000	207,962	-	207,962	285,467
J. Purdie[2]	114,187	7/12/2020	83,185	20,000	83,185	-	83,185	114,187
L. Guthrie[2]	47,675	7/12/2020	41,592	10,000	41,592	-	41,592	47,675
Total	**7,513,532**		**4,237,645**	**792,720**	**1,948,091**	**(2,210,516)**	**8,956,308**	**584,353**

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights.

(3) These values have been calculated using the monte carlo valuation method.

(4) Includes vested performance rights that have not been exercised at 30 June 2022.

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

Use of remuneration consultants

During the year no remuneration consultants were used in relation to the company's Performance Rights Plan.

This is the end of the audited remuneration report.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 49 of the Annual Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd,

CReed.

Mr Christopher Reed
Managing Director

West Perth WA
23 September 2022

Independent auditor's report

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Neometals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Neometals Ltd (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2022, 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, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- 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 & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 judgement, were of most significance in our audit of the financial report for the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Demerger of Widgie Nickel

As disclosed in Note 6, Neometals Ltd shareholders approved the demerger of Widgie Nickel Limited (Widgie Nickel), a dedicated nickel exploration and development company holding the Group's Mt Edwards nickel assets, on 18 August 2021. This occurred through a 100% in-specie distribution of Widgie Nickel's shares to the Company's shareholders on demerger date (24 August 2021) with a total distribution fair value of $26.0 million, $9.8 million of which was classified as a return of capital and the remaining $16.2 million being classified as a deemed dividend.

A gain on demerger of $15.5 million was recorded in the year within discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5).

The demerger is a key audit matter as this was a significant transaction with a material financial impact occurring in the year and significant judgements are involved in determining the appropriate accounting for the demerger including but not limited to the fair value of the distribution on demerger, the determination of the amount classified as return of capital and deemed dividend, the carrying value of assets disposed, the substantial transaction costs associated with the transaction, and the attributable tax benefit.

</td><td>

In conjunction with our accounting technical and tax specialists, our procedures included but were not limited to:

- obtaining and reviewing key demerger documents in relation to the demerger with specific attention to:
  - the determination of the demerger date (24 August 2021)
  - the amount and recognition of the demerger dividend
  - the presentation of Widgie Nickel as discontinued operations up to the demerger date
  - calculation of the gain on demerger
- evaluating the appropriateness of the demerger accounting, including the determination of the carrying value of net assets disposed and the fair value of shares distributed to shareholders; and
- on a sample basis, verifying underlying transaction costs.

We also assessed the adequacy of the disclosures included in Notes 6 and 7 to the financial statements.

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Carrying value of capitalised exploration and evaluation expenditure

As at 30 June 2022, the carrying value of exploration and evaluation assets totaled $41.4 million as disclosed in Note 13. The Group's accounting policy in respect of exploration and evaluation expenditure is disclosed in Note 2.

The determination as to whether there are any indicators of impairment involves judgement, including:

- whether the Group has tenure;
- the Group's ability and intention to continue to evaluate and develop the projects; and
- the results of E&E work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the project.

The assessment of whether the expenditure is appropriate to qualify as E&E under the Group's accounting policy also requires judgement.

</td><td>

Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:

- obtaining an understanding of the relevant controls associated with the capitalisation or expensing of exploration and evaluation expenditure; and
- testing, on a sample basis, the appropriateness and value of costs capitalised during the year, including whether they were consistent with the Group's accounting policy.

Our procedures associated with assessing the carrying value of exploration and evaluation assets included, but were not limited to:

- assessing the relevant controls associated with the identification of indicators of impairment; and
- evaluating management's impairment indicator assessment, including whether any of the following events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable:
  - obtaining a schedule of the areas of interest held by the Group and confirming whether the rights to tenure of those areas of interest remained current at balance date;
  - inquiring of management as to the status of ongoing exploration programs in the respective areas of interest; and
  - assessing whether any facts or circumstances existed to suggest impairment testing was required.

We also assessed the appropriateness of the disclosures in Notes 2 and 13 to the financial statements.

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</table>

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The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 judgement 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's 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 with 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 44 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Neometals Ltd, for the year ended 30 June 2022, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 23 September 2022

Auditor's independence declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Perth WA 6000
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23 September 2022

The Board of Directors
Neometals Ltd
Level 1, 1292 Hay Street
West Perth WA 6005

Dear Board Members

Auditor's Independence Declaration to Neometals Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Neometals Ltd.

As lead audit partner for the audit of the financial report of Neometals Ltd for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 2 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s. 298(2) and s.295(5) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd,

CReed.

Mr Christopher Reed
Managing Director
23 September 2022

Financial statements

Financial year 2021–22

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Continuing operations			
Other income	5	912,857	35,821,349
Interest income	5	254,047	527,398
Employee expenses	5	(8,778,942)	(6,879,307)
Occupancy expenses		(211,087)	(384,836)
AIM listing fee		(2,986,844)	(134,433)
Finance costs		(76,163)	(63,310)
Other expenses	5	(10,697,790)	(8,780,733)
Marketing expenses		(518,084)	(526,457)
Foreign exchange loss		(20,915)	(95,642)
Impairment reversal on investment in associate	23	7,079,641	1,678,210
Share of loss in associate	23	(318,287)	(99,967)
Share of loss in Joint Venture	22	(872,667)	(85,525)
(Loss)/profit before income tax		(16,234,234)	20,976,747
Income tax benefit/(expense)	8	5,066,295	(4,547,786)
(Loss)/profit for the year from continuing operations		**(11,167,939)**	**16,428,961**
Discontinued operations			
Profit/(loss) for the year from discontinuing operations	6 and 7	**15,528,639**	**(85,789)**
Profit/(loss) for the year from continuing and discontinuing operations		**4,360,700**	**16,343,172**
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		**4,360,700**	**16,343,172**
Earnings/(loss) per share			
From continuing and discontinued operations:			
Basic (cents per share)	19	0.80	3.00
Diluted (cents per share)	19	0.79	3.00

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

For the year ended 30 June 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	28 (a)	60,158,159	93,897,137
Trade and other receivables	11	518,007	542,201
Other financial assets	12	2,229,500	1,938,368
Total current ordinary assets		**62,905,666**	**96,377,706**
Assets classified as held for sale		-	11,494,537
Total current assets		**62,905,666**	**107,872,243**
Non-current assets			
Loan to joint ventures	22	350,000	70,000
Exploration and evaluation expenditure	13	41,415,749	36,318,834
Intangibles		999,270	755,081
Investments in joint ventures	22	5,458,508	2,811,339
Investment in associate	23	13,668,977	4,869,566
Other financial assets	12	5,298,971	7,811,000
Right of use assets	21	293,266	563,572
Property, plant and equipment	14	650,132	590,715
Total non-current assets		**68,134,873**	**53,790,107**
Total assets		**131,040,539**	**161,662,350**
Current liabilities			
Trade and other payables	15	2,236,332	5,245,188
Provisions	16	1,053,518	1,272,684
Lease liability	21	371,756	363,512
Liabilities associated with the assets classified as held for sale		-	452,489
Total current liabilities		**3,661,606**	**7,333,873**
Non-current liabilities			
Provisions	16	-	455,476
Lease liability	21	-	336,398
Deferred tax liability	8	782,904	6,768,334
Total non-current liabilities		**782,904**	**7,560,208**
Total liabilities		**4,444,510**	**14,894,081**
Net assets		**126,596,029**	**146,768,269**
Equity			
Issued capital	17	145,564,286	154,634,997
Reserves	18	9,775,943	9,041,400
Accumulated losses		(28,744,200)	(16,908,128)
Total equity		**126,596,029**	**146,768,269**

This consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Issued capital $	Investment revaluation reserve $	Other equity reserve $	Share based payments reserve $	Accumulated losses $	Total $
Balance at 30/06/20	154,437,267	1,019,637	300,349	7,048,144	(33,251,300)	129,554,097
Gain for the period	-	-	-	-	16,343,172	16,343,172
Total comprehensive income for the period	-	-	-	-	16,343,172	16,343,172
Recognition of share-based payments (see note 18)	-	-	-	873,520	-	873,520
Recognition of shares issued under performance rights plan	200,250	-	-	(200,250)	-	-
Issue of dividends	-	-	-	-	-	-
Share issue costs, net of tax	(2,520)	-	-	-	-	(2,520)
Balance at 30/06/21	**154,634,997**	**1,019,637**	**300,349**	**7,721,414**	**(16,908,128)**	**146,768,269**
Gain for the period	-	-	-	-	4,360,700	4,360,700
Total comprehensive income for the period	-	-	-	-	4,360,700	4,360,700
Recognition of share-based payments (see note 18)	-	-	-	1,474,081	-	1,474,081
Recognition of shares issued under performance rights plan	739,538	-	-	(739,538)	-	-
In-Specie Distribution	(9,803,228)	-	-	-	(16,196,772)	(26,000,000)
Share issue costs, net of tax	(7,021)	-	-	-	-	(7,021)
Balance at 30/06/22	**145,564,286**	**1,019,637**	**300,349**	**8,455,957**	**(28,744,200)**	**126,596,029**

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Research and development refund		1,796,876	2,220,548
Payments to suppliers and employees		(25,626,023)	(13,379,311)
Payments to suppliers – discontinued operations		(1,248,630)	(85,789)
Net cash used in operating activities	**28 (b)**	**(25,077,777)**	**(11,344,552)**
Cash flows from investing activities			
Payments for property, plant & equipment		(210,820)	(153,171)
Payments for intellectual property		(244,190)	(152,320)
Payments for exploration and evaluation		(4,882,350)	(1,280,083)
Payments for exploration and evaluation – discontinued operations		(505,680)	(2,548,919)
Payments for tenement acquisitions		-	(100,000)
Receipts from tenement disposals		-	200,000
Interest received		257,359	538,268
Proceeds from divestment of RIM offtake		-	33,000,000
Payments for purchase of investments		(3,741,729)	(3,593,100)
Receipts from sale of investments		2,771,705	5,945,042
Investment in associate		(2,038,056)	-
Investment in joint venture	22	(3,799,838)	(2,896,862)
Net cash (used in) / generated by investing activities		**(12,393,599)**	**28,958,855**
Cash flows from financing activities			
Share issue costs		(7,022)	(2,520)
Amounts received for security deposits	12	4,000,000	43,000
Lease payments		(328,420)	(683,113)
Interest and other finance costs paid		(53,537)	(60,449)
Net cash generated by / (used in) financing activities		**3,611,021**	**(703,082)**
Net (decrease)/increase in cash and cash equivalents		**(33,860,355)**	**16,911,221**
Cash and cash equivalents at the beginning of the financial year		**93,984,074**	**77,043,016**
Effect of exchange rates on cash balances		**34,440**	**29,837**
Cash and cash equivalents at the end of the financial year	28 (a)	**60,158,159**	**93,984,074**

This consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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To notes to the consolidated financial statements

Notes to the consolidated financial statements

1. General information

Neometals Ltd is a limited public company incorporated in Australia and listed on the Australian Securities Exchange. The principal activities of the Consolidated Entity are mineral exploration. Neometals Ltd is the ultimate parent.

Registered office and principal place of business
Level 1, 1292 Hay St, West Perth WA 6005

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial statements comprise the consolidated financial statements of the Consolidated Entity, comprising Neometals Ltd and its controlled entities. For the purpose of preparing the financial statements the consolidated entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the directors of Neometals Ltd on 23 September 2022.

Basis of preparation

The financial report has been prepared on a going concern basis. These accounting policies are consistent with Australian Accounting Standards and with IRFS.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards ("AASB") that are relevant to its operations and effective for the current reporting period beginning 1 July 2021.

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The Directors believe that Neometals Ltd will continue as a going concern, and as a result the financial statements have 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.

In the event that the company progress any of the Group's core projects through to construction of a commercial plant, the Board are aware that additional funding will required at that point through debt or equity financing arrangements.

The Directors believe that, based on current conditions and performance assumptions, that Neometals Ltd is sufficiently funded to meet its anticipated near-term funding needs, including required expenditure related to operations over the 12 months from approval of these financial statements.

Standards and interpretations adopted in the current year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

2. Significant accounting policies (cont.)

Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2022:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2022	30 June 2023
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2022	30 June 2023
AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts	1 January 2023	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	30 June 2024

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company is assessing the impact of the new standards, however does not expect them to have a material impact on the Company in the current of future reporting periods and on foreseeable future transactions.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgments in applying the entity's accounting policies, and key sources of estimation uncertainty.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash comprises cash on hand and term deposits with a 30 day cancellation policy. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

2. Significant accounting policies (cont.)

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is Neometals Ltd's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

(d) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial assets

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

Financial instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Amortised cost instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

By default, all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income 'FVOCI' or through the income statement 'FVTPL') and those to be held at amortised cost. The classification depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt and equity instruments that are measured at amortised cost, FVTPL or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises lifetime ECL (expected credit loss) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

2. Significant accounting policies (cont.)

A financial liability other than a financial liability held for trading is designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 9 'Financial Instruments' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(e) Goods and service tax

Other income, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Non-current assets held for sale

Non-current assets and their disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

(g) Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

2. Significant accounting policies (cont.)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately.

(h) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the profit and loss statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or gain on a bargain purchase.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Neometals Ltd is the head entity in the tax-consolidated group. Income tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a ‘group allocation’ approach based on the allocation specified in the tax funding arrangement.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax consolidated group are treated as having no consequence. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent and the other members of the tax consolidated group in accordance with the arrangement.

Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from the unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from, or distribution to, equity participants.

2. Significant accounting policies (cont.)

Research and development tax offset

In respect of Research and Development tax offsets, the Income tax approach (AASB 112) of accounting has been utilised, where the tax benefit is presented within the tax line in the Statement of Comprehensive Income.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditures, excluding general overhead, in relation to separate areas of interest are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied;

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

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

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration costs for each area of interest (considered to be the cash generating unit) are reviewed each reporting date to test whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). The recoverable amount for capitalised exploration costs has been determined as the fair value less costs to sell by reference to an active market. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to capitalised development and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Development expenditure

Development expenditure is recognised at cost less any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the life of the reserves associated with the area of interest.

Changes in factors such as estimates of proved and probable reserves that effect unit-of-production calculations are dealt with on a prospective basis.

(j) Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

(k) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to profit and loss in the period of acquisition. The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(l) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, costs are determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a diminishing value basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Furniture and fittings	5-20 years
Plant and equipment	2-10 years
Buildings	10-20 years

2. Significant accounting policies (cont.)

An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

(m) Intangibles

Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development

Research expenditure is recognised as an expense as incurred. Development expenditure is recognised as an asset as incurred if the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(n) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Provision for onerous contract

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(o) Income recognition

Other income is measured at the fair value of the consideration received or receivable.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive the payment has been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(p) Share-based payments

Equity-settled share-based payments to employees and others providing services to the Group are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest, with a corresponding increase in equity.

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service. The fair value of performance rights are measured using a Monte Carlo Simulation.

(q) Leased assets

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2. Significant accounting policies (cont.)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

(s) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Recovery of capitalised exploration and evaluation expenditure

The Group capitalises exploration and evaluation expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

(b) Share-based payments

Equity-settled share-based payments granted are measured at fair value at the date of grant. The fair value of share options is measured by use of the Monte Carlo model and requires substantial judgement. Management has made its best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

The fair value of performance rights issued during the period was made with reference to the Company's closing share price on the date of grant. Management has been required to estimate the probability that the Company will meet the performance criteria determined by the board.

4. Parent entity disclosure

	2022 $	2021 $
Financial position		
Assets		
Current assets	55,115,437	93,717,178
Non-current assets	35,308,379	32,165,354
Total assets	**90,423,816**	**125,882,532**
Liabilities		
Current liabilities	3,224,412	5,896,458
Non-current liabilities	782,904	660,491
Total liabilities	**4,007,316**	**6,556,949**
Net assets	**86,416,500**	**119,325,583**
Equity		
Issued capital	145,564,286	154,634,998
Retained earnings	(68,904,092)	(43,331,178)
Reserves		
Share based payments	8,756,306	8,021,763
Total equity	**86,416,500**	**119,325,583**
Financial Performance		
Profit for the year	**6,392,622**	**24,089,657**
Other comprehensive income	-	-
Total comprehensive (loss) / income	**5,392,622**	**24,089,657**
Guarantees entered into on behalf of subsidiaries(i)	**-**	**4,000,000**

(i) Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, was party to a gas transmission agreement with DBNGP (WA) Transmission Pty Ltd. The parent entity has provided security for a bank guarantee required under the contract for $4.0 million. The agreement was paid out in full during the year resulting in the guarantee no longer being required. Refer to note 11 for details.

5. (Loss)/profit for the year continuing operations

	Note	2022 $	2021 $
(a) Income			
Income from operations consisted of the following items:			
Other income:			
Proceeds from divestment of RIM offtake(i)		-	30,000,000
Net fair value gain on financial assets(ii)		810,079	4,780,371
Other income		102,778	1,040,978
Interest revenue		254,047	527,398
Total		**1,166,904**	**36,348,747**
(b) Profit / (loss) before income tax			
Profit / (loss) before income tax has been arrived at after charging the following expenses:			
Employee benefits expense:			
Equity settled share-based payments	10	(1,474,081)	(873,520)
Superannuation expense		(509,427)	(401,560)
Employee salaries		(6,795,434)	(5,604,227)
Total		**(8,778,942)**	**(6,879,307)**
Impairments:			
Impairment reversal of associate	23	7,079,641	1,678,210
Total		**7,079,641**	**1,678,210**
Other expenses(iii)			
Consultant fees		(4,740,532)	(1,093,491)
Legal fees		(1,048,363)	(1,109,728)
Research and development expense		(1,450,138)	(3,127,325)
Depreciation of non-current assets		(457,126)	(598,613)
Insurances		(411,720)	(393,788)
Accounting fees		(305,577)	(201,643)
ASX fees		(204,975)	(69,986)
Other expenses		(2,079,359)	(2,186,159)
Total		**(10,697,790)**	**(8,780,733)**

(i) On 3 June 2021, Neometals Ltd accepted an offer from Reed Industrial Minerals Pty Ltd (RIM) to relinquish its Mt Marion spodumene offtake option rights for the sum of A$30 million (ex GST).

(ii) Refer to note 12 for further details on financial assets.

(iii) In prior years some professional and other expenses were presented as Administration expenses. To better reflect the nature of the expenses, they have been presented as other expenses.

6. Gain on demerger

	30 June 2022 $
Shares issued on demerger – in specie distribution[(1)]	**26,000,000**
Less: net assets disposed[(2)]	(11,938,961)
Less: demerger costs	(1,248,630)
Attributable tax benefit	2,716,230
Gain on demerger[(3)]	**15,528,639**

(1) On 18 August 2021, Neometals Ltd shareholders approved the demerger of Widgie Nickel Limited ("Widgie Nickel"), a dedicated nickel exploration and development company holding Neometals' Mt Edwards nickel assets, via a $26 million capital reduction and in-specie distribution of 100% of Widgie Nickel's shares. Neometals distributed the Widgie Nickel shares to eligible Neometals shareholders, pro rata to their shareholding in Neometals on the record date of 24 August 2021. The $26 million was the fair value of the shares distributed to shareholders and has been accounted for in accordance with interpretation 17. $9.8 million of the in specie distribution relates to a return of capital, with the remaining $16.2 million being classed as a deemed dividend.

(2) Expenditure incurred by the demerged entities for the period up to the time of the demerger amounted to $197,750. This amount is included within the consolidated statement of profit or loss.

(3) Per Class Ruling 2021/72, demerger rollover relief applied such that any capital gain from Capital Gains Tax (CGT) event A1 on the disposal of shares in Widgie Nickel Limited is disregarded for the Neometals Tax Consolidated Group. Furthermore, an exit allocable cost amount ("ACA") calculation was prepared, with the exit ACA being a positive balance such that CGT event L5 did not arise. Accordingly, there were no CGT implications for Neometals Ltd.

7. Discontinued operations

(i) On 1 July 2021, Neometals announced intention to demerge Mt Edwards Nickel Project into a new company "Widgie Nickel Limited". Therefore, at 30 June 2021, Mt Edwards Lithium Pty Ltd was classified as a non-current asset held for sale. The results of the discontinued operation which have been included in the financial statements for the year were as follows:

	2022 $	2021 $
Results of discontinued operations		
Gain/(loss) from discontinued operations	15,528,639	(85,789)
Cash flows from discontinued operations		
Cashflows from investing activities	(505,680)	(2,548,919)
Cashflows from operating activities	(197,750)	(85,789)
Effect on the financial position of the group		
Assets classified as held for sale	-	11,494,537
Liabilities associated with the assets classified as held for sale	-	(452,489)

8. Income taxes

	2022 $	2021 $
(a) Income tax benefit recognised in profit or loss		
Tax benefit comprises:		
Deferred tax (benefit) / expense relating to temporary differences	(4,251,030)	6,771,314
Other	981,831	(2,980)
Total tax (benefit) / expense	(3,269,199)	6,768,334

The prima facie income tax expense on pre-tax accounting profit from continuing operations reconciles to the income tax benefit in the financial statements as follows:

	2022 $	2021 $
(Loss) / profit before income tax	(16,234,234)	20,976,747
Income tax calculated at 30%	(4,870,270)	6,293,024
Effect of income and expenses that are not deductible in determining taxable profit	1,601,071	475,310
Tax losses not recognised	-	-
Income tax (benefit) / expense recognised	**(3,269,199)**	**6,768,334**
Refund of prior year R&D claim	(1,797,096)	(2,220,548)
Income tax (benefit) / expense recognised inclusive of R&D claim	**(5,066,295)**	**4,547,786**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable income under Australian tax law. There has been no change in the corporate tax rate during the reporting period.

(b) Deferred tax balances

The net deferred tax balance as presented in the statement of financial position is detailed below:

	2022 $	2021 $
Deferred tax liabilities	(16,724,164)	(15,331,073)
Deferred tax assets	15,941,260	8,562,739
Net deferred tax balance	**(782,904)**	**(6,768,334)**

(c) Deferred tax assets not brought to account

At 30 June 2022 the amount of tax losses not recognised was $1,861,059 (June 2021: $1,861,059).

8. Income taxes (cont.)

Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Neometals Ltd. The members of the tax-consolidated group are identified at note 24.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Neometals Ltd and each of the entities in the tax consolidation group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax assets of the entity. Such amounts are reflected in amounts receivable from or payable to each entity in the tax consolidated group, and are eliminated on consolidation. The tax sharing agreement entered into between the members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's tax liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

9. Key management personnel compensation

Details of key management personnel compensation are provided on pages 36-44 of the Directors' Report.

The aggregate compensation made to key management personnel of the Group is set out below:

	2022 $	2021 $
Short-term employee benefits	2,643,326	2,502,996
Post-employment benefits	132,137	136,960
Share-based payments	845,253	534,054
Total	**3,620,716**	**3,174,010**

10. Share based payments

Neometals Ltd has an ownership based remuneration scheme for executives and employees.

Performance Rights Plan ("PRP")

In accordance with the provisions of the PRP, as approved by shareholders at the Company's AGM on 25 November 2020, employees, Non-Executive Directors and consultants may be offered performance rights at such times and on such terms as the board considers appropriate.

General terms of performance rights granted under the PRP:

- The performance rights will not be quoted on the ASX.
- Performance rights can only be granted to employees, Non-Executive Directors and consultants of the Company.
- Performance rights are transferable to eligible nominees.
- Performance rights not exercised on or before the vesting date will lapse.
- All shares allotted upon the vesting of performance rights rank equally in all respects to all previously issued shares.
- Performance rights confer no right to vote, attend meetings, participate in a distribution of profit or a return of capital or another participating rights or entitlements on the grantee unless and until the performance rights vest.

10. Share based payments (cont.)

2022	Grant date	Number	Vesting date	Expiry date	Grant date share price	Probability factor	Fair value at grant date
Chris Reed[(1)]	2-Sep-19	1,233,021	30/06/2022	31/12/2022	0.154	n/a	0.12
Jason Carone[(1)]	2-Sep-19	493,335	30/06/2022	31/12/2022	0.154	n/a	0.12
Mike Tamlin[(1)]	2-Sep-19	559,711	30/06/2022	31/12/2022	0.154	n/a	0.12
Darren Townsend[(1)]	2-Sep-19	538,184	30/06/2022	31/12/2022	0.154	n/a	0.12
Staff and consultants[(1)]	2-Sep-19	1,957,911	30/06/2022	31/12/2022	0.154	n/a	0.12
Chris Reed	7-Dec-20	1,656,754	30/06/2023	31/12/2023	0.230	n/a	0.18
Jason Carone	7-Dec-20	666,055	30/06/2023	31/12/2023	0.230	n/a	0.18
Mike Tamlin	7-Dec-20	755,670	30/06/2023	31/12/2023	0.230	n/a	0.18
Darren Townsend	7-Dec-20	726,605	30/06/2023	31/12/2023	0.230	n/a	0.18
Staff and consultants	7-Dec-20	3,805,618	30/06/2023	31/12/2023	0.230	n/a	0.18
Chris Reed	11-Oct-21	574,049	30/06/2024	31/12/2024	0.855	n/a	0.76
Jason Carone	11-Oct-21	235,885	30/06/2024	31/12/2024	0.855	n/a	0.76
Mike Tamlin	11-Oct-21	262,094	30/06/2024	31/12/2024	0.855	n/a	0.76
Darren Townsend	11-Oct-21	262,094	30/06/2024	31/12/2024	0.855	n/a	0.76
Staff and consultants	11-Oct-21	1,327,348	30/06/2024	31/12/2024	0.855	n/a	0.76
Steven Cole	11-Oct-21	61,611	30/06/2022	30/06/2022	0.855	n/a	0.81
Doug Ritchie	11-Oct-21	55,450	30/06/2022	30/06/2022	0.855	n/a	0.81
Natalia Streltsova	11-Oct-21	55,450	30/06/2022	30/06/2022	0.855	n/a	0.81
Jenny Purdie	11-Oct-21	55,450	30/06/2022	30/06/2022	0.855	n/a	0.81
Les Guthrie	11-Oct-21	11,090	30/06/2022	30/06/2022	0.855	n/a	0.81
Total		**15,293,385**					

The valuation of the Non-executive Directors performance rights has been based on the amount of their fees that have been forgone calculated using a 5-day VWAP. The fair value of other KMP performance rights issued have been independently valued by a third party using a Monte Carlo simulation to determine fair value. The total expense recognised for the period arising from share-based payment transactions and accounted for as equity-settled share-based payment transactions is $1,474,081 (2021: $873,520).

(1) 80% of these performance rights have vested at 30 June 2022. 20% remain unvested and will be retested at 31 December 2022.

The following reconciles the outstanding performance rights granted at the beginning and end of the financial year:

	2022 Performance rights No.	2021 Performance rights No.
Balance at beginning of the financial year	16,016,135	11,098,052
Granted during the financial year as compensation	2,900,521	8,243,263
Vested during the financial year[(i)]	(3,025,130)	(834,352)
Lapsed during the financial year[(ii)]	(598,141)	(2,490,828)
Balance at the end of the financial year	**15,293,385**	**16,016,135**

(i) 3,025,130 shares in the Company were issued on vesting of performance rights (2021: 834,352).

(ii) 589,141 performance rights lapsed during the financial year (2021: 2,490,828).

11. Trade and other receivables

	2022 $	2021 $
Current		
Other receivables	337,685	285,448
Prepayments	180,322	256,753
Total	**518,007**	**542,201**

12. Other financial assets

	2022 $	2021 $
Current		
Financial assets measured at FVTPL(i)	2,229,500	1,938,368
Total current	**2,229,500**	**1,938,368**
Non-current		
Financial assets measured at FVTPL(ii)	4,429,896	3,611,000
Convertible note(iii)	669,075	-
Barrambie Gas term deposit(iv)	-	4,000,000
Rental bond term deposit	200,000	200,000
Total non-current	**5,298,971**	**7,811,000**
Total	**7,528,471**	**9,749,368**

(i) The Group has invested in a portfolio of listed shares which are held for trading. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The valuation technique and key inputs used to determine the fair value are quoted bid prices in an active market.

(ii) The Group has invested in a portfolio of non-listed shares which are not actively traded. Within this balance, Neometals has an equity interest in Critical Metals Limited. As (unadjusted) quoted prices in active markets are unavailable, consideration is given to precedent transactions involving the sale of the company's shares, as a basis to assess the value of the equity investment.

(iii) The Group has invested US$500,000 in a financing round for private US start up, Tyfast Energy Corp. The investment is by way of convertible note providing the Group with the ability to obtain a minority equity stake in Tyfast.

(iv) Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, was a party to a gas transmission agreement with DBNGP (WA) Transmission Pty Ltd (DBP) in relation to the Barrambie Project. As part of the agreement the Group was required to provide security by way of a $4.0 million bank guarantee. The agreement was paid out in full during the year resulting in the term deposit no longer being required.

13. Exploration and evaluation expenditure

	Consolidated
	Capitalised exploration and evaluation expenditure $
Gross carrying amount	
Balance at 30 June 2020	**49,819,641**
Additions	3,659,265
Balance transferred to asset held for sale	(11,399,352)
Balance at 30 June 2021	**42,079,554**
Additions	5,096,915
Balance transferred to asset held for sale	-
Balance at 30 June 2022	**47,176,469**
Accumulated amortisation and impairment	
Balance at 1 July 2020	**5,760,720**
Balance at 1 July 2021	**5,760,720**
Balance at 30 June 2022	**5,760,720**
Net book value	
As at 30 June 2021	**36,318,834**
As at 30 June 2022	**41,415,749**

The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

14. Property, plant and equipment

	Consolidated Plant and equipment at cost $
Gross carrying amount	
Balance at 1 July 2020	**2,380,746**
Additions	184,576
Disposals	(683,574)
Transfers to property, plant and equipment	(15,952)
Write offs	(843,599)
Balance at 30 June 2021	**1,022,197**
Additions	210,818
Balance at 30 June 2022	**1,233,015**
Accumulated depreciation	
Balance at 1 July 2020	**368,815**
Disposals and write offs	(102,708)
Depreciation expense	165,375
Balance at 30 June 2021	**431,482**
Depreciation expense	151,401
Balance at 30 June 2022	**582,883**
Net book value	
As at 30 June 2021	**590,715**
As at 30 June 2022	**650,132**

15. Trade and other payables

	2022 $	2021 $
Trade payables	916,809	975,405
Accrued expenses	1,319,523	1,354,900
GST Payable	-	2,914,883
Total	**2,236,332**	**5,245,188**

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to help ensure that all payables are paid within the settlement terms.

16. Provisions

	2022 $	2021 $
Current		
Annual leave	682,334	517,977
Long service leave	371,184	286,009
Other[(a)]	-	468,698
Total current	**1,053,518**	**1,272,684**
Non-current		
Other[(a)]	-	455,476
Total non-currant	**-**	**455,476**
Total	**1,053,518**	**1,728,160**

(a) Detail of movement in other provisions

The onerous contract relates to a contract entered into by Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, for the Company's Barrambie Project. The contract with DBNGP (WA) Transmission Pty Ltd for gas transmission, commenced on 1 July 2010. The provision in the accounts represents the present value of the remaining gas transmission obligations under the contract for gas transmission not expected to be utilised or on sold. This agreement was paid out in full during the year resulting in the removal of the provision related to the onerous contract.

17. Issued capital

	2022 $	2021 $
548,376,395 fully paid ordinary shares (2021: 545,351,266)	**145,564,286**	**154,634,997**

	2022		2021	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of financial year	545,351,266	154,634,997	544,516,913	154,437,267
Share issue costs	-	(7,021)	-	(2,520)
Return of capital		(9,803,228)	-	-
Other share based payments	3,025,129	739,538	834,353	200,250
Balance at the end of the financial year	**548,376,395**	**145,564,286**	**545,351,266**	**154,634,997**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

At balance date there were no share options in existence over ordinary shares (2021: nil).

Performance rights

At balance date there were 15,293,385 performance rights in existence over ordinary shares (2021: 16,016,135).

18. Reserves

The share-benefits reserve arises on the grant of share options and performance rights for the provision of services by consultants and to executives and employees under the employee share option plan, performance rights plan, employment contracts or as approved by shareholders. Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued pursuant to the terms of the performance rights. Further information about share-based payments to employees is provided in note 9 to the financial statements.

	2022 $	2021 $
Share based payments reserve:		
Balance at the beginning of the financial year	7,721,414	7,048,144
Increase in share based payments	1,474,081	873,520
Amounts transferred to share capital on exercise	(739,538)	(200,250)
Balance at the end of the financial year	**8,455,957**	**7,721,414**
Convertible note reserve:		
Balance at the beginning of the financial year	300,349	300,349
Balance at the end of the financial year	**300,349**	**300,349**
Investment revaluation reserve:		
Balance at the beginning of the financial year	1,019,637	1,019,637
Balance at the end of the financial year	**1,019,637**	**1,019,637**
Total reserves	**9,775,943**	**9,041,400**

19. Earnings per share

	2022 Cents per share	2021 Cents per share
Basic earnings per share:		
Continuing operations	(2.04)	3.01
Continuing and discontinued operations	0.80	3.00
Diluted earnings per share:		
Continuing operations	(2.04)	3.01
Continuing and discontinued operations	0.79	3.00

Basic and diluted profit / (loss) per share

The profit / (loss) and weighted average number of ordinary shares used in the calculation of basic and diluted profit / (loss) per share are as follows:

	2022 $	2021 $
Profit / (loss)[a]		
Continuing operations	(11,167,939)	16,428,961
Continuing and discontinued operations	4,360,700	16,343,172

	2022 No.	2021 No.
Weighted average number of ordinary shares for the purpose of basic profit / (loss) per share	548,285,227	545,351,266
Weighted average number of ordinary shares for the purpose of diluted profit / (loss) per share	550,375,191	545,351,266

(a) Profit / (loss) used in the calculation of profit / (loss) per share reconciles to net profit / (loss) in the consolidated statement of comprehensive income.

20. Commitments for expenditure

(a) Exploration and evaluation expenditure commitments

The Consolidated Entity holds mineral exploration licences in order for it to undertake its exploration and evaluation activities. To continue to hold tenure over these areas the Group is required to undertake a minimum level of expenditure on or in relation to the leases. Minimum expenditure commitments for the exploration and mining leases for the 2022 financial year are outlined in the table below.

	2022 $	2021 $
Exploration expenditure commitments		
Not longer than 1 year[i]	676,885	1,448,020

(i) Due to the nature of this expenditure, in that the expenditure commitments may be reduced by the relinquishment of tenements, estimates for the commitment have not been forecast beyond June 2022.

In addition, $1,458,000 has been committed to the Primobius joint venture as part of ongoing funding requirements.

21. Leases

Leasing arrangements

Leases relate to the lease of commercial premises in West Perth, Welshpool and a photocopier. The lease agreement for the Company's West Perth premises was entered into on 1 July 2019 for a 48 month period expiring on 30 June 2023. The lease of the Canadian branch premises was entered into on 1 May 2016 for a 60 month period expiring on 30 April 2021. The lease of a photocopier is for a period of 48 months expiring in June 2022. The commitments are based on the fixed monthly lease payment.

			30 June 2022
	Buildings $	Equipment $	Total $
Right-of-use assets			
Cost	878,200	9,044	887,244
Accumulated depreciation	(593,978)	-	(593,978)
Carrying amount	**284,222**	**9,044**	**293,266**
Lease liability			
Current	362,712	9,044	371,756
Non-current	-	-	-
Total	**362,712**	**9,044**	**371,756**

			30 June 2021
	Buildings $	Equipment $	Total $
Right-of-use assets			
Cost	850,982	17,473	868,455
Accumulated depreciation	(296,146)	(8,737)	(304,883)
Carrying amount	**554,836**	**8,736**	**563,572**
Lease liability			
Current	354,468	9,044	363,512
Non-current	336,398	-	336,398
Total	**690,866**	**9,044**	**699,910**

	2022 $	2021 $
Amounts recognised in profit and loss		
Depreciation expense on right-of-use asset	305,725	440,566
Interest expense on lease liabilities	19,783	33,259
Total	**325,508**	**473,825**

22. Joint arrangements

Name of operation	Principal activity	Interest 2022 %	2021 %
Reed Advanced Materials Pty Ltd(i)	Evaluation of lithium hydroxide process	70	70

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

(i) Reed Advanced Materials Pty Ltd ("RAM")

On 6 October 2015 Neometals and Process Minerals International Pty Ltd entered into a shareholders agreement for the purposes of establishing and operating a joint venture arrangement through RAM to operate a business of researching, designing and developing the capabilities and technology relating to the processing of lithium hydroxide. Following the execution of the shareholders agreement RAM was held 70:30 between Neometals and Process Minerals International.

	2022 $	2021 $
Summarised financial information for the joint venture:		
Carrying value of investment in the joint venture	1	1
Loan to joint venture	350,000	70,000
Share of loss of joint venture not recognised in profit or loss	(176,242)	(66,727)

Reed Advanced Materials Pty Ltd summary balance sheet

	2022 $	2021 $
Current assets	199,505	64,498
Non-current assets	612,399	534,024
Current liabilities	(38,954)	(16,501)
Non-current liabilities	(2,681,568)	(2,251,568)

22. Joint arrangements (cont.)

Name of operation	Principal activity	Interest 2022 %	Interest 2021 %
Primobius GmbH(i)	Lithium battery recycling project	50	50

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

(ii) Primobius GmbH

On 31 July 2020, Neometals and SMS group GmbH entered into a formal agreement to establish a 50:50 JV('Primobius GmbH') to commercialise Neometals proprietary lithium battery recycling process.

	2022 $	2021 $
Summarised financial information for the joint venture:		
Neometals carrying value of investment in the joint venture	5,458,508	2,811,339
Neometals share of loss of joint venture recognised in profit or loss	(872,667)	(85,525)

Primobious GmbH summary balance sheet

	2022 $	2021 $
Current assets	3,489,421	2,868,142
Non-current assets	9,280,979	3,658,262
Current liabilities	(2,438,582)	(678,386)
Non-current liabilities	(20,826)	(7,911)

23. Investment in associate

Hannans Limited

Name of operation	Principal activity	Interest 2022 %	Interest 2021 %
Hannans Limited	Exploration of nickel and lithium	32.43%	31.74

The above associate is accounted for using the equity method in this consolidated financial report.

Summarised information for the associate:

	2022 $	2021 $
Opening carrying value of investment in associate	4,869,566	3,531,048
Shares purchased / (disposed of) at fair value	2,038,056	(239,725)
Share of loss of associate recognised in profit or loss(i)	(318,287)	(99,967)
Impairment reversal(ii)	7,079,641	1,678,210
Closing carrying value of investment in associate (iii)	**13,668,976**	**4,869,566**

(i) The equity accounted share of the associate's loss as adjusted as if applying the same accounting policies as Neometals is credited against the carrying value of the investment in the associate.

(ii) In the current financial year, the impairment previously recognised in the carrying value of the investment in associate has been reversed to reflect the historical cost base, net of share of loss.

(iii) The fair value of the Groups investment in Hannans as at 30 June 2022 on a per share basis is $17,746,812 (2021: $4,869,566)

	2022 No.	2021 No.
Shares held in Hannans Limited	845,086,264	749,164,028

24. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Parent entity			
Neometals Ltd	Australia		
Subsidiaries			
Australian Titanium Pty Ltd (formerly Australian Vanadium Corporation (Holdings) Pty Ltd)	Australia	100	100
Alphamet Management Pty Ltd (formerly Australian Vanadium Corporation (Investments) Pty Ltd)	Australia	100	100
Inneovation Pty Ltd (formerly Australian Vanadium Exploration Pty Ltd)	Australia	100	100
Neometals Energy Pty Ltd (formerly Barrambie Gas Pty Ltd)	Australia	100	100
Neomaterials Pty Ltd (formerly GMK Administration Pty Ltd)	Australia	100	100
Neometals Investments Pty Ltd (formerly Gold Mines of Kalgoorlie Pty Ltd)	Australia	100	100
Urban Mining Pty Ltd (formerly Mount Finnerty Pty Ltd)	Australia	100	100
Adamant Technologies Pty Ltd	Australia	100	100
Mt Edwards Lithium Pty Ltd	Australia	-	100
Avanti Materials Ltd	Australia	100	100
ACN 630 589 507 Pty Ltd	Australia	100	100
Ecometals Pty Ltd	Australia	100	100

All of these companies are members of a tax consolidated group. Neometals Ltd is the head entity of the tax consolidated group.

25. Segment information

Basis for segmentation

AASB 8 Operating Segments requires the presentation of information based on the components of the entity that management regularly reviews for its operational decision making. This review process is carried out by the Chief Operating Decision Maker ("CODM") for the purpose of allocating resources and assessing the performance of each segment. The amounts reported for each operating segment is the same measure reviewed by the CODM in allocating resources and assessing performance of that segment.

For management purposes, the Group operates under three operating segments comprised of the Group's lithium, titanium/vanadium and 'other segments' which comprises other minor exploration projects and mineral process technology businesses. The titanium/vanadium operating segment is separately identified given it possess different competitive and operating risks and meets the quantitative criteria as set out in the AASB 8. The 'other segments' category is the aggregation of all remaining operating segments given sufficient reportable operating segments have been identified.

The segment information reported on the next page does not include any amounts for this discontinued operation for the current and prior periods, which is described in more detail in note 7.

25. Segment information (cont.)

Reportable operating segments	Lithium $	Titanium $	Other $	Corporate $	Total $
For the year ended 30 June 2022					
Revenue from external customers	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-
Other income	-	75,000	820,079	2,068,921	2,964,000
Share of loss of JV and associate	(872,667)	-	(318,287)	-	(1,190,954)
Impairment reversal on investment in associate	-	-	7,079,641	-	7,079,641
Depreciation and Amortisation	-	(68,758)	-	(388,307)	(457,065)
Total expenses	(2,410,535)	(5,766,136)	(45,050)	(16,408,135)	(24,629,856)
Profit/(loss) before tax	**(3,283,202)**	**(5,759,894)**	**7,536,383**	**(14,727,521)**	**(16,234,234)**
Loss for the year from discontinued operations	**-**	**-**	**-**	**15,528,639**	**15,528,639**
Income tax expense	-	-	-	5,066,295	5,066,295
Consolidated profit/(loss) after tax	**(3,283,202)**	**(5,759,894)**	**7,536,383**	**5,867,413**	**4,360,700**
As at 30 June 2022					
Increase/(decrease) in segment assets	5,785,912	5,550,676	(531,070)	(41,427,327)	(30,621,809)
Total segment assets	6,310,395	42,382,531	21,836,556	60,511,057	131,040,539
Total assets	**6,310,395**	**42,382,531**	**21,836,556**	**60,511,057**	**131,040,539**
For the year ended 30 June 2021					
Revenue from external customers	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-
Other income	30,078,874	5,399	4,780,371	1,484,103	36,348,747
Expenditure written off / impairments	-	(740,893)	1,578,243	-	837,350
Depreciation and amortisation	-	(206,891)	-	(391,722)	(598,613)
Share of loss of JV and associate	(85,525)	-	(99,967)	-	(185,492)
Total expenses	(2,161,077)	(3,982,170)	(63,349)	(9,218,649)	(15,425,245)
Profit/(loss) before tax	**27,832,272**	**(4,924,555)**	**6,195,298**	**(8,126,268)**	**20,976,747**
Loss for the year from discontinued operations	**-**	**-**	**(85,789)**	**-**	**(85,789)**
Income tax benefit	-	-	-	(4,547,786)	(4,547,786)
Consolidated profit/(loss) after tax	**27,832,272**	**(4,924,555)**	**6,109,509**	**(12,674,054)**	**(16,343,172)**
As at 30 June 2021					
Increase/(decrease) in segment assets	(10,894,693)	(91,488)	16,038,260	6,259,280	11,311,359
Total segment assets	524,483	36,831,855	10,873,089	101,938,386	150,167,813
Assets classified as held for sale	-	-	11,494,537	-	11,494,537
Total assets	**524,483**	**36,831,855**	**22,367,626**	**101,938,386**	**161,662,350**

Geographical information

The Group operates in a single geographical area being Australia (country of domicile).

26. Related party disclosures

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 24 to the financial statements.

Equity interests in joint arrangements

Details of the percentage of ordinary shares held in joint arrangements are disclosed in note 22 to the financial statements.

(b) Key management personnel remuneration

Details of Key Management Personnel remuneration are disclosed on pages 36-44 of the Remuneration Report.

(c) Key management personnel equity holdings

Fully paid ordinary shares of Neometals Ltd

2022	Balance at 01/07/2021 No.	Balance on appointment No.	Received on exercise of perf rights No.	Net other change No.	Balance at 30/06/2022 No.	Balance held nominally No.
Non-executive directors						
S. Cole	1,682,198	-	207,962	-	1,890,160	-
D. Ritchie	134,908		49,911	25,000	209,819	-
N. Streltsova	134,908		49,911	40,000	224,819	-
D. Reed[(i)]	39,588,900	-	-	(2,000,000)	37,588,900	-
J. Purdie	215,187	-	83,185	31,700	330,072	-
L. Guthrie	163,675	-	41,592	15,000	220,267	-
Executive director						
C. Reed	6,707,189	-	668,271	(493,288)	6,882,172	-
Other executives						
M. Tamlin	229,189	-	306,664	-	535,853	-
J. Carone	400,000	-	245,725	(130,725)	515,000	-
D. Townsend	272,405	-	294,870	(316,218)	251,057	-
Total	**49,528,559**	**-**	**1,948,091**	**(2,828,531)**	**48,648,119**	**-**

(i) David Reed resigned from his position as Non-Executive Director on 30 November 2021. The shares in the table represent his final security holdings as at the date of his resignation.

26. Related party disclosures (cont.)

2021	Balance at 01/07/2020 No.	Balance on appointment No.	Received on exercise of perf rights No.	Net other change No.	Balance at 30/06/2021 No.	Balance held nominally No.
Non-executive directors						
S. Cole	1,396,731	-	285,467	-	1,682,198	-
D. Ritchie	66,396	-	68,512	-	134,908	-
N. Streltsova	66,396	-	68,512	-	134,908	-
D. Reed	46,188,900	-	-	(6,600,000)	39,588,900	-
J. Purdie	101,000	-	114,187	-	215,187	-
L. Guthrie	85,605	-	47,675	30,395	163,675	-
Executive director						
C. Reed	10,428,170	-	-	(3,720,981)	6,707,189	-
Other executives						
M. Tamlin	229,189	-	-	-	229,189	-
J. Carone	1,100,000	-	-	(700,000)	400,000	-
D. Townsend	163,605	-	-	108,800	272,405	-
Total	**59,825,992**	**-**	**584,353**	**(10,881,786)**	**49,528,559**	**-**

Share options of Neometals Ltd

No options were issued to related parties during the current period (2021: nil).

Performance rights of Neometals Ltd

In the current reporting period the Company granted 1,573,173 (2021: 4,237,645) performance rights to executives and KMP pursuant to the Company's Performance Rights Plan.

Further details of performance rights granted are contained in note 8 to the financial statements.

Performance rights granted to related parties

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

	During the financial year					
Name	Grant date	No. granted	No. vested	Fair value at grant date	Earliest exercise date	Consideration payable on exercise
KMP						
N. Streltsova	11/10/2021	55,450	55,450	45,000	30/06/2022	-
D. Ritchie(1)	11/10/2021	55,450	55,450	45,000	30/06/2022	-
S. Cole(1)	11/10/2021	61,611	61,611	50,000	30/06/2022	-
J. Purdie	11/10/2021	55,450	55,450	45,000	30/06/2022	-
L. Guthrie	11/10/2021	11,090	11,090	9,000	30/06/2022	-
C. Reed(2)	11/10/2021	574,049	-	436,277	30/06/2024	-
J. Carone(2)	11/10/2021	235,885	-	179,273	30/06/2024	-
M. Tamlin(2)	11/10/2021	262,094	-	199,191	30/06/2024	-
D. Townsend(2)	11/10/2021	262,094	-	199,191	30/06/2024	-
Total		**1,573,173**	**239,051**	**1,207,932**		**-**

(1) At 30 June 2022 Non-Executive Directors became entitled to securities whose vesting conditions were the subject to the rules of the Performance Rights Plan.

(2) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

26. Related party disclosures (cont.)

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

	Grant date	Fair value of rights at grant date $	No. granted	Vested during the financial year No.	Forfeited/ lapsed during the financial year No.	Ordinary shares issued on exercise of rights No.
KMP						
C. Reed(1)	10/08/2018	209,252	835,339	-	167,068	668,271
J. Carone(1)	10/08/2018	76,943	307,156	-	61,431	245,725
M. Tamlin(1)	10/08/2018	96,024	383,330	-	76,666	306,664
D. Townsend(1)	10/08/2018	92,331	368,587	-	73,717	294,870
C. Reed(1)	2/09/2019	141,797	1,233,021	986,417	-	-
J. Carone(1)	2/09/2019	56,734	493,335	394,668	-	-
M. Tamlin(1)	2/09/2019	64,367	559,711	447,769	-	-
D. Townsend(1)	2/09/2019	61,891	538,184	430,547	-	-
N. Streltsova(2)	7/12/2020	12,000	49,911	-	-	49,911
D. Ritchie(2)	7/12/2020	12,000	49,911	-	-	49,911
S. Cole(2)	7/12/2020	50,000	207,962	-	-	207,962
J. Purdie(2)	7/12/2020	20,000	83,185	-	-	83,185
L. Guthrie(2)	7/12/2020	10,000	41,592	-	-	41,592
C. Reed(1)	7/12/2020	299,872	1,656,754	-	-	-
J. Carone(1)	7/12/2020	120,556	666,055	-	-	-
M. Tamlin(1)	7/12/2020	136,776	755,670	-	-	-
D. Townsend(1)	7/12/2020	131,516	726,605	-	-	-
C. Reed(1)	11/10/2021	436,277	574,049	-	-	-
J. Carone(1)	11/10/2021	179,273	235,885	-	-	-
M. Tamlin(1)	11/10/2021	199,191	262,094	-	-	-
D. Townsend(1)	11/10/2021	199,191	262,094	-	-	-
N. Streltsova(3)	11/10/2021	45,000	55,450	55,450	-	-
D. Ritchie(3)	11/10/2021	45,000	55,450	55,450	-	-
S. Cole(3)	11/10/2021	50,000	61,611	61,611	-	-
J. Purdie(3)	11/10/2021	45,000	55,450	55,450	-	-
L. Guthrie(3)	11/10/2021	9,000	11,090	11,090	-	-
Total		**2,799,991**	**10,529,481**	**2,498,452**	**378,882**	**1,948,091**

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals TSR compared to the comparative group of companies over the 3-year period as set out in the employee's employment contract. As a result of the testing of the Company's performance over this period 1,515,530 rights vested and shares were issued (2021: nil).

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights. At 30 June 2022 all performance rights have vested. As a result of the testing of the Company's performance over this period 432,561 rights vested and shares were issued (2021: 584,352).

(3) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights. At 30 June 2022 all performance rights have vested.

26. Related party disclosures (cont.)

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

(d) Transactions with other related parties

Other related parties include:

- The parent entity;
- Associates;
- Joint ventures in which the entity is a venturer;
- Subsidiaries;
- Key Management Personnel of the Group; and
- Other related parties.

The Group has provided loans to its joint ventures, Reed Advanced Materials Pty Ltd and Primobius GmbH (see note 22)

Transactions involving the parent entity

The directors elected for wholly-owned Australian entities within the Group to be taxed as a single entity from 1 July 2003.

No other transactions occurred during the financial year between entities in the wholly owned Group.

(e) Controlling entities

The ultimate parent entity of the Group is Neometals Ltd, a company incorporated and domiciled in Australia.

27. Auditors remuneration

Details of the amounts paid or payable to the auditor for the audit and other assurance services during the year are as follows:

	2022 $	2021 $
Audit services - Deloitte Touche Tohmatsu		
Fees to the group auditor for the audit or review of the statutory financial reports of the Company, subsidiaries and joint operations	113,250	73,648
Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements - Australia	65,491	40,950
Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements - United Kingdom	760,515	-
Total remuneration of Deloitte Touche Tohmatsu	**939,256**	**114,598**

28. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows:

	2022 $	2021 $
Cash and cash equivalents from continuing operations	60,158,159	93,897,137
	60,158,159	**93,897,137**

28. Notes to the statement of cash flows (cont.)

(b) Reconciliation of profit / (loss) for the period to net cash flows from operating activities

	2022 $	2021 $
(Loss) / profit for the year	**4,360,700**	**16,343,171**
Impairment (reversal)/expense	(7,079,641)	(1,678,210)
Profit on disposal of financial assets	(576,661)	(3,232,962)
Profit on the disposal of tenements	-	(200,000)
Profit on the divestment of RIM offtake	-	(30,000,000)
Share of loss in associate	318,287	99,967
Share of loss in joint venture	872,667	85,525
Net (profit) / loss on financial assets measured at FVTPL	(233,418)	(1,547,409)
Interest received on investments	(254,047)	(527,398)
Finance costs recognised in profit or loss	76,163	63,310
Depreciation and amortisation of non-current assets	872,790	598,613
Equity settled share-based payment	1,474,081	873,520
Gain on disposal of discontinued operation	(15,528,639)	-
Net foreign exchange (gain)/loss	(34,441)	(29,837)
(Increase) / decrease in assets:		
Current receivables	(266,938)	(165,238)
Other	29,404	6,730
Increase / (decrease) in liabilities:		
Current payables	(3,000,612)	622,702
Deferred tax liability	(5,432,830)	6,768,334
Provisions	(674,642)	574,630
Net cash used in operating activities	**(25,077,777)**	**(11,344,552)**

29. Financial instruments

(a) Financial risk management objectives

The consolidated entity does not enter into derivative financial instruments for speculative or hedging purposes.

(b) Significant accounting policies

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 note 2 to the financial statements.

29. Financial instruments (cont.)

(c) Interest rate risk

The following tables detail the Group's exposure to interest rate risk:

			Maturity dates				
2022	**Weighted average effective interest rate %**	**Variable interest rate %**	**Less than 1 year $**	**1-5 years $**	**More than 5 years $**	**Non interest bearing $**	**Total $**
Financial assets:							
Cash and cash equivalents AUD	0.40%	-	59,009,480	-	-	-	59,009,480
Cash and cash equivalents EUR	0.00%	-	531,719	-	-	-	531,719
Cash and cash equivalents USD	0.00%	-	704,839	-	-	-	704,839
Cash and cash equivalents GBP	0.00%	-	112,121	-	-	-	112,121
Bond term deposits(i)	0.40%	-	200,000	-	-	-	200,000
Cash deposits trust	0.00%	-	2,078,476	-	-	-	2,078,476
Trade and other receivables	0.00%	-	-	-	-	518,007	518,007
Financial liabilities:							
Trade payables(ii)	-	-	-	-	-	2,236,332	2,236,332
Lease liability	3.50%	-	371,756	-	-	-	371,756

			Maturity dates				
2021	**Weighted average effective interest rate %**	**Variable interest rate %**	**Less than 1 year $**	**1-5 years $**	**More than 5 years $**	**Non interest bearing $**	**Total $**
Financial assets:							
Cash and cash equivalents AUD	0.33%	-	97,304,363	-	-	-	97,304,363
Cash and cash equivalents CAD	0.00%	-	34,652	-	-	-	34,652
Cash and cash equivalents USD	0.00%	-	535,029	-	-	-	535,029
Barrambie Gas term deposit(i)	0.00%	-	297,156	-	-	-	297,156
Bond term deposits(i)	0.29%	-	4,000,000	-	-	-	4,000,000
Cash deposits trust	0.40%	-	200,000	-	-	-	200,000
Trade and other receivables	0.73%	-	2,073,227	-	-	-	2,073,227
	0.00%	-	-	-	-	542,201	542,201
Financial liabilities:							
Trade payables	-	-	-	-	-	5,245,188	5,245,188
Lease liabilities	3.50%	-	363,512	336,398	-		699,910

(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 12 and 28(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.

(ii) Non interest bearing liabilities are due within 30 days.

29. Financial instruments (cont.)

(d) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Joint Venture. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The undiscounted lease liabilities balance is $371,756, split between $371,756 with a maturity date of less than 1 year and $nil with a maturity date of 1-5 years.

In addition to financial liabilities in note 15, the Company is required to meet minimum spend commitments to maintain the tenure over the Company's mineral exploration areas as described in note 20.

(f) Fair value

The carrying amount of financial assets measured at amortised cost recorded in the financial statements approximates their respective fair values.

Financial assets carried at fair value through profit or loss comprise investments predominantly in Australian listed equities. Their fair value is determined using key inputs of quoted bid prices in an active market multiplied by the number of shares held, which is Level 1 in the fair value heirachy. Where quoted prices in an active market are unable to be used to determine fair value, alternative valuation methods are used to most accurately represent the equities fair value which for the investments held by the entity include other observable inputs and is therefore categorised as level 2 on the fair value hierarchy. The group does not have any instruments or investments measured using level 3 of the fair value hierarchy. Other that the investments held at fair value, the group does not hold any instruments that are measured at fair value. There have been no transfers between fair value classes during the year. The sensitivity analysis below has been calculated based on the exposure to equity price risk at the end of the reporting period for financial assets carried at fair value through profit or loss. A 25 percent increase and decrease has been used to assess the sensitivity of the equity price risk and represents management's assessment of a reasonably possible change in equity pricing.

If equity prices had been 25 percentage higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2022 would decrease/increase by $557,375 (2021: 484,592).

(g) Capital management

The board's policy is to endeavour to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group sources any additional funding requirements from either debt or equity markets depending on the market conditions at the time the funds are sourced and the purpose for which the funds are to be used. The Group is not subject to externally imposed capital requirements.

(h) Interest rate risk management

The Group is exposed to interest rate risk as the Group has funds on deposit as security for the head office lease and the Neometals Energy Pty Ltd onerous contract outlined at note 16.

The sensitivity analysis below has been calculated based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase and decrease has been used when reporting the interest rate risk and represents management's assessment of the potential change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2022 would decrease/increase by $301,791 (2021: decrease/increase $490,856). This is mainly attributable to the Group's exposure to interest rates on the maturity of its term deposits.

30. Events after the reporting period

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

Additional ASX information

Ordinary fully paid shares (total)
Composition : ORD

Range of units as of 13 September 2022

Range	Total holders	Units	% Units
1 - 1,000	2,596	1,517,023	0.27
1,001 - 5,000	5,141	14,235,570	2.58
5,001 - 10,000	2,375	18,821,865	3.41
10,001 - 100,000	3,694	117,781,569	21.32
100,001 Over	570	399,990,481	72.42
Rounding			0.00
Total	**14,376**	**552,346,508**	**100.00**

Unmarketable parcels

Range	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 1.5250 per unit	328	558	56,209

Top holders (ungrouped) as of 13 September 2022

Rank	Name	Units	% Units
1	Citicorp Nominees Pty Limited	41,380,165	7.49
2	Mr David John Reed	30,301,674	5.49
3	HSBC Custody Nominees (Australia) Limited	22,323,099	4.04
4	BNP Paribas Nominees Pty Ltd Acf Clearstream	21,485,298	3.89
5	J P Morgan Nominees Australia Pty Limited	20,699,639	3.75
6	BNP Paribas Noms Pty Ltd <DRP>	14,109,006	2.55
7	Farjoy Pty Ltd	9,540,999	1.73
8	Mr Kenneth Joseph Hall <Hall Park A/C>	8,828,914	1.60
9	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	6,263,745	1.13
10	Mr Francis James Robinson	5,919,881	1.07
11	Pesyan Pty Ltd <Pars Family A/C>	4,297,040	0.78
12	Bond Street Custodians Limited <HP0DHH - V04614 A/C>	4,295,655	0.78
13	HSBC Custody Nominees (Australia) Limited - A/C 2	4,267,080	0.77
14	Harewood Pty Ltd	4,107,000	0.74
15	RS Linfoot Investments Pty Ltd	4,060,000	0.74
16	Fano Pty Ltd <Hurley Super Fund A/C>	4,000,000	0.72
17	Trucking Nominees Pty Ltd <D J Reed Super Fund A/C>	3,700,000	0.67
18	Linfoot Two Super Pty Ltd <Linfoot Super Plan No 2 A/C>	3,638,725	0.66
19	Mr William Oswald Robinson + Mrs Maree Frances Robinson	3,000,000	0.54
20	Western Mining Corporation Pty Limited <Two Boys A/C>	3,000,000	0.54

Substantial shareholder

David Reed: 39,588,900 ordinary fully paid shares representing 7.26% (Notice dated 11 May 2021).

Voting rights

On a show of hands every member present at a meeting in person or by proxy shall one vote and upon a poll each share shall have one vote.

Other

Registers of Securities are held at the following addresses:

Level 1, 1292 Hay Street, West Perth WA 6005

List of tenement interests

As at 14 September 2022, the Company has an interest in the following projects and tenements which are all located within Western Australia.

Project name	Licence name	Beneficial interest	Status
Barrambie	M57/173-I	100%	Live
Barrambie	E57/769-I	100%	Live
Barrambie	E57/770-I	100%	Live
Barrambie	E57/1041-I	100%	Live
Barrambie	E57/1220	100%	Pending
Barrambie	L57/30	100%	Live
Barrambie	L20/55	100%	Live
Barrambie	L20/0080	100%	Live
Barrambie	L20/0081	100%	Live
Barrambie	E20/1030	100%	Pending
Barrambie	E20/1037	100%	Pending
Barrambie	E57/1244	100%	Pending
Barrambie	E57/1245	100%	Pending
Barrambie	L57/0064	100%	Pending
Barrambie	L57/0065	100%	Pending
Yellowdine	E77/2809	100%	Pending
Queen Victoria Rocks	E15/1416	100%	Live

Other information

The Company has a primary listing on ASX and a secondary listing on the London Stock Exchange's AIM.

Corporate directory

Directors

Steven Cole
Non-Executive Chairman

Christopher Reed
Managing Director

David Reed
Non-Executive Director

Dr Natalia Streltsova
Non-Executive Director

Douglas Ritchie
Non-Executive Director

Dr Jenny Purdie
Non-Executive Director

Les Guthrie
Non-Executive Director

Company Secretary

Jason Carone

Registered office

Level 1, 1292 Hay Street, West Perth WA 6005

Contact details

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Fax +61 8 9321 0556
neometals.com.au

Auditors

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace, Perth WA 6000

Share registry

ASX
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace, Perth WA 6000

AIM
Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Nominated advisor

Cenkos Securities PLC
6.7.8 Tokenhouse Yard, London EC2R 7AS

Stock exchange listing

Neometals Ltd are listed on the Australian Stock Exchange (Home Branch – Perth)

ASX & AIM: NMT
ACN: 099 116 631
ABN: 89 099 116 631

North American OTC Market (DR Symbol: RDRUY)

Deutsche Boerse: 9R9

Annual general meeting

The 2022 Annual General Meeting of Neometals Ltd ABN 89 099 116 631 (Company) will be held at:

3:00pm (AWST) Friday, 25 November 2022
Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000

NM2493/01 tandemstudio.com.au


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