MEDALLION METALS
LIMITED

ANNUAL REPORT

For the year ended 30 June 2022

www.medallionmetals.com.au

MEDALLION METALS IS A MINERALS EXPLORATION COMPANY BASED IN PERTH, WESTERN AUSTRALIA.

The Company is focused on increasing the established resources at its 100% owned Ravensthorpe Gold Project (RGP), situated 550km south-east of Perth.

Located in an historically proven mineral field, the Ravensthorpe Gold Project represents an exciting belt scale advanced exploration opportunity which the Company is confident will grow to one day support a long life, low cost gold mine.

Contents

Corporate directory

Directors

John Fitzgerald	Non-Executive Chair, Independent
Tony James	Non-Executive Director, Independent
Ed Ainscough	Non-Executive Director, Non-Independent
Paul Bennett	Managing Director

Management

Ben Larkin	Chief Financial Officer & Company Secretary

Registered Office

Suite 1, 11 Ventnor Avenue
West Perth, WA 6005

ABN

89 609 225 023

Contact

Telephone: +61 8 6424 8700
Email: info@medallionmetals.com.au
Website: www.medallionmetals.com.au

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth, WA 6000
Telephone: 1300 288 664
Email: hello@automicgroup.com.au
Website: www.automicgroup.com.au

Stock Exchange Listing

ASX Ltd
ASX code: MM8

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
Telephone: +61 8 6382 4600

Letter from the Chair

Dear Fellow Shareholders

Welcome to the 2022 Annual Report of Medallion Metals Limited (ASX:MM8, **Medallion** or the **Company**).

It has been another year of considerable progress for Medallion. In May 2022, the Company temporarily demobilised drill rigs from our flagship Ravensthorpe Gold Project (RGP or the Project) after more than 12 months of near continuous drilling at the Project. During the financial year itself, Medallion completed approximately 35,000m of drilling, amassing a total of 46,000m of drilling since first mobilisation of the drill rigs to RGP in April 2021.

The culmination of this significant exploration effort was the declaration of a significantly expanded JORC 2012 Mineral Resource Estimate (MRE) of 1.1 million ounces of gold and 50,000 tonnes of copper (approximately 1.37Moz gold equivalent (AuEq) ounces @ 2.6g/t), which was premised on approximately 26,000m of new drilling data.

Medallion added approximately 607,000 AuEq ounces at metrics we consider to be outstanding: 23 AuEq ounces per drill metre and a discovery cost of $11 per AuEq ounce, the result exceeding our own goal of 1 million ounces of gold by a significant margin.

Looking forward to the exploration year ahead, a further upgrade to the MRE is expected to be released in November 2022 which will incorporate approximately 15,000m of drilling already completed at RGP during 2022. With drill rigs currently re-mobilising to RGP for an additional 10,000m programme, we expect this new drilling will inform further MRE updates later in 2023.

Away from the drill bit, GR Engineering Services Limited (GRES) confirmed that an industry standard gravity-flotation-leach process route is the preferred option to maximise metal recovery at RGP. The GRES review demonstrated that high gold and copper recoveries can be consistently achieved. Importantly, this has the potential to materially improve Project returns by unlocking the value of the copper and silver by-products.

Additionally, the Company completed the divestment of its RAV8 Nickel Project and nickel rights over certain tenure to NickelSearch Limited (NickelSearch, ASX: NIS,) in exchange for approximately $3.14 million in NickelSearch shares. NickelSearch successfully completed an IPO and ASX listing in October 2021, raising $10 million, with Medallion holding approximately 15.1% of the shares on issue. The transaction presents an opportunity for Medallion shareholders to achieve maximum value for the prospective nickel tenure whilst allowing greater focus on the high-grade gold and copper opportunity at RGP.

I would like to thank our shareholders for their support and participation in our capital raisings during and subsequent to the end of the financial year. These capital raisings provide the critical funding required to continue to advance Medallion toward our longer term goal of developing a high grade, long life gold and copper mine at RGP.

I will conclude by thanking my fellow Board members, senior management team and our staff, the progress we have made over the past year is a credit to their hard work and commitment to our Company. I look forward to another year of materially advancing RGP and delivering strong outcomes for our shareholders.

J Fitzgerald

John Fitzgerald
Non-Executive Chair
29 September 2022

Directors' Report

1. Directors' Report

The Directors present their report for Medallion Metals Limited (**Medallion** or the **Company**) and its subsidiary (the **Group**) for the year ended 30 June 2022.

2. Directors

The names, qualifications and experience of the Company's Directors in office during the year and as at the date of this report are as follows.

Current Directors	Experience and other directorships
John Fitzgerald *CA, Fellow FINSIA, GAICD* Non-Executive Chair Appointed 5 October 2020 *Other current directorships* Northern Star Resources Ltd Turaco Gold Ltd *Previous directorships (last 3 years)* Exore Resources Ltd Danakali Resources Ltd	Mr Fitzgerald is an experienced Company Director and resource financier. He has worked with the resources sector for 30 years providing corporate advisory, project finance and commodity risk management services to a large number of companies in that sector. He has previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank, HSBC Precious Metals and Optimum Capital. Mr Fitzgerald is a Non-Executive Director of Northern Star Resources Ltd (ASX:NST) and is currently the Non-Executive Chair of Turaco Gold Ltd (ASX:TCG). He was previously Chair of Integra Mining Ltd (ASX:IGR), Carbine Resources Ltd (ASX:CRB), Atherton Resources Ltd (ASX:ATE) and Exore Resources Limited (ASX:ERX).
Paul Bennett *BEng (Mining), MBA, MAusIMM, MAICD* Managing Director Appointed 14 November 2016 *Other current directorships* NickelSearch Ltd *Previous directorships (last 3 years)* Horizon Gold Ltd	Mr Bennett is a Mining Engineer with an MBA who has extensive experience in the operation, development and financing of resource companies and projects over a 25-year period. He has worked in technical, management and business development roles for Newcrest, Western Metals and Panoramic Resources and holds a WA First Class Mine Manager's Certificate. For nine years, Mr Bennett was a senior executive at RMB Resources, the resources investment banking business of Rand Merchant Bank, where he specialised in the provision of equity, quasi-equity/mezzanine and debt financing for small to mid-sized resource companies across a range of commodities and jurisdictions. Mr Bennett is currently a Non-Executive Director of NickelSearch Ltd and was a Non-Executive Director of Horizon Gold Ltd (ASX: HRN) until July 2020.
Edmund Ainscough *B.Sc (Hons), FGeolSoc (London), MAusIMM* Non-Executive Director Appointed 10 November 2015 *Other current directorships* Lunnon Metals Ltd	Mr Ainscough is Managing Director of Lunnon Metals Ltd (ASX:LM8), a nickel focussed Australian resources company and led the acquisition of joint venture rights to the Foster/Jan Nickel Project (in 2014) which ultimately resulted in the recent listing of that company. Mr Ainscough also motivated and then led Medallion's acquisition of its projects in 2016. Mr Ainscough is a geologist with extensive operational experience (gold, copper and tin) in Australia, Africa, the UK and New Zealand. He was

Previous directorships (last 3 years) Nil	previously with Gold Fields where he held a key business development role reporting to the Executive Committee and was the last Chief Geologist for WMC at the St Ives Gold Mine, overseeing a $25 million per annum drill budget and the addition of over 2 million ounces to reserves during his tenure. Mr Ainscough was also previously at PCF Capital Group where he advised resource sector companies on corporate, merger and acquisition, and valuation assignments.
Anthony (Tony) James *BEng (Mining), AWASM, FAusIMM* Non-Executive Director Appointed 5 October 2020 *Other current directorships* Galena Mining Ltd *Previous directorships (last 3 years)* Wiluna Mining Corporation Ltd Apollo Consolidated Ltd	Mr James has over 30 years' mine operating and project development experience predominantly in Western Australia and experience at Managing Director level of four ASX listed companies (Atherton Resources Limited (ASX:ATE), Mutiny Gold Limited (ASX:MYG), Carbine Resources Limited (ASX:CRB) and is the current Managing Director of Galena Mining Ltd (ASX: G1A). He has a background in feasibility studies leading into successful project development and operations (including the Pillara zinc/lead project, Trident/ Higginsville gold project and Kanowna Belle Gold mine).

3. Company Secretary

Ben Larkin

Appointed 7 October 2020

B.Com, CA

Mr Larkin is a Chartered Accountant with more than 15 years' experience. Mr Larkin commenced his career in public practice before specialising in the natural resources sector in 2007. Mr Larkin is the former Company Secretary of ASX listed Carnaby Resources Limited (ASX:CNB). Prior to his role at Carnaby Resources Limited, Mr Larkin served as the Financial Controller for the formerly ASX listed company, Beadell Resources Limited (ASX:BDR) until its acquisition by Great Panther Mining Ltd (TSX: GPR) in 2019.

Mr Larkin also serves as the Company's Chief Financial Officer, a role he has held since October 2020.

4. Directors' meetings

During the financial year the Board of Directors (the **Board**) held 7 Board meetings. The number of meetings attended by each director was as follows:

Director	Number of meetings eligible to attend	Number of meetings attended
John Fitzgerald	7	7
Paul Bennett	7	7
Edmund Ainscough	7	7
Tony James	7	7

5. Director interests

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

Director	Ordinary Shares	Options – exercisable at $0.35 each on or before 31 January 2023	Options – exercisable at $0.01 each on or before 15 October 2026
John Fitzgerald	620,177	200,000	450,000
Paul Bennett	5,166,009	200,000	900,000
Edmund Ainscough	3,592,110	-	450,000
Tony James	-	-	450,000

6. Principal activities

The principal activity of the Company during the financial year was mineral exploration.

7. Location of projects

The Company's assets are located within the southern Goldfields-Esperance region of Western Australia, approximately 550km southeast of Perth and 185km west of Esperance, the nearest deep-water port (Figure 1). Medallion's mineral tenure stretches over approximately 650km^2 and is prospective for numerous styles of mineralisation. The flagship Ravensthorpe Gold Project (**RGP**) surrounds the regional centre of Ravensthorpe which benefits from excellent infrastructure and a supportive community with other significant resource projects operating in the local government area.

Medallion's unique landholding contains the faulted intersections of two globally significant mineralised orogenic belts, the Archaean Yilgarn Craton and the Proterozoic Albany-Fraser Province. The Archaean Ravensthorpe Greenstone Belt which hosts RGP is situated in the southeast of the Youanmi Terrane and is considered an extension of the Southern Cross Province.

The Company refers to the southern portion of the tenement package as the Jerdacuttup Project (**JP**). The delineation of RGP and JP (**Projects**) loosely represents the Archaean geology to the north and the Proterozoic geology to the south with the Archaean plunging beneath the Proterozoic.

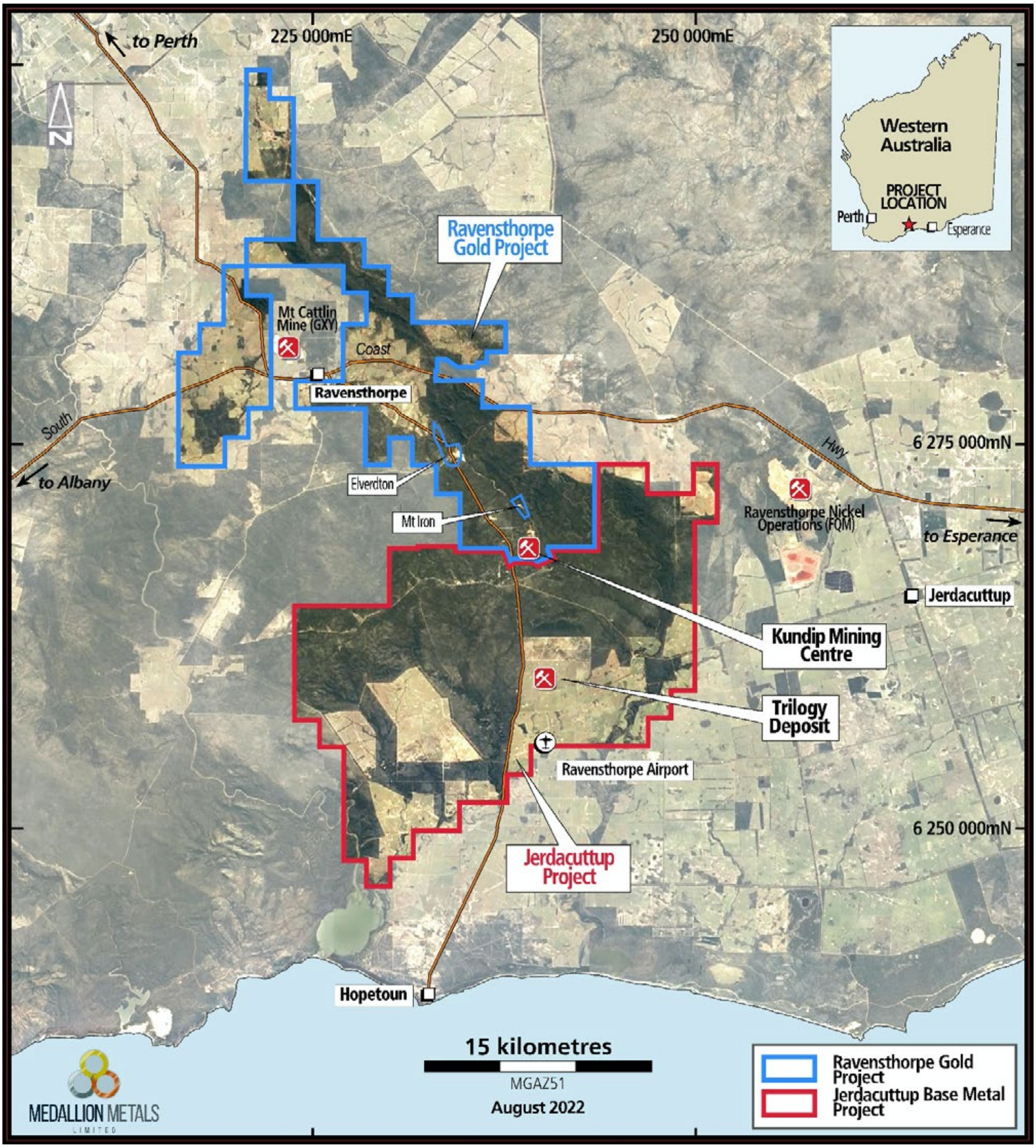

Figure 1: Location of the Company's projects (Elverdton and Mt Iron not held by Medallion)

8. Review of operations

8.1 Ravensthorpe Gold Project

RGP (Figure 2) comprises approximately 300km^2 of mineral tenure straddling the boundary of the Annabelle Volcanics and the Ravensthorpe Tonalite. It is this corridor that has hosted the majority of historical gold and copper production from the region and is host to the Medallion's existing Mineral Resources and regional prospects. The Company's activities are focussed on the Kundip Mining Centre (**KMC**) at the southeast end of RGP in addition to advancing the portfolio of regional targets.

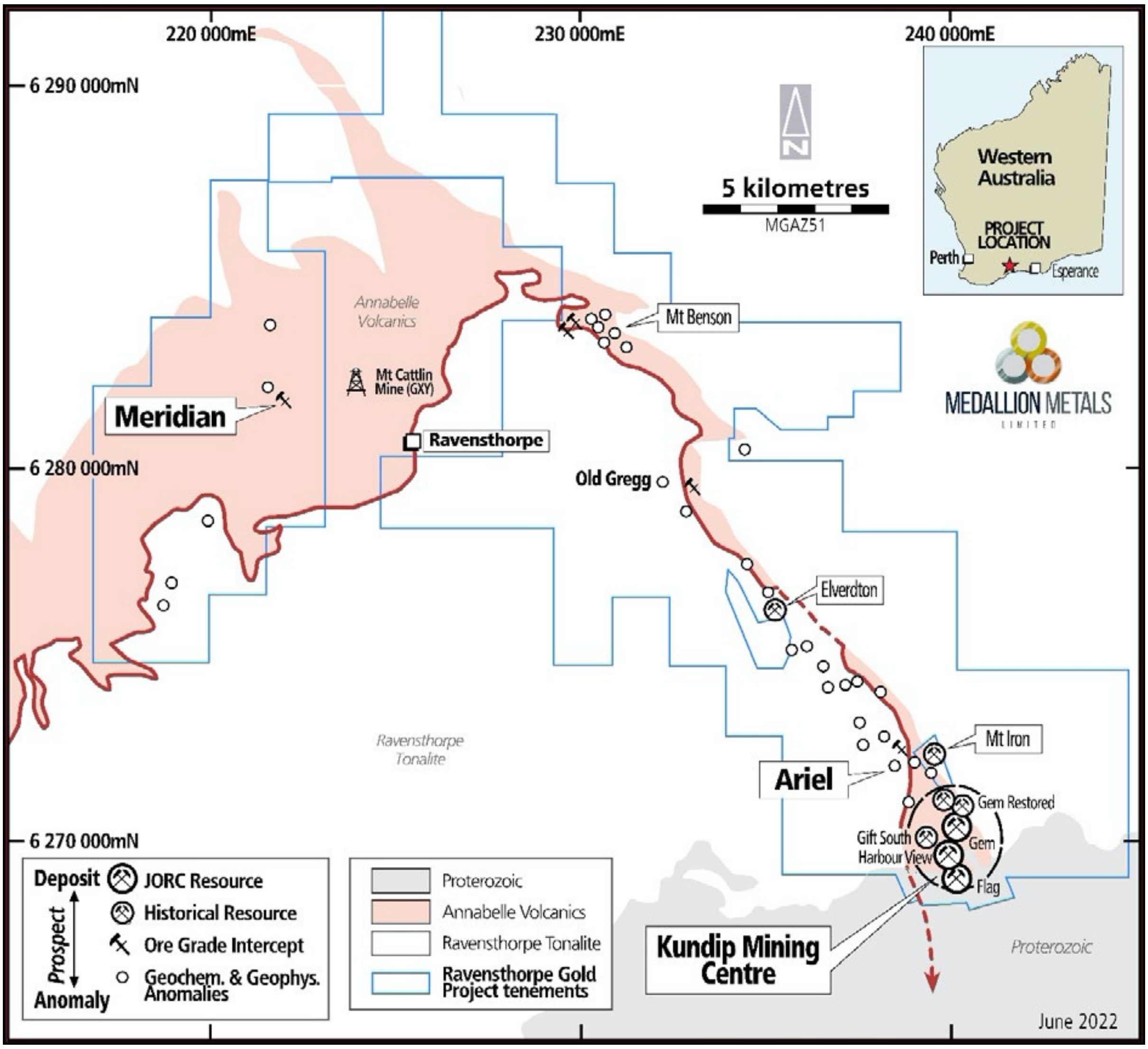

Figure 2: Ravensthorpe Gold Project tenements overlaid on simplified geology

KMC is located approximately 17km to the southeast of Ravensthorpe and is host to a JORC 2012 Mineral Resource Estimate (**MRE**) of approximately 1.37Moz AuEq @ 2.6g/t AuEq[1].

KMC mineralisation is shallowly drilled and remains open at depth and along strike. Additionally, the immediate area within KMC is prospective for the discovery of new lodes as evidenced by the presence of multiple historical workings and ore grade drill intercepts outside the boundaries of the current MRE.

Drill programme overview

In FY2022, Medallion completed a combined reverse circulation (**RC**) and diamond (**DDH**) drill programme totalling approximately 34,700m during the year. Dedicated RC and DDH drill rigs carried over drilling from the previous year (commenced April 2021) and demobilised in May 2022. Of the 34,700m of drilling completed, approximately 29,500m was undertaken at KMC and a further 5,200m was undertaken at regional prospects.

Drilling at the KMC targeted depth and strike extensions of the known high-grade deposits at Gem, Harbour View and Flag, in addition to near mine prospects at Gem Restored and Gift (Figure 3). Bedrock drilling across the KMC and within the June 2022 MRE currently extends to an average depth of 95m and a maximum depth of 330m below surface.

[1] Refer to the Company's ASX announcement on 14 June 2022.

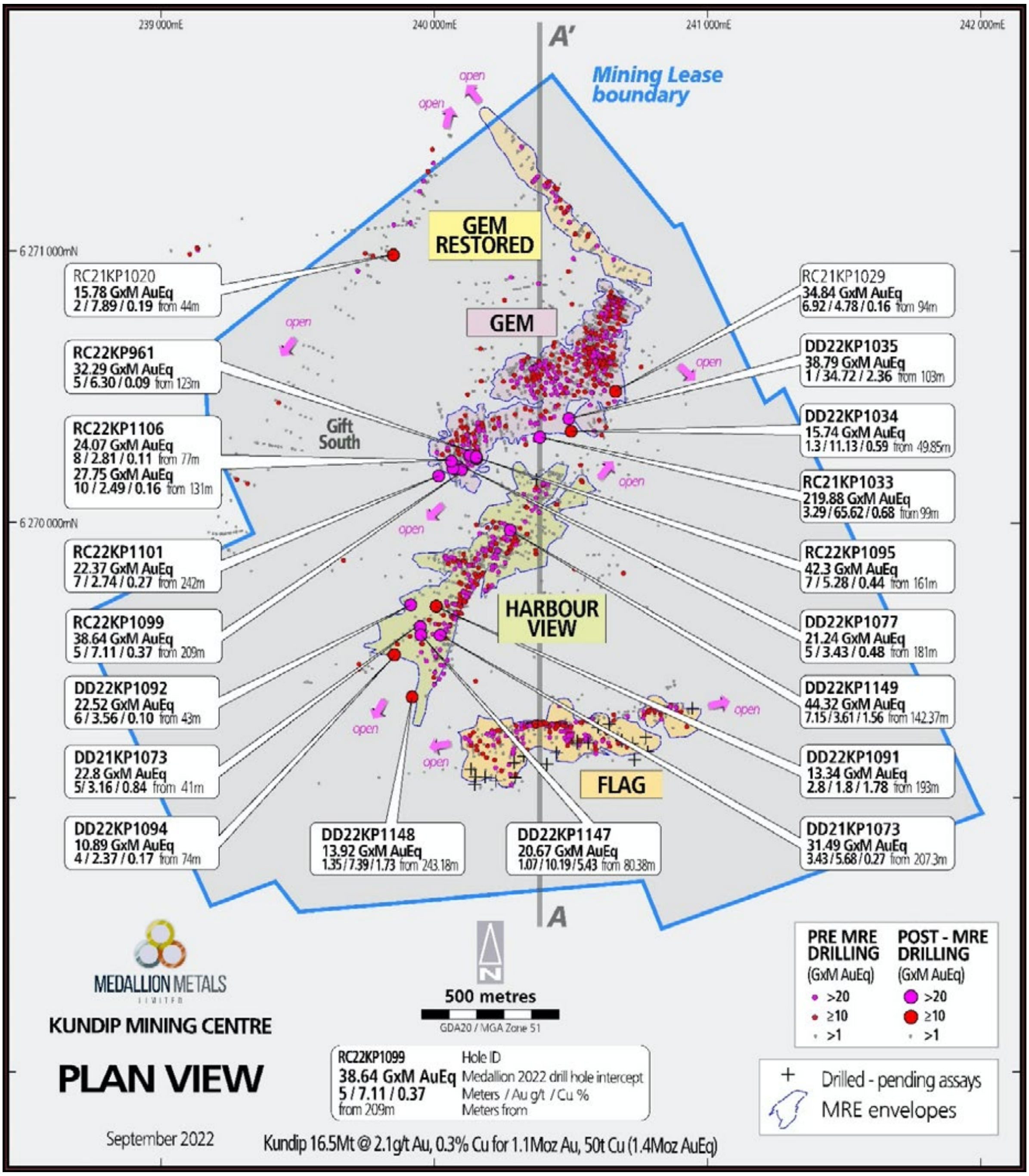

Figure 3: Plan view of the Kundip Mining Centre[2] with Pre- and Post- drilling reported to date (GxM AuEq > 1)[2]

Figure 4 is a section through KMC looking west. Drill traces with one-meter composites above 5 g/t Au are highlighted, demonstrating the open nature of the mineralised structures at depth, down plunge and to where they are projected to intersect.

[2] Refer to the Company's ASX announcements on 16 June 2021, 14 July 2021 and 9 September 2021.

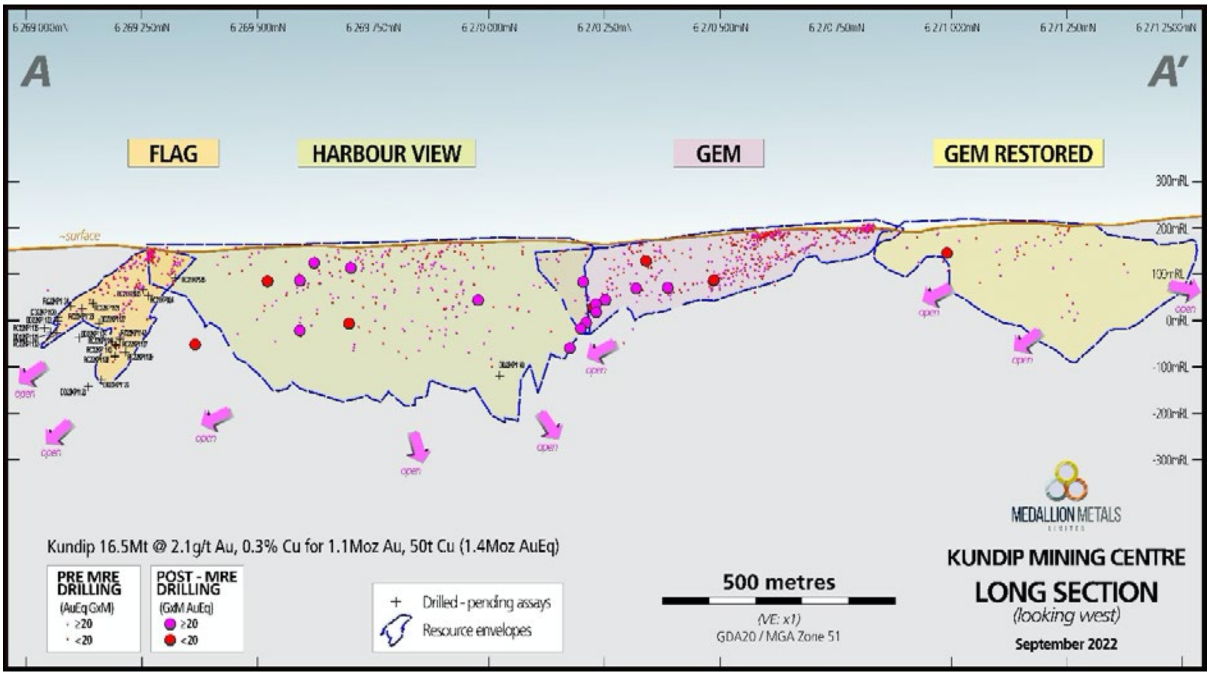

Figure 4: Long section through KMC (looking west) with historical and 2021 drilling reported to date (GxM > 5)[3]

June 2022 MRE

In June 2022, Medallion reported a significantly expanded JORC 2012 MRE at KMC. The MRE now totals 16.5Mt @ 2.1 g/t gold and 0.3% copper for 1.1 million ounces of gold and 50,000 tonnes of copper metal contained (approximately 1.37Moz AuEq @ 2.6g/t AuEq). Additionally, 1.3 million ounces of silver are also contained in the expanded MRE.

Mineral Resource Estimate for the Kundip Mining Centre – June 2022							
Classification	kt	Au g/t	Au koz	Cu %	Cu kt	AuEq g/t	AuEq koz
Indicated	11,020	2.1	740	0.3	32	2.6	920
Inferred	5,430	2.1	360	0.3	18	2.6	460
Grand Total	**16,450**	**2.1**	**1,100**	**0.3**	**50**	**2.6**	**1,370**

Table 1: KMC MRE by classification

67% of the gold estimated is in the Indicated category, the remainder in Inferred. The revised gold content represents a 64% increase from the previous MRE of 674,000 ounces @ 2.4 g/t[4]. The KMC mineralised system extends over 2.5km from north to south, remains open at depth and along strike and is relatively shallowly drilled.

The updated MRE incorporated 26,308m of new drilling completed at KMC throughout 2021-22 targeting high-grade strike and depth extensions of the known mineralised structures.

New drilling that informs the updated MRE has yielded an additional 607,000 ounces of gold equivalent (AuEq[5]) metal (428koz Au), at a discovery rate of 23 AuEq ounces per drill metre (16oz/m Au). Discovery cost is $11 per AuEq ounce ($15/oz Au).

[3] Refer to the Company's ASX announcements dated 16 June 2021, 14 July 2021 and 9 September 2021.

[4] Refer to the Company's Prospectus announced on the ASX on 18 March 2021.

[5] Gold equivalent (AuEq) grade calculation: AuEq g/t = Au g/t + Cu % x 1.61 + Ag g/t x 0.01, refer to the Company's ASX announcement dated 14 June 2022 for further details.

A further upgrade to the MRE is planned in November 2022 which will incorporate approximately 15,000m of drilling already completed at KMC during 2022 subsequent to the data cut off point for the June 2022 MRE upgrade.

Please refer to the Resources and Reserves Statement on page 23 for further details regarding the June 2022 MRE update.

Metallurgical Review

During the year, Medallion reported findings from a review of all metallurgical testwork undertaken on RGP ores by GR Engineering Services Limited (GRES). The review tasked GRES to confirm the preferred process route to maximise gold, copper and silver recovery from RGP ores and to provide estimates of metal recoveries, concentrate grades and reagent consumptions under the preferred process route.

GRES concluded that an industry standard gravity-flotation-leach process route is the preferred option to maximise gold, copper and silver recovery from RGP ores to saleable products. Estimates of the metal recoveries and deportment to saleable products reported by GRES are provided in Table 2.

	Dore (%)	Concentrate (%)	Total (%)
Gold	62.8	31.7	**94.6**
Copper	-	86.1	**86.1**
Silver	28.6	44.8	**73.3**

Table 2: Estimated recoveries to saleable products

The review outcome demonstrated that high gold and copper recoveries can be consistently achieved using industry standard processes across RGP, which has the potential to improve project returns by unlocking the value of the copper and silver by-products.[6]

Planned Exploration Programme & MRE Update

Drilling is due to recommence at the RGP in September 2022 with an initial 10,000m to be undertaken targeting extensions to established Mineral Resources at Gem and Harbour View in addition to priority near mine and regional targets. Additional work programs include Down Hole Electro-Magnetic (DHEM) surveys and structural mapping and analysis.

Approximately 15,000m of drilling has been reported subsequent to the MRE update, with assays pending for approximately a further 5,000m of drilling at the Flag deposit. The results reported post the MRE release will inform a further update of the global MRE expected in November 2022.

8.2 NickelSearch Limited

Medallion holds 15,713,662 shares (a 15.1% interest) in NickelSearch Limited (**NickelSearch**, ASX:NIS), an ASX listed nickel sulphide explorer focused on advancing the Carlingup Nickel Sulphide Project, located approximately 560km southeast of Perth. The project contains a JORC 2012 resource of 171kt of nickel metal[7].

Medallion acquired the interest in NickelSearch following the divestment of the RAV8 Nickel Project and certain mineral rights over select tenure in 2021 in order to maximise the value of the prospective nickel tenure within the Medallion portfolio.

As at the date of this report, the value of the Company's NickelSearch shareholding was approximately $2.0 million.

[6] Refer to the Company's ASX announcement dated 28 March 2022.

[7] Refer to the NickelSearch prospectus announced on the ASX on 14 October 2021 for further details (ASX: NIS).

8.3 Jerdacuttup Project

The Jerdacuttup Project is located approximately 9km to the south and east of KMC (Figure 1) within the Proterozoic Mt Barren Group and the Archaean Hatfield Formation of the Carlingup Terrane. The Project is host to the Trilogy SedEx Deposit which contains a JORC 2012 MRE of 162koz gold, 9.7Moz silver, 66kt copper,133kt lead and 77kt Zinc[8].

No drilling was completed during the year at the Jerdacuttup Project. Advanced exploration work has resulted in flora, dieback and Heritage surveys along proposed drill lines at the Laurina Flats and Steere River areas in the Proterozoic Mt Barren Group, and at the Bandalup Pools VHMS prospect in the Archaean Hatfield Formation.

.

A review of the optimal pathway to maximising the value of the Jerdacuttup Project for Medallion shareholders is ongoing.

8.4 Ravensthorpe Camp

Medallion's 89-person Worker Accommodation Village (**Camp**) is located in the regional centre of Ravensthorpe approximately 17km from KMC. The Camp houses Medallion's employees and contractors during its exploration programme's and provides paid accommodation services to third party businesses operating in the Ravensthorpe region.

During the 2022 financial year, the Camp generated revenue of approximately $2.1 million. The Company expects strong demand to continue for accommodation services at the Camp for the foreseeable future.

9. Financial performance

The Company's net loss after tax attributable to the shareholders for the year to 30 June 2022 was $3,596,723 (2021 Loss: $3,773,072). The Group's net assets increased by $1,522,794 (2021 increased: $8,646,083). The Group's cash and restricted cash position as at 30 June 2022 was $1,844,070 (2021: $8,895,428).

10. Dividends

No dividend was paid or declared by the Company during the year and up to the date of this report.

11. Placement

During the year, the Company completed a placement issuing 25,069,570 ordinary shares at 19 cents per share, raising approximately $4.8 million before costs (**Placement**). The Placement was completed in two tranches:

- 24,674,833 shares issued to sophisticated investors, placed under the Company's ASX Listing Rule 7.1 capacity; and
- 394,737 shares issued to directors of the Company, placed upon receiving shareholder approval.

12. Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

13. Events subsequent to the reporting date

Non-renounceable pro-rata entitlement issue

In August 2022, the Company announced pro-rata non-renounceable entitlement issue seeking to raise approximately $5.2 million before costs through the issue of 32,613,353 ordinary shares (**Offer**). The Offer was

[8] Refer to the Company's Prospectus announced on the ASX on 18 March 2021.

16 cents per share and conducted on entitlement of 1 share for every 6 shares held at the record date. The Offer was fully underwritten by Canaccord Genuity (Australia) Limited.

The Offer was oversubscribed, raising the full amount sought of approximately $5.2 million. The Offer settled on 29 August 2022 and the resultant 32,613,353 shares were issued on 30 August 2022.

Unlisted share option exercise

On 12 August 2022, the Company issued 2,114,050 ordinary shares following the exercise 1,435,000 of unlisted share options with an exercise price of $0.01 per option and a further 679,050 unlisted share options with an exercise price of nil. No amounts are unpaid on the shares issued.

There have been no other events subsequent to the end of the financial year, other than described above or elsewhere in this report.

14. Likely developments

The Board will continue to advance exploration and development opportunities in relation to its projects.

15. Environmental performance

The operations of the Company are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the State of Western Australia. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

16. Share options

As at the date of this report there were 36,552,050 unissued ordinary shares under options. The details of the options are as follows.

Number	Exercise Price $	Expiry Date
29,000,000	$0.35	31 January 2023
2,000,000	$0.285	31 January 2025
2,000,000	$0.38	31 January 2025
2,785,000	$0.01	15 October 2025
440,300	Nil	21 October 2026
282,750	Nil	15 March 2027
44,000	Nil	19 May 2027
36,552,050		

These options do not entitle the holder to participate in any share issue of the Company.

Shares issued upon exercise of options

88,000 zero exercise price options were exercised at during the year resulting in the issue of 88,000 ordinary shares. Subsequent to the end of the year, 2,114,050 options were exercised. Please refer to section 13 of this Directors' Report for further information.

17. Indemnification and insurance of directors and officers

The Company has entered into agreements to indemnify all directors and officers of the Company against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer. Disclosure of the amount of the premium is subject to a confidentiality clause under the insurance policy.

18. Indemnification of the auditor

The Group has not provided any insurance or indemnity for the auditor of the Company.

19. 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 any part of those proceedings. The Company was not a party to any such proceedings during the year.

20. Non-audit services

During the period BDO Audit (WA) Pty Ltd (the Company's auditor) and its related entities (**BDO**) have performed certain other services in addition to the audit and review of the financial statements. During the year, the Company paid BDO $5,150 for taxation services. In the prior year, the Company paid BDO $30,637 for assurance services in relation to the Company's IPO. Subsequent to the end of the financial year, the Board has engaged BDO Reward WA Pty Ltd (**BDO Reward**) as a remuneration consultant. BDO Reward was not paid any amount during the year or the prior year.

The Board has considered the non-audit services provided during the year by the auditor. In accordance with a resolution of the directors of the Company, the Board is satisfied that the provision of the non-audit services during the year by the auditor is compatible with and did not compromise the auditor independence requirements of the Corporations Act 2001. The Board is satisfied that the non-audit services do not undermine the Auditor's independence as they do not involve reviewing or auditing their own work, acting in a management or decision-making capacity or advocate for the Group or jointly sharing risks and rewards.

21. Lead auditors independence declaration

The Lead auditor's independence declaration is set out on page 63 and forms part of the Directors' Report for the period ended 30 June 2022.

22. Audited remuneration report

This remuneration report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel (**KMP**) of Medallion Metals Limited for the financial year ended 30 June 2022. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

KMP include directors and other executives of the Company, whom during the period have been identified as:

Name	Position	Period in position during the year
Non-Executive Directors		
Mr John Fitzgerald	Non-Executive Director, Chair	Full Year
Mr Edmund Ainscough	Non-Executive Director	Full Year
Mr Tony James	Non-Executive Director	Full Year
Executive Directors		
Mr Paul Bennett	Managing Director	Full Year
Executives		
Mr Ben Larkin	CFO & Company Secretary	Full Year

22.1 Principles of remuneration

The Board is responsible for determining and reviewing compensation arrangements for directors and other KMP. Remuneration levels for directors and other KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The Board determines remuneration packages using trends in comparative companies with consideration of the role, capability and experience of each individual director or other executive.

Based on the size of the organisation, the Board has elected not to establish a remuneration committee and did not engage the services of an independent remuneration consultant during the period. The Board has instead agreed to meet as necessary and to allocate the appropriate time to issues regarding remuneration at Board meetings.

Subsequent to the end of the financial year, the Board has engaged BDO Reward as a remuneration consultant to review the amount of certain components of KMP remuneration and provide recommendations thereto. BDO Reward has not been paid any amount in respect of these or other services to the date of this report.

Fixed remuneration

Fixed remuneration consists of base remuneration and employer contributions to superannuation funds. As at the date of this report, fixed remuneration is set in accordance with the following table:

Key management person	Position	Fixed remuneration
John Fitzgerald	Non-Executive Chair	$88,400
Edmund Ainscough	Non-Executive Director	$55,250
Tony James	Non-Executive Director	$55,250
Paul Bennett	Managing Director	$320,450
Ben Larkin	Chief Financial Officer & Company Secretary	$237,575

Variable remuneration

The table below represents the variable remuneration framework for KMP's in respect of the current year:

Variable component	Purpose	Incentives available
Short-term incentives (STI)	Cash performance bonuses or other STI's are not currently offered to KMP but may be offered in the future. Non-executive directors are not eligible to be offered cash performance bonuses.	
Long-term incentives (LTI)	Align the interests of KMPs with the overall objective of increasing shareholder returns over the long term.	Offers to participate in the Company's Incentive Option Plan (**IOP**).

Executive Service Agreements

The Managing Director and Chief Financial Officer (**Executives**) have been appointed under Executive Services Agreements (**ESA's**) effective 6 and 7 October 2020 respectively. Each ESA specifies the duties and obligations of the Executive and each component of remuneration. Each executive is entitled to receive a fixed annual salary, plus superannuation (at the prevailing rate payable on 'ordinary time earnings') and statutory leave entitlements. Each ESA specifies that the Executive is entitled to participate in the Company's IOP.

ESA's are unlimited in term but may be terminated by providing 6 months' notice in the case of the Company giving notice and 3 months' notice in the case of the Executive giving notice. Following a Change of Control event which has resulted in a material diminution of the Executive's role, status or authority with the Company, the Executive may elect to for the ESA to be terminated and be eligible for a payment of six months' salary with all payments made in lieu of any notice periods. Other termination clauses are of a standard nature are included in each ESA.

Non-Executive Notices of Appointment

Each Non-Executive Director (**NED**) has been appointed under a Notice of Appointment (**NOA**) effective 5 October 2020. Each NOA specifies the duties and obligations of the NED and each component of remuneration. Each NED is entitled to receive a fixed annual salary, plus superannuation (at the prevailing rate payable on 'ordinary time earnings'). NED's do not accrue any leave entitlements. Each NOA specifies that the NED is entitled to participate in the Company's IOP.

The term of the appointment is subject to the provisions of the Company's Constitution, which includes requirements for retirement by rotation and re-election of directors. Each appointment will cease at the end of any meeting in which the NED is not re-elected as a director by the shareholders of the Company. Alternatively, each NED may resign at any time by giving notice or as otherwise required or allowed by the Company's Constitution. There are no minimum notice periods.

The aggregate remuneration for NED's has been set at an amount not to exceed $300,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Additional fees

Should a director perform special duties or services outside the scope of the ordinary duties of that director, that director may be paid additional fees as the Board determines. Directors may be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Consequences on shareholder wealth

The Company's profit or loss after tax and year on year percentage change in share price for the last 5 financial years is presented below. The Company operates in the exploration and development phase, and accordingly has not had sufficient profits available to date to enable the Company to pay any dividends.

	2022	2021	2020	2019	2018
Profit or loss for the period after income tax	(3,596,723)	(3,773,072)	(2,627,276)	(2,719,204)	(2,346,574)
Change in share price as traded on the ASX	(18%)	(2%)	N/A	N/A	N/A

Given the Company's stage of development, the Board has regard to the Company's share price as being the primary indicator of the Company's performance and ultimate effects on shareholder wealth.

22.2 Directors' and executives remuneration

Details of the nature and amount of each element of remuneration for each KMP of the Company are as follows:

	Salary & fees (short term) $	Super (post employment) $	Share based payments (options)[1] $	Total $	Value of options as a proportion of remuneration[2]
12 months ended 30 June 2022					
Directors					
John Fitzgerald	79,077	7,908	45,390	132,375	34%
Paul Bennett	286,654	28,665	181,559	496,878	37%
Edmund Ainscough	49,423	4,942	45,390	99,755	46%
Tony James	49,423	4,942	45,390	99,755	46%
Executives					
Ben Larkin	212,519	21,252	72,624	306,395	24%
Total compensation	**677,096**	**67,709**	**390,353**	**1,135,158**	
12 months ended 30 June 2021					
Directors					
John Fitzgerald (appointed 5 Oct 2020)	52,184	4,957	63,398	120,539	53%
Paul Bennett	279,425	26,545	253,591	559,561	45%
Edmund Ainscough[3]	32,615	3,098	63,398	99,111	64%
Tony James (appointed 5 Oct 2020)	32,615	3,098	63,398	99,111	64%
Executives					
Ben Larkin (appointed 7 Oct 2020)	142,691	13,556	101,436	257,683	39%
Total compensation	**539,530**	**51,254**	**545,221**	**1,136,005**	

[1] In accordance with AASB 2 Share Based Payments, the fair value of share based payments (**SBP**) is determined at the date of grant using the Black-Scholes option pricing model. SBP expense is allocated to each period evenly over the period from grant date to vesting date. The value disclosed is the portion of SBP expense recognised as an expense in each reporting period.

[2] Options are considered performance related remuneration, accordingly percentages shown represent percentage of option based remuneration.

[3] Mr Ainscough held office for the entire year, however payment of fixed remuneration did not commence until October 2020, coinciding with the appointment of Mr Fitzgerald and Mr James.

22.3 Equity instruments

Incentive Option Plan

The Group has an established incentive option plan that entitles eligible employees, including directors, to purchase shares in the Company. Under the plan, the Board may issue options to acquire shares in the future at an exercise price fixed by the Board on grant of options.

The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the plan, unless determined otherwise by the Board. The vesting of options may be subject to achievement of performance hurdles, as determined by the Board.

Directors' Report

Terms and conditions of options granted

The terms and conditions of each grant of options affecting KMP remuneration in the current or future reporting periods are as follows:

Performance criteria	Grant date	Number granted	Expiry date	Exercise price per option	Fair value per option at grant date	Performance achieved	% Vested
1 million gold ounces at RGP	16/10/2020	1,935,000	15/10/2025	$0.01	$0.24	1.1 million gold ounces at RGP	100%
20 day VWAP of $0.40 per share	16/10/2020	967,500	15/10/2025	$0.01	$0.24	Not yet achieved	0%
20 day VWAP of $0.50 per share	16/10/2020	967,500	15/10/2025	$0.01	$0.24	Not yet achieved	0%

Incentive options granted as remuneration during the period

No options over ordinary shares were granted to each KMP during the period.

Movements in incentive options granted as remuneration

The following table shows the movements in and vesting of options granted to KMPs as remuneration.

	Opening balance held	Granted in year	Vested in year[1]	Other changes	Closing balance held	Vested and exercisable	Unvested
Directors							
John Fitzgerald	450,000	-	225,000	-	450,000	225,000	225,000
Paul Bennett	1,800,000	-	900,000	-	1,800,000	900,000	900,000
Edmund Ainscough	450,000	-	225,000	-	450,000	225,000	225,000
Tony James	450,000	-	225,000	-	450,000	225,000	225,000
Executives							
Ben Larkin	720,000	-	360,000	-	720,000	360,000	360,000
Total	**3,870,000**	**-**	**1,935,000**	**-**	**3,870,000**	**1,935,000**	**1,935,000**

[1] 1,935,000 options vested on 14 June 2022 upon the satisfaction of their vesting criteria following the declaration of JORC Resources in excess of 1 million ounces of gold at RGP.

Exercise of options

During the period, no shares were issued by KMPs upon the exercise of options previously granted as remuneration.

22.4 Movements in shares

The movement during the reporting period in the number of ordinary shares held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Opening balance held	Received on exercise of options	Shares purchased	Closing balance held
Directors				
John Fitzgerald	400,000	-	131,579	531,579
Paul Bennett	3,393,420	-	263,158	3,656,578
Edmund Ainscough	3,592,110	-	-	3,592,110
Tony James	-	-	-	-
Executives				
Ben Larkin	200,000	-	20,000	220,000

22.5 Other KMP transactions

A number of KMPs, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial and/or operating policies of those entities. The Company may from time to time enter into transactions with KMPs and their related parties. Any transactions entered into during the period are within a normal employment, customer or supplier relationships on terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing at arms-length with an unrelated person.

22.6 2021 Remuneration Report

The Remuneration Report for the year ended 30 June 2021 was adopted by shareholders at the Annual General Meeting of the Company on 25 November 2021 with a 94.97% vote in favour of the adoption of the report.

22.7 Payments before taking office

There were no payments made to any person prior to taking office as part of the consideration for the person agreeing to hold office.

~ Audited remuneration report ends ~

23. Remuneration outlook for the forthcoming financial year

The Board does not intend to offer any increase to the fixed cash remuneration of directors or executives (KMPs) in the forthcoming financial year (other than adjustments required by legislation, for example changes to the superannuation guarantee charge). The Board has not previously offered any performance based cash incentives to the Company's executives and does not anticipate doing so in the forthcoming year.

Cash remuneration of directors has not been adjusted since the new Board was appointed in October 2020 (prior to the Company's IPO). Mr Larkin's cash remuneration was nominally adjusted by 7.5% on 1 July 2021 in compensation for accepting additional responsibilities associated with acting as the sole Company Secretary.

As no increase to cash remuneration is being contemplated for the forthcoming year, the Board is reviewing the potential offer of non-cash remuneration to KMPs in the form of incentive options. Any such offer of incentive options will include meaningful performance based vesting criteria which will be designed to align the interests of KMPs with the overall objective of increasing shareholder returns over the long term. The Board has engaged an independent remuneration expert, BDO Reward, to review the amount and structure of certain components of KMP remuneration and provide recommendations thereto to ensure that KMP remuneration remains fair, reasonable and aligned with shareholder interests.

An offer of incentive options will play a crucial role in retaining suitably qualified and experienced KMPs in a very competitive labour market. Additionally, offers of non-cash remuneration assists in reducing cash outflows associated with KMP remuneration, allowing for greater allocation of funding to exploration activities and general working capital.

Should an offer of incentive options be made to directors, all requisite details in relation to the proposed offer will be included in a Notice of Meeting and will be subject to shareholder approval at a General Meeting of Shareholders.

24. Board and executive performance evaluation

The Company has adopted a Performance Evaluation Policy to evaluate the performance of the Board and executives. These performance evaluations have been completed in accordance with the policy.

In respect of the Board, its composition, practices and effectiveness were evaluated. For executives, individual performance was assessed based on a range metrics and key performance indicators.

25. Going concern

The directors draw attention to note 3 a) of the consolidated interim financial statements in relation to matters regarding going concern.

This report is made with a resolution of the directors:

Paul Bennett
Managing Director
Dated at Perth, this 29th day of September 2022

Resources and Reserves Statement

The Company's JORC 2012 Mineral Resources and Ore Reserves as at 30 June 2022 are as follows:

Mineral Resource Estimate for the Kundip Mining Centre, Ravensthorpe Gold Project

Resource	Deposit	Indicated					Inferred					Total Resources						
		kt	Au g/t	Au koz	Cu %	Cu kt	kt	Au g/t	Au koz	Cu %	Cu kt	kt	Au g/t	Au koz	Cu %	Cu kt	AuEq g/t	AuEq koz
Open pit COG 0.5g/t AuEq (Flag 0.5g/t Au)	Gem	7,320	1.7	400	0.1	10	2,760	1.9	160	0.1	4	10,080	1.7	560	0.1	14	**2.0**	**630**
	Harbour View	1,460	2.9	140	0.6	9	850	1.7	50	0.3	2	2,310	2.5	180	0.5	12	**3.3**	**250**
	Harbour View - Cu	710	0.0	-	0.6	4	190	0.0	-	0.5	1	890	0.0	-	0.6	5	**1.0**	**30**
	Flag	530	5.0	80	0.5	2	70	2.8	10	0.3	0	590	4.7	90	0.4	3	**5.4**	**100**
	Gem Restored	470	2.0	30	0.2	1	340	1.3	10	0.2	1	800	1.7	40	0.2	2	**2.0**	**50**
Underground COG 2.0g/t AuEq (Flag 2.0g/t Au)	Gem	-	-	-	-	-	10	3.6	-	0.5	0	10	3.6	-	0.5	0	**4.5**	**-**
	Harbour View	290	4.3	40	1.2	4	710	2.7	60	1.0	7	1,000	3.2	100	1.0	10	**4.9**	**160**
	Harbour View - Cu	40	0.0	-	1.6	1	90	0.0	-	1.4	1	130	0.0	-	1.5	2	**2.4**	**10**
	Flag	130	8.3	30	0.5	1	240	4.4	30	0.3	1	370	5.7	70	0.4	1	**6.3**	**80**
	Gem Restored	80	7.2	20	1.0	1	180	5.6	30	0.7	1	260	6.1	50	0.8	2	**7.5**	**60**
Grand Total		**11,020**	**2.1**	**740**	**0.3**	**32**	**5,430**	**2.1**	**360**	**0.3**	**18**	**16,450**	**2.1**	**1,100**	**0.3**	**50**	**2.6**	**1,370**

Table 3: Gem, Harbour View and Gem Restored Deposits, Mineral Resource Estimate, June 2022 and Flag Deposit, Mineral Resource Estimate, June 2020.

All tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Probable Ore Reserve Estimate for the Kundip Mining Centre, Ravensthorpe Gold Project

Deposit	Open Pit			Underground			Total Ore Reserves		
	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
Flag	183	4.1	24.0	133	3.9	17	316	4.0	41
Harbour View	253	2.4	19.0	308	4.5	45	561	3.6	64
Gem	3,208	1.6	165.0	-	-	-	3,208	1.6	165
Total	**3,643**	**1.8**	**208.0**	**441**	**4.4**	**62**	**4,085**	**2.1**	**270**

Table 4: KMC Ore Reserve Estimate, June 2020.

All tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Mineral Resource Estimate for the Trilogy Deposit, Jerdacuttup Project

Trilogy Deposit			kt	Au	Ag	Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn
				g/t	g/t	%	%	%	koz	koz	kt	kt	kt
Open pit (CuEq > 0.5%)	**Ox**	**Ind**	129	2.4	85.3	0.5	-	-	10	354	0.6	-	-
		Inf	336	1.9	71.7	0.1	-	-	21	774	0.3	-	-
	Tr/Fr	**Ind**	4,476	0.8	52.5	1.4	2.8	1.6	121	7,556	62.0	126.0	72.1
		Inf	614	0.7	54.9	0.6	1.3	0.9	14	1,084	3.8	8.2	5.3
UG (CuEq > 2.5%)	**Tr/Fr**	**Ind**	28	2.8	21.0	1.3	0.6	0.4	3	19	0.4	0.2	0.1
		Inf	18	1.5	19.7	1.4	0.3	1.1	1	11	0.3	0.1	0.2
Sub-total		**Ind**	4,633	0.9	53.2	1.4	2.7	1.6	133	7,929	63.0	126.2	72.2
		Inf	968	1.1	60.1	0.5	0.9	0.6	35	1,869	4.4	8.3	5.5
Total			**5,601**	**0.9**	**54.4**	**1.2**	**2.4**	**1.4**	**169**	**9,798**	**67.3**	**134.4**	**77.7**

Table 5: Trilogy Mineral Resource Estimate, December 2018.

All tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Competent Persons Statements

The information that relates to exploration results is based on information compiled by Mr David Groombridge and Mr Paul Bennett, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Groombridge and Mr Bennett are employees of the Company and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to each qualify as a "Competent Person" as defined in the JORC Code. Mr Groombridge and Mr Bennett consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information that relates to the data review and validation, drilling, sampling and the geological interpretation of the Gem, Harbour View, Gem Restored and Flag Deposits has been compiled by Mr David Groombridge. The Competent Persons for Mineral Resource estimates are for the Gem and Harbour View Deposits, Ms Justine Tracey, for the Gem Restored Deposit, Ms Jane Levett and for the Flag Deposit, Mr David Coventry. The Competent Persons for the Mineral Resource estimates for Gem, Harbour View and Gem Restored are members and Chartered Professionals of the AusIMM. Ms Tracey and Ms Levett are full-time employees of Snowden-Optiro. The Competent Persons for the Mineral Resource estimate for Flag is a member of the Australasian Institute of Geologists (AIG). Ms Tracey and Ms Levett are full-time employees of Snowden-Optiro. Mr Coventry is a full-time employee of Mining Plus. Mr Groombridge, Ms Tracey, Ms Levett and Mr Coventry have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code. Mr Groombridge, Ms Tracey, Ms Levett and Mr Coventry consent to the inclusion in this announcement of the relevant matters based on their information in the form and context in which it appears.

The information that relates to the data review and validation, drilling, sampling and the geological interpretation of the Trilogy deposit has been completed by Mr David Groombridge. Mr Groombridge is a full-time employee of Medallion Metals Ltd. Mr Groombridge is a Member of the AusIMM and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Groombridge consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.

The information in this release that relates to the Estimation and Reporting of Mineral Resources for the Trilogy deposit has been compiled by Mr Richard Buerger BSc (Geology). Mr Buerger is a full-time employee of Mining Plus and has acted as an independent consultant on the Trilogy Polymetallic Deposit Mineral Resource estimation. Mr Buerger is a Member of the AIG and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Buerger consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.

The information that relates to Ore Reserves at the Kundip Mining Centre is based on information compiled by Mr Craig Mann, who is a full-time employee of Entech and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Mann consents to the inclusion of this information in the form and context in which it appears and is a Member of the AusIMM.

Reporting of gold equivalent grades

Gold Equivalent (AuEq) grades that are applied as cut off criteria and reported for the resource were calculated using the following formula: AuEq g/t = Au g/t + (Cu % × 1.61) + (Ag g/t × 0.01). Cu equivalence to Au was determined using the following formula: 1.61 = (Cu price x 1% per tonne x Cu recovery) / (Au price x 1 gram per tonne x Au recovery). Ag equivalence to Au was determined using the following formula: 0.01 = (Ag price x 1 gram per tonne x Ag recovery) / (Au price x 1 gram per tonne x Au recovery). Metal prices applied in the calculation were: Au = 2,946 AUD per ounce, Cu = 16,768 AUD per tonne, Ag = 42 AUD per ounce. Metallurgical recoveries applied were: Au = 94.6%, Cu = 86.1%, Ag = 73.3%. Refer to the Company's ASX announcement dated 28 March 2022 for further information relating to metallurgical recovery.

Annual review and material changes since 30 June 2021

Kundip Mining Centre Mineral Resource Estimate and Ore Reserve

In June 2022 the Company announced an updated Mineral Resource Estimate for the Gem and Harbour View Deposits at KMC, a maiden Mineral Resource Estimate was declared for the Gem Restored Deposit (Updated MRE). There has been insufficient new data and/or analysis performed to quantify any change in Mineral Resources for the Flag Deposit. Accordingly, the annual review for the Flag Deposit has concluded that these Mineral Resources and Ore Reserves have not changed materially.

For information regarding the estimation and reporting methodologies used to in relation to the Updated MRE, please refer to the Company's ASX announcement dated 16 June 2022.

The Updated MRE incorporates 26,308m of new drilling including Reverse Circulation (RC) drilling (130 holes for 21,141m) and Diamond (DDH) drilling (22 holes for 5,167m) completed at KMC targeting high-grade strike and depth extensions of the known mineralised structures. The increasing significance of copper at KMC, both in terms of grade and through the presence of copper dominant mineralised domains, has prompted the introduction of a gold equivalence calculation to aid and simplify discussion of results. A base of 765koz AuEq (8.8Mt @ 2.38g/t Au & 0.20% Cu) for the previous KMC MRE has been used for growth comparison purposes. Please refer to the Company's ASX announcement on 14 June 2022 for further details regarding the Updated MRE.

In respect of the previous year ended 30 June 2021, the Mineral Resource Estimate for KMC reported was:

Deposit		Cut-off (g/t)	Indicated			Inferred			TOTAL		
			Tonnes (kt)	Grade Au (g/t)	Ounces (koz)	Tonnes (kt)	Grade Au (g/t)	Ounces (koz)	Tonnes (kt)	Grade Au (g/t)	Ounces (koz)
Flag	Open pit	0.5	525	5.0	84	69	2.8	6	594	4.7	90
	Underground	2.0	129	8.3	35	244	4.4	34	373	5.7	69
	Total		654	5.6	118	313	4.0	41	967	5.1	159
Harbour View	Open pit	0.5	716	3.6	83	171	1.8	10	888	3.2	92
	Underground	2.0	341	4.9	54	273	3.7	33	614	4.4	87
	Total		1,057	4.0	137	445	3.0	42	1,502	3.7	179
Gem	Open pit	0.5	5,309	1.6	266	969	1.7	53	6,278	1.6	319
	Underground	2.0	34	5.0	5	43	8.3	12	77	6.9	17
	Total		5,342	1.6	271	1,012	2.0	65	6,354	1.6	336
Subtotals	Open pit	0.5	6,550	2.1	432	1,210	1.8	69	7,759	2.0	502
	Underground	2.0	504	5.8	94	560	4.4	78	1,063	5.0	172
Grand Total			7,053	2.3	526	1,769	2.6	148	8,823	2.4	674

Table 6: Gem, Harbour View and Flag Deposits as reported as at 30 June 2021

An analysis of the changes to tonnes, grade and contained metal since the prior year to the current year ended 30 June 2021 in respect of the KMC Mineral Resource is presented below in Table 7.

KMC MRE comparison to prior year		kt	Au g/t	Au koz	Cu %	Cu kt
% Change	Indicated	56%	-9%	41%	47%	104%
% Change	Inferred	207%	-20%	143%	63%	393%
% Change	Grand Total	86%	-12%	63%	53%	157%

Table 7: Material changes in Mineral Resources at KMC since 30 June 2021

Kundip Mining Centre Mineral Ore Reserve Estimate

There has been insufficient new data and/or analysis performed to quantify any change in Ore Reserves at KMC. Accordingly, the annual review for the KMC Ore Reserve Estimate has concluded that Ore Reserves have not changed materially.

Jerdacuttup Project Mineral Resource Estimate

The annual review of the Company's Jerdacuttup Project has concluded that no new exploration data gathered during the financial year will result in a material change to the Mineral Resources at the Jerdacuttup Project. There are no Ore Reserves declared at the Jerdacuttup Project.

Governance controls

All Mineral Resource and Ore Reserve Estimates are prepared by Competent Persons using data that they have reviewed and are considered to have been collected using industry standard practices and which, to the most practical degree possible are representative, unbiased, and collected with appropriate QA/QC practices in place. All Mineral Resource and Ore Reserve Estimates quoted above have been estimated by independent consultants in accordance with the JORC Code. In addition, the existing composition of the Company's Board of Directors includes a Non-Executive Director who is a qualified and experienced geologist with mineral resource expertise and a Non-Executive Director who is a qualified and experienced mining engineer with mine development and mine operating experience.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Medallion support and adhere to the principles of sound corporate governance. Accordingly, the Board has adopted a Corporate Governance Plan which can be found on the Company’s website: www.medallionmetals.com.au. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Medallion is in compliance to the extent possible with those guidelines, which are of particular importance and add value to the commercial operations of ASX 300 listed companies.

Medallion reviews its corporate governance policies and practices on an annual basis to ensure they are appropriate for the Company’s stage of development. These reviews are made in consideration of the ASX Corporate Governance Council’s Principles and Recommendations which are applicable at the time of the review. The Company’s Corporate Governance Statement for the year ended 30 June 2022 was approved by the Board on 29 September 2022 and is available on the Company’s website: www.medallionmetals.com.au

Forward looking statements

This report may contain certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", “propose”, “goals”, “targets”, “aims”, “outlook”, “forecasts”, "should", "could", “would”, "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this report may include statements regarding the Company’s future growth options, strategies and new products. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings and estimates (if any), are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation is given that the assumptions upon which forward looking statements may be based are reasonable. This report may contain statements that are subject to risk factors associated with the Company’s industry. These forward-looking statements may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, but without limitation, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this report will actually occur. Actual operations, results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this report speak only as of the date of this report.

Subject to any continuing obligations under applicable law, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this report to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Disclaimer

References in this report may have been made to certain ASX announcements, including exploration results, Mineral Resources and Ore Reserves. For full details, refer said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this report and mentioned announcements, the Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original announcement.

Consolidated financial statements

Consolidated statement of financial position

As at 30 June 2022

	Note	Jun 2022 $	Jun 2021 $
Assets			
Cash and cash equivalents		1,844,070	8,821,124
Restricted cash		74,304	74,304
Prepayments		80,496	76,292
Trade and other receivables		253,025	440,786
Total current assets		**2,251,895**	**9,412,506**
Financial assets at fair value through profit or loss	*8*	2,042,776	-
Exploration and evaluation assets	*9*	10,708,100	6,520,854
Property, plant and equipment	*10*	894,585	816,053
Right of use assets		31,445	102,810
Total non-current assets		**13,676,906**	**7,439,717**
Total assets		**15,928,801**	**16,852,223**
Liabilities			
Trade and other payables	*11*	(1,078,556)	(1,869,087)
Lease liabilities		(21,819)	(69,230)
Employee benefits	*12*	(227,801)	(149,964)
Total current liabilities		**(1,328,176)**	**(2,088,281)**
Lease liabilities		(16,561)	(38,380)
Borrowings	*13*	(4,000,000)	(4,000,000)
Provisions	*14*	(698,552)	(2,362,844)
Total non-current liabilities		**(4,715,113)**	**(6,401,224)**
Total liabilities		**(6,043,289)**	**(8,489,505)**
Net assets		**9,885,512**	**8,362,718**
Equity			
Share capital	*16*	23,436,069	19,361,365
Reserves	*17*	3,393,493	2,348,680
Accumulated losses		(16,944,050)	(13,347,327)
Total equity		**9,885,512**	**8,362,718**

The notes on pages 32 to 57 are an integral part of these consolidated interim financial statements.

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	Jun 2022 $	Jun 2021 $
Camp revenue		2,136,356	503,470
Net gain on disposal of non-current assets	5	3,620,629	-
Other income		51,897	113,464
Exploration and evaluation expenses		(5,552,061)	(1,981,736)
Administrative expenses		(1,863,946)	(1,420,280)
Share-based payments expenses	19	(646,339)	(594,530)
Initial Public Offering expenses		-	(275,045)
Changes in fair value of listed equity investments	8	(1,099,956)	-
Results from operating activities		**(3,353,420)**	**(3,654,657)**
Finance income		11,881	4,133
Finance expense		(255,184)	(122,548)
Net finance expense		**(243,303)**	**(118,415)**
Income tax benefit/(expense)	7	-	-
Loss for the period after income tax		**(3,596,723)**	**(3,773,072)**
Other comprehensive profit/(loss)			
Items that may be recalssified subsequently to profit or loss		-	-
Other comprehensive profit/(loss) for the period net of tax		**-**	**-**
Total comprehensive loss for the period		**(3,596,723)**	**(3,773,072)**
Earnings per share			
Basic loss per share	18	(0.02)	(0.03)
Diluted loss per share	18	(0.02)	(0.03)

The notes on pages 32 to 57 are an integral part of these consolidated interim financial statements.

Consolidated financial statements

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Note	Share Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance 1 July 2020		8,104,240	1,186,650	(9,574,255)	(283,365)
Total comprehensive loss for the period					
Loss for the period		-	-	(3,773,072)	(3,773,072)
Total comprehensive loss for the period		**-**	**-**	**(3,773,072)**	**(3,773,072)**
Transactions with owners recorded directly in equity contributions by and distributions to owners					
Issue of shares, net of transaction costs		11,253,540	-	-	11,253,540
Issue of share options		-	4,000	-	4,000
Share options exercised		3,585	-	-	3,585
Share based payments		-	1,158,030	-	1,158,030
Total contributions by and distributions to owners		**11,257,125**	**1,162,030**	**-**	**12,419,155**
Balance as at 30 June 2021		**19,361,365**	**2,348,680**	**(13,347,327)**	**8,362,718**

	Note	Share Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance 1 July 2021		19,361,365	2,348,680	(13,347,327)	8,362,718
Total comprehensive loss for the period					
Loss for the period		-	-	(3,596,723)	(3,596,723)
Total comprehensive loss for the period		**-**	**-**	**(3,596,723)**	**(3,596,723)**
Transactions with owners recorded directly in equity contributions by and distributions to owners					
Issue of shares, net of transaction costs	*16*	4,074,704	-	-	4,074,704
Share based payments	*19*	-	1,044,813	-	1,044,813
Total contributions by and distributions to owners		**4,074,704**	**1,044,813**	**-**	**5,119,517**
Balance as at 30 June 2022		**23,436,069**	**3,393,493**	**(16,944,050)**	**9,885,512**

The notes on pages 32 to 57 are an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2022

	Jun 2022 $	Jun 2021 $
Cash flows from operating activities		
Loss for the period	(3,596,723)	(3,773,072)
Adjustments for:		
Depreciation	133,068	84,558
Net finance costs	229,788	118,415
Sale of non-current assets, settled in shares	(2,520,673)	-
Equity settled share based payment transactions	646,339	594,530
	(5,108,201)	**(2,975,569)**
Changes in:		
Prepayments	(4,205)	12,780
Trade and other receivables	269,456	(397,243)
Trade and other payables	(423,424)	1,241,264
Employee benefits and provisions	77,836	138,725
Net cash used in operating activities	**(5,188,538)**	**(1,980,043)**
Cash flows from investing activities		
Interest received	10,050	2,917
Payments for property, plant and equipment	(588,872)	(114,047)
Payments for capitalised exploration and evaluation expenditure	(5,373,642)	(1,844,471)
Net cash used in investing activities	**(5,952,464)**	**(1,955,601)**
Cash flows from financing activities		
Proceeds from the issue of shares, net of transaction costs	4,473,178	11,628,474
Proceeds from the issue of options	-	4,000
Proceeds from exercise of options	-	3,585
Repayment of principal and interest on borrowings	(240,000)	(1,007,068)
Payments for lease liabilities	(69,231)	(53,057)
Transfers to restricted cash	-	(74,304)
Net cash provided by financing activities	**4,163,947**	**10,501,630**
Net increase/(decrease) in cash and cash equivalents	(6,977,054)	6,565,986
Cash and cash equivalents as at 1 July	8,821,124	2,255,138
Cash and cash equivalents as at 30 June	**1,844,070**	**8,821,124**

The notes on pages 32 to 57 are an integral part of these consolidated interim financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Medallion Metals Limited (the **Company**) is a for profit public company limited by shares and incorporated in Australia. The Company's shares are traded on the Australian Stock Exchange under the code MM8.

The consolidated financial statements of the Company as at and for the period from 1 July 2021 to 30 June 2022 comprise the Company and its subsidiary (together referred to as the **Group** and individually as **Group Entities**).

The address of the Company's registered office is Suite 1, 11 Ventnor Avenue, West Perth, Western Australia. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of preparation

a) Going concern

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

For the period ended 30 June 2022, the Group produced a loss after income tax of $3,596,723. Cash outflows from operations and investment activities were $11,141,002. As at 30 June 2022, the Group has a net working capital surplus, inclusive of current provisions, of $923,719. Subsequent to year end, the Group completed a rights issue and raised $5.2 million before costs.

Based on the Group's future cashflow forecast, the Group will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities and meeting its annual tenement expenditure commitments.

The ability of the Group to continue as a going concern is dependent upon the Group securing additional funding through raising equity or undertaking a whole or partial sale of interests in its mineral exploration assets.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funds to meet its debts as and when they fall due and it is appropriate for the financial statements to be prepared on a going concern basis. Should the Group not be able to raise additional funds, the Group may:

- scale back certain activities that are non-essential so as to conserve cash; and/or
- undertake a whole or partial sale of interests in mineral exploration assets.

Should the Group not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

b) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (**IFRSs**) and interpretations adopted by the International Accounting Standards Board (**IASB**).

The financial statements were approved by the Board of Directors on 29 September 2022.

c) Basis of measurement

The consolidated financial statements have been prepared on an accruals basis under the historical cost convention.

Notes to the consolidated financial statements

d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

e) Use of estimates and judgements

Set out below is information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Share based payments

Determination of fair value

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions. Refer to note 19 for further details regarding these assumptions.

Exploration & evaluation expenditure

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of a decision to develop or mine a particular area. A key judgement initially is the likelihood or otherwise of establishing a JORC compliant resource. The determination of a JORC compliant resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group capitalises E&E expenditure. The accounting policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Site restoration obligations

Significant estimation is required in determining the provision for site restoration as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where construction, mining and/or exploration activities have taken place. These factors include changes in the cost of goods and services required for restoration activities and changes to the legal and regulatory framework governing restoration obligations. These factors may result in future actual expenditure differing from amounts currently provided. Refer to note 14 for further information.

Classification of listed equity investments

As described in note 5, the Company has acquired 15,713,662 NickelSearch shares (**NIS Shares**), which has resulted in the Company directly holding 15.1% of the voting power of NickelSearch. Additionally, as Medallion holds more than 10% of the total NickelSearch shares on issue the Company has exercised its right to appoint one nominee non-executive director to the NickelSearch board of directors.

The Company has assessed whether it has 'significant influence' over NickelSearch as defined in AASB 128. The Group does not consider that it has 'significant influence' over NickelSearch due to holding less than 20% of the voting power, the existence of other substantial shareholders and considering the composition of the NickelSearch Board, consisting of five directors. As a result, it has been determined that the investment in NickelSearch will not be accounted for as an 'associate' and the Company will not apply the equity method of accounting as 30 June 2022.

The Company has not elected to apply the option to designate the NIS Shares as being held at fair value through other comprehensive income' (**FVOCI**). Accordingly, the NIS Shares are held at 'fair value through profit or loss' (**FVPL**).

Notes to the consolidated financial statements

f) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions and balances eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

g) Segment reporting

The Group determines and presents operating segments based on the information that is provided to the board of directors, who are the Group's chief operating decision makers.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board to make decisions about the allocation of resources to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise predominantly of administrative expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

h) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax and equivalent indirect taxes, except where the amount of tax incurred is not recoverable from the taxation authority. In these circumstances, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The tax components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the consolidated financial statements

j) Financial instruments

The Group's financial instruments comprise cash and cash equivalents, restricted cash and trade and other receivables, trade and other payables and borrowings.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (**FVPL**);
- equity instruments at fair value through other comprehensive income (**FVOCI**); and
- debt instruments at fair value through other comprehensive income (**FVOCI**).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The Group's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses (the 'expected credit losses (**ECLs**) model'). Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2).

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month ECLs' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial liabilities

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Non-derivative financial instruments

The following summarises the accounting treatment of the Group's non-derivative financial instruments;

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term deposits at call. Short term deposits have original maturities of 3 months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in fair value.

Restricted cash

Restricted cash comprises cash at bank and short term deposits that have been given as security. As the Group has given security over these balances they are not eligible for recognition as cash and cash equivalents.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Trade and other payables

Trade and other payables are carried at amortised cost. The amounts are unsecured and are typically settled in 30 to 60 days of recognition. Due to their short term nature, balances are generally not discounted.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial measurement, borrowings are recorded at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are amortised on a straight line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

k) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets (excluding deferred tax assets and inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset or Cash Generating Unit (**CGU)** is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets, known as CGU's.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in profit or loss. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is charged to the statement of profit and loss and other comprehensive income on a straight line basis over the estimated useful lives of each asset. Land is not depreciated.

In the current and comparative periods, useful lives are as follows:

- Buildings: 25 - 40 years
- Motor vehicles: 8 years
- Plant & equipment: 4 - 20 years
- Office equipment: 3 - 7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

m) Leases

The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

n) Employee benefits

Share based payments

The Group operates equity-settled share based payment employee option scheme. Refer to note 2(t) for further discussion.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

Short term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and, where applicable, prior periods plus related on costs; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Site restoration

Site restoration costs include the costs of dismantling and demolition of infrastructure or decommissioning, the removal of residual material and the remediation of disturbed areas specific to the site. Provisions are recognised at the time that the environmental disturbance occurs. The provision is the best estimate of the present value of the future cash flows required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the financial year.

The amount of the provision for future restoration costs is recognised as exploration and evaluation assets or expensed during the exploration phase according to the Company's policy for exploration and evaluation assets (refer note 2(r). Upon the commencement of commercial production, future restoration costs are recognised as mine property assets.

Future restoration costs are depreciated on a unit-of-production basis over the economically recoverable reserves of the mine concerned, resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral resources. Amortisation begins at the commencement of commercial production. The unwinding of the effect of discounting on the provision is recognised as a finance cost. Restoration expenditure is capitalised to the extent that it is probable that the future economic benefits associated with restoration expenditure will flow to the Group.

p) Revenue

Revenue is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The Group's revenue is comprised of receipts from the provision of accommodation services at its Ravensthorpe Camp (**Camp Revenue**).

Camp Revenue is recognised over time as services are provided. Invoices raised following the completion of each calendar month. Consideration is based upon the standard nightly rate for accommodation services multiplied by customer's utilisation of the Camp during the month. Invoices are payable within 15 days of issue.

q) Finance income

The Group receives finance income in the form of interest income. Interest income is recognised on a time proportionate basis, taking into account the effective yield on the related financial asset.

Notes to the consolidated financial statements

r) Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been incurred. In this case, the grant is recognised when it becomes receivable.

Grants that relate to assets are initially recognised as deferred income at fair value if there is reasonable assurance they will be received and the Group can comply with the conditions of the grant. They are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

s) Exploration and evaluation expenditure

Exploration and evaluation (**E&E**) expenditure includes:

- Tenure acquisition costs (including: consideration paid to acquire exploration, mining and/or other license's, stamp duty, professional fees attributable the acquisition and site restoration costs assumed or recognised);
- Drilling, sampling and analysing exploration data;
- Resource and reserve estimation;
- Technical and feasibility studies; and
- Employee remuneration associated with exploration and evaluation activities.

The Company applies the area of interest method when accounting for E&E expenditure. E&E expenditure is charged to profit or loss as incurred, unless the Group concludes that a future economic benefit is more likely than not to be realised, and the Company holds the legal right to explore the tenement.

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

E&E expenditure incurred on areas of interest where a JORC-compliant resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a JORC-compliant resource.

Upon the establishment of a JORC-compliant Mineral Resource, and the Group considers it probable that economic benefits will be realised, the Group capitalises any further E&E expenditure that is directly associated with conducting E&E in relation to the particular area of interest.

E&E assets acquired in a business combination are initially recognised at fair value, including resources and exploration potential that is considered to represent value beyond proven and probable reserves. Similarly, the costs associated with acquiring an E&E asset (that does not represent a business) are also capitalised. E&E assets are subsequently measured at cost less accumulated impairment. Once JORC-compliant reserves are established and a decision to mine is sanctioned, E&E assets are tested for impairment and transferred to 'Mine properties'. No amortisation is charged during the E&E phase.

E&E assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggest the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, E&E assets are allocated to CGU's to which the exploration activity relates. The CGU shall not be larger than the area of interest.

In the event that an area of interest is abandoned, rights to explore or develop are lost, or the directors consider the E&E assets attributable to the area of interest to be of reduced value, the E&E assets are impaired in the period in which the assessment is made. Each area of interest is reviewed at each reporting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

t) Earnings per share

The Group presents basic and diluted earnings per share (**EPS**) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

u) Share based payments

Employee benefits

The Group operates an equity-settled share based payment employee option scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to share based payments reserve. The fair value of options is ascertained using a recognised pricing model which incorporates all market vesting conditions. The fair value of options is measured using the Black-Scholes formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The cost of share based payment transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for share based payment transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Other share based payments

The Group has entered into equity-settled share based payment transactions with parties whom are not employees of the Company. The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

v) New accounting statements, amendments and interpretations

Adoption of new and revised accounting standards and interpretations

In the year ended 30 June 2022, the Directors have reviewed the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations issued by the AASB and, therefore, no change is necessary to Company accounting policies.

New accounting standards and interpretations that are not yet mandatory

The Directors have reviewed the Standards and Interpretations issued and not yet adopted for the year ended 30 June 2022. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

3. Financial risk management

This note presents information about the Group's exposure to credit, liquidity and market risks and objectives, policies and processes for measuring and managing financial risk and capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continual basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and fixed deposits with maturities of less than 3 months. The Group limits its credit risk by holding cash and cash equivalents with reputable counterparties with acceptable credit ratings according to the Group's Treasury Policy.

Restricted cash

Restricted cash comprises cash balances used as security for the Company's transactional bank facilities and property leases. Cash balances used as security are held with reputable counterparties with acceptable credit ratings according to the Group's Treasury Policy.

Trade and other receivables

The Group's trade and other receivables are neither past due nor impaired.

Exposure to credit risk

The carrying amount of the Group's financial assets represent maximum exposure to credit risk, as follows:

	Jun 2022 $	Jun 2021 $
Total		
Cash and cash equivalents	1,844,070	8,821,125
Restricted cash	74,304	74,304
Trade and other receivables	253,025	440,786
Exposure to credit risk	**2,171,399**	**9,336,215**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate cash reserves from funds raised by the Company in various capital raisings and continuously monitoring forecast and actual cash flows. The contractual maturities of the Group's financial liabilities, including estimated interest payments are as follows:

Notes to the consolidated financial statements

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 - 2 years $	2 - 5 years $	More than 5 years $
30 June 2022						
Trade and other payables	(996,860)	(996,860)	(996,860)	-	-	-
Lease liabilities	(996,860)	(121,743)	(83,029)	(28,366)	(10,348)	-
Borrowings	(4,000,000)	(6,160,000)	(240,000)	(480,000)	(1,440,000)	(4,000,000)
Balance as at 30 June	**(5,993,720)**	**(7,278,603)**	**(1,319,889)**	**(508,366)**	**(1,450,348)**	**(4,000,000)**
30 June 2021						
Trade and other payables	(1,869,087)	(1,869,087)	(1,869,087)	-	-	-
Lease liabilities	(107,610)	(131,213)	(82,745)	(28,073)	(30,149)	-
Borrowings	(4,000,000)	(6,160,000)	(240,000)	(480,000)	(1,440,000)	(4,000,000)
Balance as at 30 June	**(5,976,697)**	**(8,160,300)**	**(2,191,832)**	**(508,073)**	**(1,470,149)**	**(4,000,000)**

The contractual maturity of the Group's borrowings is dependent upon the occurrence of certain events (refer note 13) of which the timing of which is uncertain. Accordingly, the maturity has been disclosed at more than 5 years and interest has been shown as contractual outflows in each period in the preceding table.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to market risk in the form of fluctuations in interest rates and equity price risk in respect of listed investments (NIS Shares) held at fair value through profit or loss.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group is exposed to interest rate risk on cash and cash equivalents and restricted cash. The Group does not use derivatives to mitigate these exposures.

Cash and cash equivalents and restricted cash (together "cash") are held at variable and fixed interest rates. Cash in term deposits are held for fixed terms at fixed interest rates maturing in periods less than 3 months. The Group's other cash balances are held in deposit accounts at variable rates with no fixed term.

Interest rate risk – profile

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

	Jun 2022 $	Jun 2021 $
Fixed rate instruments		
Financial assets	74,304	5,074,304
Financial liabilities	(4,000,000)	(4,000,000)
Net fixed rate instruments	**(3,925,696)**	**1,074,304**
Variable rate instruments		
Financial assets	1,844,070	3,821,125
Net variable rate instruments	**1,844,070**	**3,821,125**

Interest rate risk – fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to the consolidated financial statements

Interest rate risk – sensitivity analysis for variable and short term fixed rate instruments

A change in interest rates of 25 basis points at the reporting date would have increased/(decreased) the Group's profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Sensitivity	25bp increase Jun 2022 $	25bp decrease Jun 2022 $	25bp increase Jun 2021 $	25bp decrease Jun 2021 $
Variable and short term fixed interest bearing instruments	13,517	(13,517)	13,938	(13,938)
Cash flow sensitivity (net)	**13,517**	**(13,517)**	**13,938**	**(13,938)**

Equity price risk

The Group's NIS Shares are listed on the Australian Stock Exchange (ASX). A 10% increase in the NickelSearch share price at the end of the reporting period would have decreased the Company's loss for the period by $204,278 (2021: nil). An equal change in the opposite direction would have increased the Company's loss for the period by $204,278 (2021: nil).

Fair value

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value. The Group classifies its financial instruments into the three levels prescribed under accounting standards:

	Level 1	Level 2	Level 3	Total
30 June 2022				
Financial assets as FVPL - equity securities	2,042,776	-	-	2,042,776
Balance at the end of the period	**2,042,776**	**-**	**-**	**2,042,776**
30 June 2021				
Financial assets as FVPL - equity securities	-	-	-	-
Balance at the end of the period	**-**	**-**	**-**	**-**

There were no transfers between levels during the year. The Group's policy is to recognise transfers into and out of the fair value hierarchy levels at balance date.

The fair value of the financial assets and liabilities held by the Group must be estimated for recognition, measurement and/or disclosure purposes. The Group measures fair value by the following fair value measurement hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques used to determine fair values

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of assets and liabilities are included at an amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying value of amounts of cash and short term trade and other receivables, trade payables and other current liabilities approximate their fair value largely due to the short term maturities of these payments.

Financial assets at fair value through other comprehensive profit or loss – equity securities

The fair value of the equity holdings held in ASX listed companies are based on the quoted market prices from the ASX on the last trading day prior to the period end.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a capital base sufficient to allow future exploration and development of the Group's current projects and evaluation of potential acquisitions.

The Group has raised capital through the issue of equity and borrowings to fund its administration, exploration and evaluation activities. The Group may raise additional capital through the issue of new shares or debt finance to fund exploration, development and/or asset acquisition, should the Group require additional capital to carry out those activities.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

4. Segments

Operating segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Board reviews internal management reports on strategic business units at regular board meetings.

The Group has one reportable segment, 'Project Operations', which is the Group's strategic business unit. No segment assets were impaired during the period (2021: nil).

Information about reportable segment profit/(loss)	Projects $	Total $
12 months ended 30 June 2022		
External revenue	2,188,253	2,188,253
Net gain on disposal of segment assets	3,620,629	3,620,629
Depreciation and amortisation	(44,665)	(44,665)
Reportable segment profit/(loss) before income tax	**256,821**	**256,821**
12 months ended 30 June 2021		
External revenue	503,934	503,934
Depreciation and amortisation	(23,529)	(23,529)
Reportable segment profit/(loss) before income tax	**(1,454,273)**	**(1,454,273)**

Reconciliation of reportable segment profit/(loss)	Jun 2022 $	Jun 2021 $
Total profit/(loss) for reportable segments	256,821	(1,454,273)
Unallocated amounts		
- Corporate income	11,881	117,133
- Corporate expenses	(3,865,425)	(2,435,931)
Consolidated profit/(loss) before tax	**(3,596,723)**	**(3,773,072)**

Information about reportable segment assets, liabilities and capital expenditure	Projects $	Total $
2022		
Reportable segment assets	11,783,523	11,783,523
Reportable segment liabilities	(1,436,876)	(1,436,876)
Reportable segment capital expenditure	5,453,830	5,453,830
2021		
Reportable segment assets	7,489,943	7,489,943
Reportable segment liabilities	(4,027,562)	(4,027,562)
Reportable segment capital expenditure	2,787,520	2,787,520

Reconciliation of reportable segment assets and liabilities	Jun 2022 $	Jun 2021 $
Total assets for reportable segments	11,783,523	7,489,943
Unallocated amounts		
- Corporate assets	4,145,278	9,362,280
Consolidated assets	**15,928,801**	**16,852,223**
Total liabilities for reportable segments	(1,436,876)	(4,027,562)
Unallocated amounts		
- Corporate liabilities	(4,606,413)	(4,461,943)
Consolidated liabilities	**(6,043,289)**	**(8,489,505)**

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of activities earning revenue. Segment assets are based on the geographical location of assets.

The Group conducts all its activities within Australia and accordingly has assessed its sole geographical segment to be Australia.

5. Net gain on disposal of non-current assets

	Jun 2022 $	Jun 2021 $
Consideration recieved	3,142,732	-
De-recognition of site restoration provision	1,664,292	-
Disposal of exploration and evaluation assets	(1,097,623)	-
Disposal of land	(88,772)	-
Net gain on disposal of non-current assets	3,620,629	-

During the period, the Company executed an Asset Sale Agreement and Deed of Mineral Specified Rights (the **Agreements**) with NickelSearch Limited (ASX:NIS, **NickelSearch**).

Following the satisfaction of all conditions precedent pursuant to the Agreements, Medallion acquired 15,713,662 NickelSearch shares (**NIS Shares**) at an issue price of $0.20 per share as consideration for the divestment of the Company's RAV8 Nickel Project, nickel rights over certain tenure and associated freehold land (together, the **Nickel Assets**).

Other material terms of the Agreements included:

- NickelSearch assuming the environmental liability and site restoration obligations associated with the RAV8 Nickel Project; and
- Medallion being entitled to appoint one nominee non-executive director to the NickelSearch board of directors until such time as Medallion's shareholding falls below 10% of the total shares on issue.

The Company's NIS Shares were quoted on the ASX on 18 October 2021 and are subject to an ASX imposed escrow, expiring 18 October 2023.

6. Employee benefit expenses

	Jun 2022 $	Jun 2021 $
Wages, salaries and benefits	2,149,412	1,340,125
Contributions to defined contribution plans	205,231	116,208
Share-based payments	646,339	594,530
Balance at end of the period	**3,000,982**	**2,050,863**

7. Income tax

Current tax

	Jun 2022 $	Jun 2021 $
Income tax benefit/(expense)		
Current tax benefit/(expense)	-	-
Deferred tax benefit/(expense)	-	-
Income tax benefit/(expense)	**-**	**-**
Numerical reconciliation between tax benefit/(expense) and pre-tax accounting (loss)/profit		
Pre-tax accounting loss for the period	(3,596,723)	(3,773,072)
Income tax benefit at the Group's Australian tax rate of 30% (2020: 30%)	(1,079,017)	(1,131,922)
Non-assessable income	(15,569)	(33,900)
Non-deductible expenses	201,488	197,128
Current year temporary differences not recognised	(48,973)	(82,028)
Current year losses for which no deferred tax asset was recognised	942,071	1,050,722
Income tax benefit/(expense)	**-**	**-**

Notes to the consolidated financial statements

Deferred tax

	Jun 2022 $	Jun 2021 $
Liabilities		
Exploration and evaluation assets	(1,278,646)	(785,822)
Right of use sssets	(9,434)	(30,843)
Recognition of deferred tax assets	1,288,080	816,665
Deferred tax liability recognised	**-**	**-**
Assets		
Losses available to offset against future taxable income	4,389,852	2,483,784
Investments	329,987	-
Provision for rehabilitation	209,566	708,853
Lease liabilities	11,514	32,283
Share issue costs deductible over five years	333,924	261,458
Employee provisions	62,040	44,989
Accrued expenses	6,450	5,700
Recognition of deferred tax assets	(1,288,080)	(816,665)
Net deferred tax assets not recognised	**4,055,253**	**2,720,402**

Unused tax losses

Tax effect carry forward losses at the Group's Australian tax rate of 30% (2021: 30%):

	Jun 2022 $	Jun 2021 $
Unused tax losses		
Unused tax losses	14,632,841	8,279,281
Balance at the end of the period	**4,389,852**	**2,483,784**

8. Financial assets at fair value through profit or loss

	Jun 2022 $	Jun 2021 $
Opening balance	-	-
Listed equity instruments acquired	3,142,732	-
Changes in fair value of listed equity instruments recognised in profit or loss	(1,099,956)	
Balance at the end of the period	2,042,776	-
Current	-	-
Non-current	2,042,776	-
Balance at the end of the period	2,042,776	-

During the period, the Company acquired 15,713,662 NickelSearch shares at an issue price of $0.20 per share as consideration for the divestment of the Company's Nickel Assets. Refer to note 5 for further information regarding the divestment.

The closing NickelSearch share price on the ASX as at 30 June 2022 was $0.13 per share, which is lower than the initial issue price of $0.20 per share. Accordingly, the Company has recognised an unrealised loss of $1,099,956 as at the end of the period.

Notes to the consolidated financial statements

9. Exploration and evaluation assets

	Jun 2022 $	Jun 2021 $
Cost		
Opening balance	6,520,854	4,262,154
Additions	5,284,869	2,258,700
Disposals	(1,097,623)	-
Balance at the end of the period	**10,708,100**	**6,520,854**

During the period, the Company disposed of its RAV8 Nickel Project, which was a component of the Nickel Assets divested to NickelSearch. Further details regarding the disposal are provided at note 5.

10. Property, plant and equipment

30 June 2022	Land & buildings $	Plant & equipment $	Motor vehicles $	Office equipment $	Total $
Cost					
Opening balance	537,411	271,365	63,558	37,766	910,100
Additions	-	118,161	50,799	60,045	229,005
Disposals	(88,772)	-	-	-	(88,772)
Balance as at 30 June 2022	**448,639**	**389,526**	**114,357**	**97,811**	**1,050,333**
Depreciation					
Opening balance	-	(56,840)	(28,620)	(8,586)	(94,046)
Depreciation	(3,935)	(28,875)	(11,855)	(17,037)	(61,702)
Balance as at 30 June 2022	**(3,935)**	**(85,715)**	**(40,475)**	**(25,623)**	**(155,748)**
Carrying amount					
Opening balance	537,411	214,525	34,938	29,180	816,054
Balance as at 30 June 2022	**444,704**	**303,811**	**73,882**	**72,188**	**894,585**

30 June 2021	Land & buildings $	Plant & equipment $	Motor vehicles $	Office equipment $	Total $
Cost					
Opening balance	88,772	191,184	63,558	8,900	352,414
Additions	448,639	80,181	-	28,866	557,686
Balance as at 30 June 2021	**537,411**	**271,365**	**63,558**	**37,766**	**910,100**
Depreciation					
Opening balance	-	(41,234)	(20,697)	(3,025)	(64,956)
Depreciation	-	(15,606)	(7,923)	(5,561)	(29,090)
Balance as at 30 June 2021	**-**	**(56,840)**	**(28,620)**	**(8,586)**	**(94,046)**
Carrying amount					
Opening balance	88,772	149,950	42,861	5,875	287,458
Balance as at 30 June 2021	**537,411**	**214,525**	**34,938**	**29,180**	**816,054**

Notes to the consolidated financial statements

11. Trade and other payables

	Jun 2022 $	Jun 2021 $
Trade payables	829,642	1,233,537
Net GST payable	10,091	-
Accruals	167,218	536,828
Other payables	71,605	38,722
Balance at the end of the period	**1,078,556**	**1,809,087**
Current	1,078,556	1,809,087
Balance at the end of the period	**1,078,556**	**1,809,087**

12. Employee benefits

	Jun 2022 $	Jun 2021 $
Salaries, wages and other benefits accrued	81,642	52,080
Leave liabilities	146,159	97,884
Balance at the end of the period	**227,801**	**149,964**

13. Borrowings

	Jun 2022 $	Jun 2021 $
Unsecured borrowings	4,000,000	4,000,000
Balance at the end of the period	**4,000,000**	**4,000,000**
Non-current	4,000,000	4,000,000
Balance at the end of the period	**4,000,000**	**4,000,000**

The Company's borrowings are represented by an unsecured shareholder loan. The key terms of the loan are set out below:

- the loan may be secured by charge over the Company's projects located in Ravensthorpe, Western Australia (**Projects**) (no security has been perfected to date);
- any security perfected shall be subordinated (as required) to any new debt financing obtained by the Company;
- the loan is repayable upon the receipt of the proceeds following the sale of all, or part of the Projects, a change of control of the Group and no later than 120 days after a decision is made by the Company to commence development of the Projects; and
- interest accrues at 6% p.a., payable in arrears at the end of each calendar quarter.

The Company has assessed it has complied with the terms and conditions of the loan during the period.

Notes to the consolidated financial statements

14. Provisions

	Jun 2022 $	Jun 2021 $
Balance at beginning of the period	2,362,844	2,094,014
Unwind of discount on site restoration costs	-	43,167
Provisions made during the period	-	225,663
Provisions reversed during the period	(1,664,292)	-
Balance at end of the period	**698,552**	**2,362,844**
Current	-	-
Non-current	698,552	2,362,844
Balance at the end of the period	**698,552**	**2,362,844**

The Company's provisions represent provisions for site restoration costs. The provision includes estimates of costs associated with reclamation, rehabilitation and other costs associated with the restoration of sites where the Company's projects are located.

The Company has divested its RAV8 Nickel Project (**RAV8**) and has de-recognised the associated provision for restoration of $1,664,292 previously provided for in relation to RAV8. Refer note 5 for further details.

15. Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Company is required to meet annual minimum expenditure requirements as specified by the Western Australian state government. The Company must report expenditure for each tenement annually, at which point it is determined if the Company has met the minimum expenditure requirements for the tenement, failure to meet the minimum expenditure requirement may result in the loss of tenure.

Annual reporting falling due within 12 months after balance date contain minimum expenditure requirements of approximately $455,500. The Company has incurred varying levels of expenditure against those commitments as at balance date and is therefore not committed to expending the full amount to meet the minimum expenditure requirement.

The Company has received Ministerial approval for combined reporting status for its tenements at Ravensthorpe. Approval for combined reporting establishes a group for the purpose of applying for expenditure exemptions under sections 102(2)(h) of the Mining Act.

16. Share capital

The Company's share capital comprises fully paid ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are fully paid and rank equally with regard to the Company's residual assets.
The number of ordinary shares on issue and amounts paid up, net of transactions costs, are as presented below.

Ordinary share capital	Jun 2022 shares	Jun 2021 shares	Jun 2022 $	Jun 2021 $
On issue at the beginning of the period	170,522,545	11,615,132	19,361,365	8,104,240
Exercise of incentive options[1]	88,000	358,553	-	3,585
Effects of a subdivision of shares	-	107,763,165	-	-
Issued for cash, net of costs[2]	25,069,570	50,000,000	4,074,704	11,253,540
Issued for the acquisition of E&E assets		785,695	-	-
On issue at the end of the period, net of costs	**195,680,115**	**170,522,545**	**23,436,069**	**19,361,365**

[1] **Exercise of options**

In June 2022, 88,000 ordinary shares were issued to an employee of the Company upon the exercise of incentive options (refer note 19).

[2] **Placement**

During the year, the Company completed a placement issuing 25,069,570 ordinary shares at 19 cents per share, raising approximately $4.8 million before costs (**Placement**). The Placement was completed in two tranches:

- 24,674,833 shares issued to sophisticated investors, placed under the Company's ASX Listing Rule 7.1 capacity; and
- 394,737 shares issued to directors of the Company, placed upon receiving shareholder approval.

Cash costs of the offer were approximately $290,000. Additional non-cash costs of approximately $398,000 were recognised in respect of options granted to the lead manager of the placement, which have been accounted for as a share-based payment (refer note 19).

17. Reserves

Share-based payments reserve

The share-based payments reserve includes the cumulative share-based payments expense recognised in respect of share options granted. Refer to note 19 for further information regarding share-based payments.

Option premium reserve

The Company has recognised an option premium reserve of $4,000 in respect of the subscription price paid in relation to unlisted options issued March 2021.

18. Loss per share

Basic loss per share attributable to ordinary shareholders

The basic loss per share for the period is $0.02 (2021 loss per share: $0.03). The calculation of loss per share at 30 June 2022 was based on the consolidated loss attributable to ordinary shareholders of $3,596,723 (2021 loss: $3,773,073) and a weighted average number of ordinary shares outstanding of 184,944,521 (2021: 133,028,143) calculated as follows:

	Jun 2022 $	Jun 2021 $
Profit/(Loss) for the period	(3,596,723)	(3,773,073)
Interest income	-	-
Profit/(Loss) attributable to ordinary shareholders (diluted)	**(3,596,723)**	**(3,773,073)**

Basic weighted average number of ordinary shares

Weighted average effects	Jun 2022 shares	Jun 2021 shares
Opening balance	170,522,545	116,151,320
Effect of shares issued	14,421,976	16,876,823
Weighted average number of ordinary shares at the end of the period	**184,944,521**	**133,028,143**

Diluted loss per share

The Company does not have any potential ordinary shares whose conversion to ordinary shares would have a dilutive effect on basic loss per share and as such, diluted loss per share is equal to basic loss per share. Potential ordinary shares of the Company consist of 25,000,000 ASX listed options (ASX: MM8O) and 13,666,100 unlisted options.

In accordance with AASB 133 'Earnings per Share' these options have been excluded from the calculation of diluted loss per share due to the antidilutive effect.

Notes to the consolidated financial statements

19. Share based payments

Share based payments recognised during the period

Share based payments	Note	Jun 2022 $	Jun 2021 $
Recognised in profit or loss	*19 a)*	646,339	594,530
Recognised in equity	*19 b)*	398,474	374,933
Recognised in the statement of financial postion		-	188,567
Balance at the end of the period		**1,044,813**	**1,158,030**

19 a) Incentive Options Plan

The Company has an established an Incentive Options Plan (**IOP**) under which directors, employees and certain other eligible participants may be offered options to acquire shares in the Company (**IOP Options**), subject to the terms of the IOP and any additional terms and conditions as the Company determines. The objective of the plan is to assist in the recruitment, reward, retention and motivation of eligible persons in the Group.

The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible participant criteria as defined in the IOP, unless determined otherwise by the Board.

The following table illustrates the number and weighted average exercise prices (**WAEP**) of, and movements in, IOP Options during the period:

	Jun 2022		Jun 2021	
	options	WAEP ($)	options	WAEP ($)
Opening balance	4,220,000	0.01	358,553	0.01
Options granted during the period	1,622,100	-	4,220,000	0.01
Options exercised during the period	(88,000)	-	(358,553)	0.01
Options lapsed during the period	(88,000)	-	-	-
Options outstanding at the end of the year	**5,666,100**	**0.01**	**4,220,000**	**0.01**
Options exercisable at the end of the year	**2,789,050**	**0.01**	**-**	**-**

As at the end of the period, 3,150,000 IOP Options granted to directors of the Company are subject to escrow until 22 March 2023.

The outstanding balance of IOP Options as at 30 June 2022 is represented by:

Notes to the consolidated financial statements

Number of options	Grant date	Vesting	Expiring	Strike price per option ($)	Contractual life (years)	Fair value per option ($)
Key Management Personnel						
1,935,000	16-Oct-20	Performance conditions[1]	15-Oct-25	0.01	5.0	0.24
1,935,000	16-Oct-20	Vested[2]	15-Oct-25	0.01	5.0	0.24
Other employees						
175,000	16-Oct-20	Performance conditions[1]	15-Oct-25	0.01	5.0	0.24
175,000	16-Oct-20	Vested[2]	15-Oct-25	0.01	5.0	0.24
440,300	21-Oct-21	Performance conditions[3]	20-Oct-26	-	5.0	0.22
440,300	21-Oct-21	Vested[2]	20-Oct-26	-	5.0	0.22
282,750	16-Mar-22	Performance conditions[3]	15-Mar-27	-	5.0	0.25
194,750	16-Mar-22	Vested[2]	15-Mar-27	-	5.0	0.25
44,000	20-May-22	Performance conditions[3]	19-May-27	-	5.0	0.24
44,000	20-May-22	Vested[2]	19-May-27	-	5.0	0.24

[1]Performance conditions:

- 50% vesting upon achieving a 20 trading day Volume Weighted Average Price (**VWAP**) of $0.40 per share; and
- 50% vesting upon achieving a 20 trading day VWAP of $0.50 per share.

[2]Vested options:

- vested on 14 June 2022 upon the satisfaction of their vesting criteria following the declaration of JORC Resources in excess of 1 million ounces of gold at RGP ounces of gold at RGP.

[3]Performance conditions:

- vesting upon completion of two years of continuous service from grant date.

Fair value of IOP Options granted during the period

The grant date fair value of the IOP Options granted to employees during the period was measured using the Black-Scholes formula. No IOP Options were granted to Key Management Personnel during the period.

The inputs used to determine the fair value of options granted during the period were:

Period ended 30 June 2022	Employee grant 21-Oct-21	Employee grant 16-Mar-22	Employee grant 20-May-22
Fair value at grant date	$0.22	$0.25	$0.24
Expected dividends	0%	0%	0%
Contractual life (years)	5.0	5.0	5.0
Market value of underlying shares	$0.22	$0.25	$0.24
Option exercise price	$0.00	$0.00	$0.00
Expected volatility of the underlying shares	90.00%	90.00%	90.00%
Risk free rate applied	1.17%	2.14%	2.55%

19 b) Lead Manager Options

The Company executed a Lead Manager Mandate (**Mandate**) with Canaccord Genuity (Australia) Limited (**Lead Manager**) in relation to a Placement (refer note 16). The terms of the Mandate included the issue of 2 million options exercisable at $0.285 per option and a further 2 million options exercisable at $0.38 per option on or before 31 January 2025.

Notes to the consolidated financial statements

No Lead Manager Options were exercised during the period.

Fair value of Lead Manager Options granted during the period

In accordance with the Company's accounting policies, the grant date fair value of the Lead Manager Options was measured using the Black-Scholes formula. The inputs used to determine the fair value of the options granted were:

Period ended 30 June 2022	Option grant 31-Jan-22	Option grant 31-Jan-22
Fair value at grant date	$0.11	$0.09
Expected dividends	0%	0%
Contractual life (years)	3.0	3.0
Market value of underlying shares	$0.21	$0.21
Option exercise price	$0.29	$0.38
Expected volatility of the underlying shares	90.00%	90.00%
Risk free rate applied	1.43%	1.43%

20. Related parties

Key Management Personnel compensation

	Jun 2022 $	Jun 2021 $
Short-term employee benefits	677,096	539,530
Post-employment benefits	67,709	51,255
Share based payments	390,353	545,221
Key management personnel compensation	**1,135,158**	**1,136,006**

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report as presented of the Directors' Report at section 22.

Other Key Management Personnel transactions

A number of Key Management Persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial and/or operating policies of those entities. Transactions and balances with related parties are as set out in the table below.

Transactions with related parties of Key Management Persons are considered within a normal employment, customer or supplier relationships on terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing at arms-length with an unrelated person.

Notes to the consolidated financial statements

Related party transaction	Transactions value 2022 $	Balance outstanding 30 June 2022 $	Transactions value 2021 $	Balance outstanding 30 June 2021 $
Office rent paid to a company which Ian Junk is a director[1]	-	-	8,500	-
Consultancy fees paid to a company which Tony James is a director[2]	-	-	9,000	-
Total and current liabilities	**-**	**-**	**17,500**	**-**

[1] Mr Junk is a former director of the Company having resigned on 10 August 2020.
[2] Fees paid to Mr James in relation to technical services provided prior to his appointment as a director.

21. Parent entity information

	June 2022 $	June 2021 $
Result		
Loss for the period	(3,596,723)	(3,773,072)
Other comprehensive income	-	-
Total comprehensive loss	(3,596,723)	(3,773,072)
Financial position		
Current assets	2,251,795	9,412,406
Total assets	15,928,801	16,852,223
Current liabilities	(1,328,176)	(2,088,281)
Total liabilities	(6,043,289)	(8,489,505)
Net assets	**9,885,512**	**8,362,718**
Equity		
Share capital	23,436,069	19,361,365
Reserves	3,393,493	2,348,680
Accumulated losses	(16,944,050)	(13,347,327)
Total equity	**9,885,512**	**8,362,718**

22. Auditors remuneration

	Jun 2022 $	Jun 2020 $
Audit and review services	39,700	31,000
Other services:		
- Assurance services connected with an IPO	-	30,637
- Taxation services	5,150	-
Balance at end of the period	**44,850**	**61,637**

23. Subsequent events

Non-renounceable pro-rata entitlement issue

In August 2022, the Company announced pro-rata non-renounceable entitlement issue seeking to raise approximately $5.2 million before costs through the issue of 32,613,353 ordinary shares (**Offer**). The Offer was 16 cents per share and conducted on entitlement of 1 share for every 6 shares held at the record date. The Offer was fully underwritten by Canaccord Genuity (Australia) Limited.

The Offer was oversubscribed, raising the full amount sought of approximately $5.2 million. The Offer settled on 29 August 2022 and the resultant 32,613,353 shares were issued on 30 August 2022.

Unlisted share option exercise

On 12 August 2022, the Company issued 2,114,050 ordinary shares following the exercise 1,435,000 of unlisted share options with an exercise price of $0.01 per option and a further 679,050 unlisted share options with an exercise price of nil. No amounts are unpaid on the shares issued.

There have been no other events subsequent to balance date which would have a material effect on the Group's consolidated financial statements.

Directors' declaration

In accordance with a resolution of the Directors of Medallion Metals Limited, I declare that:

1. In the opinion of the Directors:

    a) The consolidated financial statements and notes of Medallion Metals Limited for the year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the consolidated financial position as at 30 June 2022 and of its performance for the year ended on that date; and

        ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2 (b).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Board:

Paul Bennett
Managing Director

Dated at Perth, this 29th day of September 2022

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Medallion Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Medallion Metals Limited (the Company) and its subsidiary (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 report, including a summary of significant accounting policies and the directors' declaration.

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

(i) 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 ended on that date; and

(ii) 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Material uncertainty related to going concern

We draw attention to Note 2 (a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 of the current period. 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation asset

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 9 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group at 30 June 2022. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 2(e) and Note 9 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2022, but does not include the financial report and the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor’s report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Medallion Metals Limited, 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.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth

29 September 2022

Auditor's independence declaration

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF MEDALLION METALS LIMITED

As lead auditor of Medallion Metals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Medallion Metals Limited and the entity it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2022

ASX additional information

AS AT 13 SEPTEMBER 2022

Securities on issue

Medallion Metals Limited shares and are listed on the Australian Stock Exchange (**ASX**) and quoted under the ASX code MM8. The Company has issued 25,000,000 options which are listed on the ASX and quoted under the code MM8O (**Listed Options**) and a further 11,552,050 options on issue which are not quoted on the ASX (**Unlisted Options**).

20 largest shareholders

Rank	Name	Units	%
1	BOLONG (AUSTRALIA) INVESTMENT MANAGEMENT PTY LTD	50,000,000	21.7%
2	LANGYU INTERNATIONAL HOLDINGS LTD	20,953,952	9.1%
3	MINMETALS PTY LTD <THE MINING A/C>	16,750,000	7.3%
3	AURORA PROSPECTS PTY LTD <AURORA FAMILY A/C>	16,750,000	7.3%
4	FAN RONG MINERALS CONSULTING PTY LTD <FAN RONG FAMILY A/C>	16,562,500	7.2%
5	SHC SMART INVESTMENT PTY LTD	7,000,000	3.0%
5	MRS YAN WANG <AUST WEST COAST TRAVEL A/C>	7,000,000	3.0%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,666,666	2.0%
7	MR PAUL WILLIAM BENNETT & MR STUART HAMILTON BENNETT <SCP BENNETT I	4,375,461	1.9%
8	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	3,972,500	1.7%
9	NUB HOLDINGS PTY LTD <NUB OPERATING A/C>	3,592,110	1.6%
10	JJ METAL RESOURCES PTY LTD <JJ METAL RESOURCES FAM A/C>	3,492,324	1.5%
11	CX SUPER PTY LTD <CX SUPER FUND A/C>	2,333,334	1.0%
12	PIPO INVESTMENT PTY LTD <PIPO INVESTMENT UNIT A/C>	2,125,000	0.9%
13	UBS NOMINEES PTY LTD	1,875,000	0.8%
14	BUTTERFLY TRADING PTY LTD	1,729,167	0.8%
15	AYERS CAPITAL PTY LTD	1,553,057	0.7%
16	RUBI HOLDINGS PTY LTD <JOHN RUBINO SUPER FUND A/C>	1,350,000	0.6%
17	CERTANE CT PTY LTD <BC2>	1,342,018	0.6%
18	AARON CHARLES WEHRLE <WEHRLE INVESTMENT A/C>	1,197,370	0.5%
19	NORFOLK BLUE PTY LTD <NORFOLK BLUE A/C>	1,069,962	0.5%
20	RECO HOLDINGS PTY LTD <RECO SUPER FUND A/C>	1,006,461	0.4%
Total Top 20 Shareholders		**170,696,882**	**74.1%**

Distribution of shareholders

Range	Total holders	Units	% Units
1 - 1,000	13	3,065	0.0%
1,001 - 5,000	129	403,002	0.2%
5,001 - 10,000	106	870,666	0.4%
10,001 - 100,000	467	18,751,320	8.1%
100,001 Over	192	210,379,465	91.3%
Total	**907**	**230,407,518**	**100.0%**

Unmarketable parcels

The number of shareholders holding less than a Marketable Parcel is 66.

ASX additional information

Substantial shareholder notices lodged with the Company

The names of substantial shareholders as disclosed in substantial shareholding notices given to the Company are:

Name	Units	%
BOLONG (AUSTRALIA) INVESTMENT MANAGEMENT PTY LTD	50,000,000	21.7%
LANGYU INTERNATIONAL HOLDINGS LTD	17,960,530	9.2%
MINMETALS PTY LTD<THE MINING A/C>	15,500,000	7.9%
AURORA PROSPECTS PTY LTD<AURORA FAMILY A/C>	15,500,000	7.9%
FAN RONG MINERALS CONSULTING PTY LTD<FAN RONG FAMILY A/C>	15,000,000	7.7%

20 largest Listed Option holders

Rank	Name	Units	%
1	MRS YAN WANG <AUST WEST COAST TRAVEL A/C>	3,000,000	12.0%
1	SHC SMART INVESTMENT PTY LTD	3,000,000	12.0%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,000,000	8.0%
3	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,000,000	4.0%
3	CX SUPER PTY LTD <CX SUPER FUND A/C>	1,000,000	4.0%
4	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	700,000	2.8%
5	BUTTERFLY TRADING PTY LTD	600,000	2.4%
6	UBS NOMINEES PTY LTD	587,088	2.4%
7	ASTROGEM PTY LTD	500,000	2.0%
8	MR TIMOTHY MCKENZIE BAKER	444,444	1.8%
9	CITICORP NOMINEES PTY LIMITED	412,912	1.7%
10	MS TINA RITCHIE	391,500	1.6%
11	QUAALUP INVESTMENTS PTY LTD	344,000	1.4%
12	MR JOHN MICHAEL JONES & MRS FELICITY ANN JONES <JONES SUPER FUND A/C>	300,000	1.2%
12	MR GEOFFREY JAMES HARRIS	300,000	1.2%
13	GREEN DRILLING PTY LTD <GREEN DRILLING SUPER A/C>	296,000	1.2%
14	JETOSEA PTY LTD	250,000	1.0%
15	MR JOSHUA PHILIP PURTON	225,000	0.9%
16	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	205,450	0.8%
17	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	200,000	0.8%
17	MR PAUL WILLIAM BENNETT & MR STUART HAMILTON BENNETT <SCP BENNETT INVESTMENT A/C>	200,000	0.8%
18	MR CLAYTON JOHN SHARP & MRS EMMA LEE SHARP	195,000	0.8%
19	KUMAMOTO INVESTMENTS PTY LTD <KUMAMOTO SUPER FUND A/C>	182,300	0.7%
20	MR HAN SWEE TAN	180,000	0.7%
20	GLADSTONE MINING (WA) PTY LTD <STUART TONKIN INVEST A/C>	180,000	0.7%
20	MRS LAY HOON LEE	180,000	0.7%
Total Top 20 Listed Optionholders		**16,873,694**	**67.5%**

ASX additional information

Distribution of Listed Options

Range	Total holders	Units	% Units
1 - 1,000	-	-	-
1,001 - 5,000	44	196,000	0.8%
5,001 - 10,000	100	930,000	3.7%
10,001 - 100,000	177	6,098,350	24.4%
100,001 Over	33	17,775,650	71.1%
Total	**354**	**25,000,000**	**100.0%**

Distribution of Unlisted Options

Range	Total holders	Units	% Units
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	10	669,650	5.8%
100,001 Over	9	10,882,400	94.2%
Total	**19**	**11,552,050**	**100.0%**

On market buy back

The Company has not initiated an on-market buy back of any of its securities.

Voting rights

Ordinary shares

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

Options

Optionholders have no voting rights.

Use of cash and assets

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the period from its admission to the Official List of the ASX to the financial year ended 30 June 2022.

Restricted and escrowed securities

The following securities are restricted or subject to voluntary escrow:

Class	Number	Restriction or escrow end date
Ordinary shares	90,452,459	22 March 2023
Listed options over ordinary shares exercisable at $0.35 on or before 31 January 2023	4,000,000	22 March 2023
Unlisted options over ordinary shares exercisable at $0.01 on or before 15 October 2025	2,250,000	22 March 2023

MEDALLION METALS

LIMITED

www.medallionmetals.com.au