Metalicity Limited
ABN: 92 086 839 992

2022 Annual report

For the year ended 30 June 2022

Corporate Directory

Directors
Andrew Daley – Non-Executive Chairman
Justin Barton – Managing Director
Jason Livingstone – Non-Executive Director

Company Secretary
Nick Day

Auditors
Pitcher Partners BA&A Pty Ltd
Level 11
12-14 The Esplanade
PERTH WA 6000

Solicitors
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Bankers
ANZ Banking Group Ltd
1275 Hay Street
WEST PERTH WA 6005

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PERTH AIRPORT WA 6105
Telephone: +61 8 6500 0202

Share Registry
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QV1 Building
Level 12, 250 St Georges Terrace
PERTH WA 6000
Investor Enquiries: 1300 554 474
Facsimile: (02) 9287 0303

Securities Exchange Listing
Securities of Metalicity Limited are listed on the Australian Securities Exchange (ASX).
ASX Listed Shares Code: MCT
ASX Listed Options Code: MCTOA

Web Site: www.metalicity.com.au

Contents

Directors' Report

The Directors of Metalicity Limited (the "Company" or "Metalicity") submit herewith the annual financial report of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2022.

Directors

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

Name	Particulars
Andrew Daley	Non-Executive Chairman (appointed as Chairman on 18 May 2021)
Justin Barton	Managing Director (appointed Managing Director on 1 January 2022) (previously appointed CEO on 1 June 2021)
Jason Livingstone	Non-Executive Director (appointed 4 July 2022) (previously appointed Technical Director on 1 June 2021)

The above-named Directors held office during and since the financial year, except as otherwise indicated.

Principal Activities

The Group's principal activity as at the date of this report is mineral exploration and development of the Kookynie and Yundamindra Gold Projects, that the Company has an effective 67.8% joint venture interest in through direct ownership of 51% and ~34.3% indirect interest via Nex Metals Exploration Ltd ("Nex"), and the recently acquired Mt Surprise Lithium Project and the Georgetown Lithium Project.

Review of Operations and Results

Throughout the year the Company continued to explore and develop the Kookynie and Yundamindra gold projects.

Kookynie Gold Projects

The Kookynie Gold Project is located approximately 180km north of the town of Kalgoorlie and present an opportunity to develop a high-grade gold resource based off historic exploration within the area.

The Kookynie Project hosts the historical mining centres of Diamantina-Cosmopolitan-Cumberland, known as the DCC trend, as well as McTavish, Leipold, Champion and Altona (Figure 1).

Each of the historic mining operations were highly successful, with the Cosmopolitan gold mine producing 360,000 ounces of gold from discovery from 1895 to 1922[1],. During the early part of last century, the Cosmopolitan mine ranked as one of the largest and most profitable gold mines in Western Australia.

Metalicity has categorised the Kookynie Gold Project into three distinct zones based on key characteristics as geographic location, mineralisation style and stage of project advancement (Figure 1).

During the financial year, Metalicity completed further resource definition drilling and several rounds of extensive exploration drilling at the Kookynie Gold Project.

1 **Cautionary Statement Relating to Cosmopolitan Historical Production Data**

The Production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data reported has been referenced in the body of this announcement where production data has been reported. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012 Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

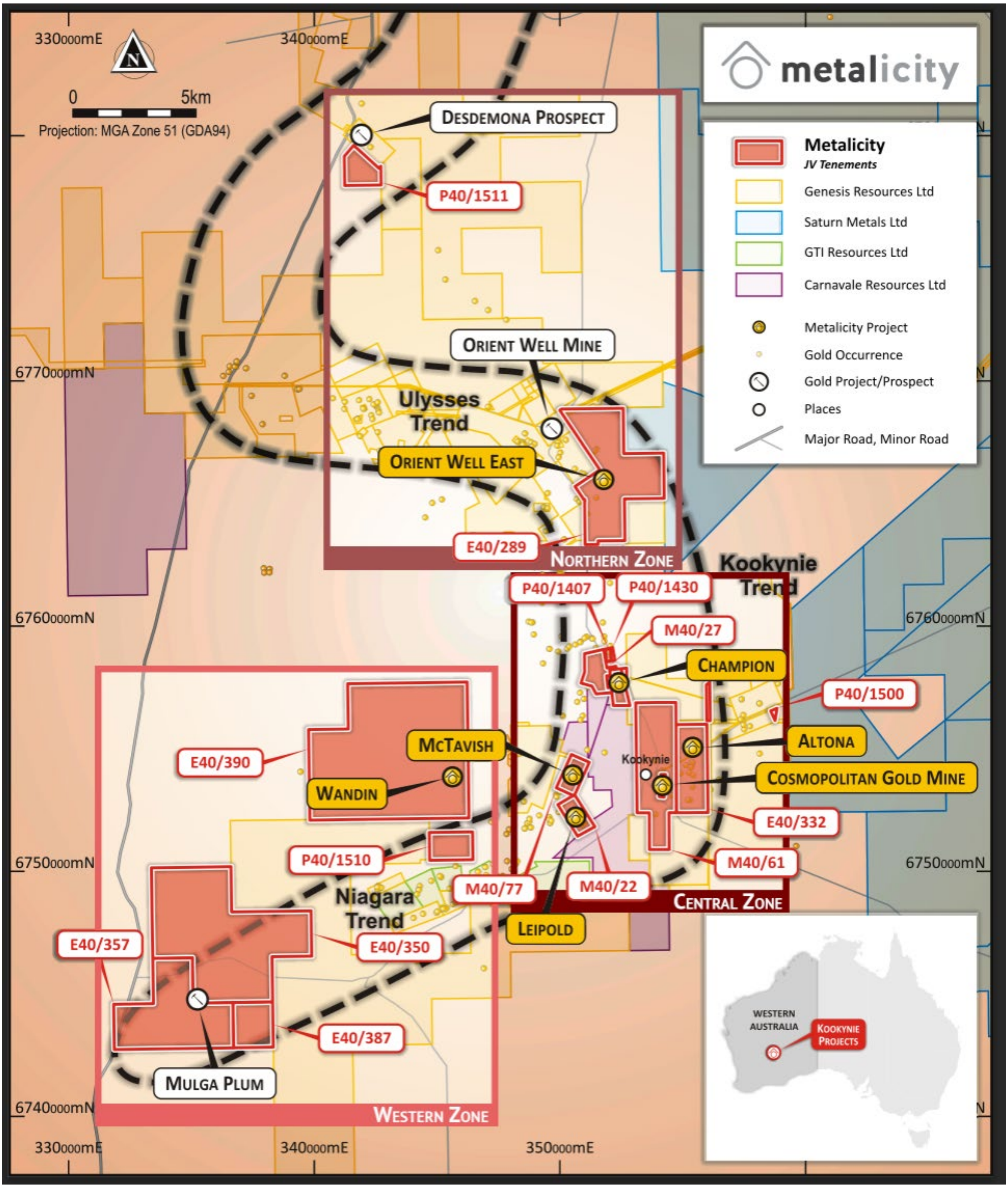

Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

Central Zone

The Central Zone of the Kookynie Gold project hosts several significant gold deposits and prospects and was the focus of exploration activities for the year. Primary exploration activities included a small program of Diamond and Reverse Cycle (RC) drilling for resource definition and mineral resource estimate purposes, drilling programs targeting extensions to known mineralisation and new exploration targets as well as numerous field reconnaissance visits by Metalicity geologists. A summary of total drilling activities is shown in Table 1 below [2],[3].

Drill Type	Total Holes	Total Metres
DDH (RC pre-collar)	7	625
RC	78	4,190
AC	90	5,213
Total	175	10,028

Assay results from drilling programs within the reporting period delivered greater resource definition for the Leipold, McTavish and Champion Deposits and a considerable extension of mineralisation over 400 metres to the McTavish Deposit, at McTavish South, with significant composite drilling intercepts shown in figure 2 below[4].

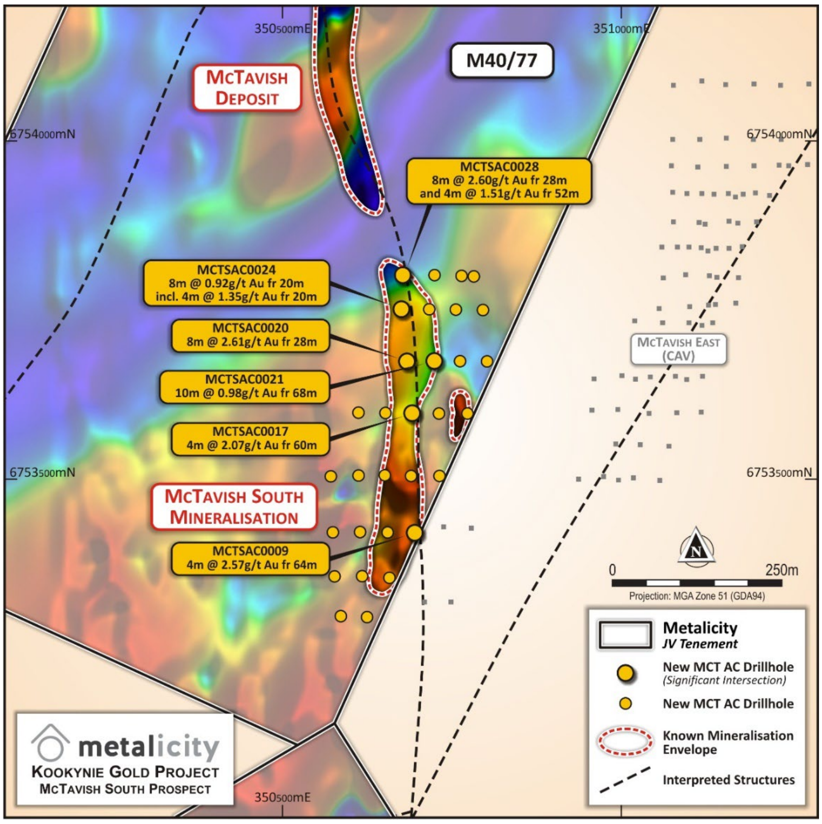

Figure 2 – McTavish South Prospect Drill Collars Plan Layout. Base map layer is a magnetic intensity first vertical derivative of the reduced to the pole pseudocolour mapping with directional sun shading from the northeast.

[2] ASX Announcement "Widest Intersection to Date at Kookynie as Champion & McTavish Continue to Deliver Strong Gold Results" dated 13th December 2021.
[3] ASX Announcement "Bonanza Grades Intercepted in a New Gold Zone Identified 200m to the East of the Main Leipold Lode" dated 6th December 2021.
[4] ASX Announcement "Drilling Extends Significant Gold Mineralisation along McTavish Trend by a Further 400 metres" dated 27th June 2022.

Exploration drilling also identified a number of anomalous mineralisation intercepts from several targets from a revised target generation review of previous drilling results, high-resolution aeromagnetic surveys and detailed interpretation of mineralised host structures.

Also completed during the year was the 2012 JORC compliant combined Mineral Resource Estimate ("MRE") for the Leipold, McTavish and Champion Deposits (See Resources Section of this report pg. 80)[5]. Diamond drilling undertaken during the reporting period was conducted to collect critical density data necessary for the MRE and to test the extent of the host quartz vein structure at depth.

Western Zone

Work undertaken in the Western Zone of the Kookynie Gold Project for the year involved a thorough review of previous drilling results and high-resolution aeromagnetic surveys identifying significant structures that control gold mineralisation on the Wandin tenement, including[6]:

- Brittle faulting interpreted to dislocate and offset stratigraphy analogous to the prolific Niagara Gold Mining Centre.
- Brittle fault and shear structures known to host gold mineralisation have been confidently extrapolated into the Wandin tenement

The Wandin Prospect and tenement area received minimal exploration in the past 15 years despite mapped lithologies analogous to the Niagara Mining Centre. The Niagara Mining Centre has a general strike length over five kilometres with significant gold endowment from historical extraction and has current in ground un-exploited resources making the prospects of the potential in the Wandin tenure very exciting (Figure 3).

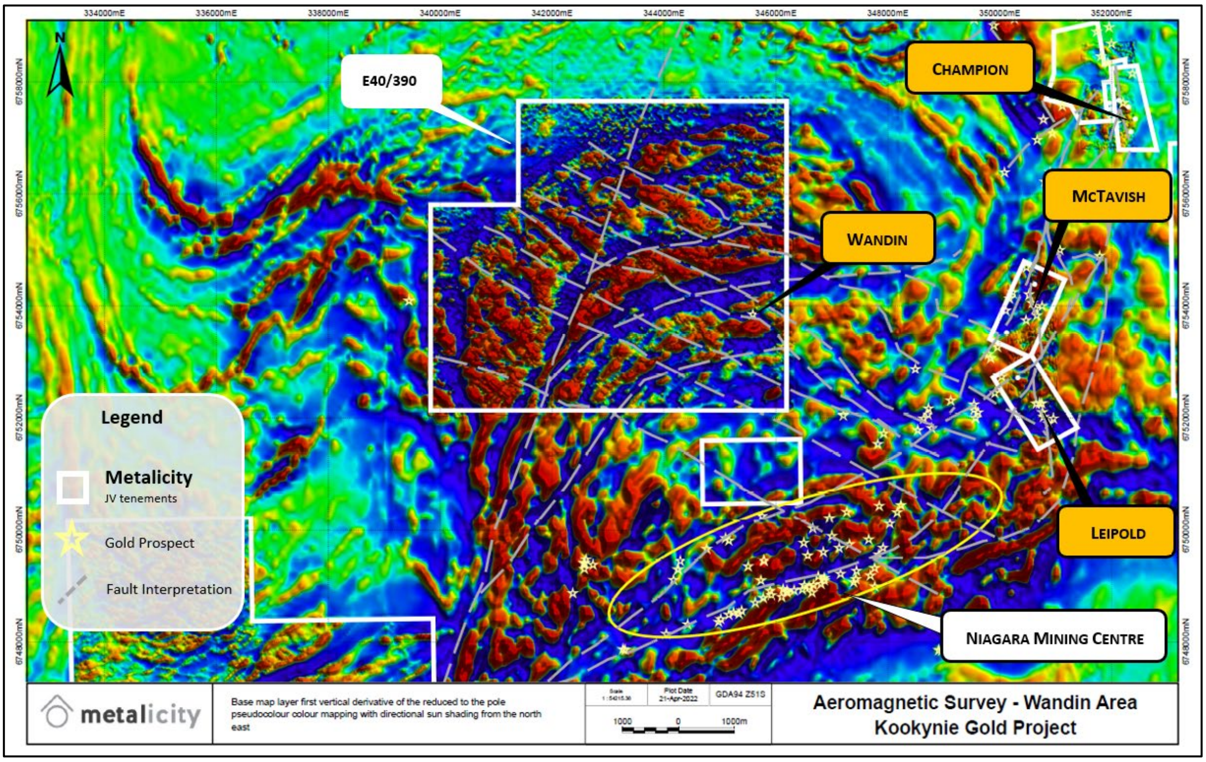

Figure 3. Wandin Geophysics and analogous zones.

Developed in parallel, same detailed review process undertaken for the Wandin area was applied to the Mulga Plum Prospect, coupled with historical drilling and surface rock chip results which include:

[5] ASX Announcement "Kookynie Maiden JORC 2012 Mineral Resource Estimate" dated 1st April 2022.

[6] ASX Announcement "Further Expansion of the Current Drilling Program to Test Wandin Highly Prospective Significant Structural Similarities Identified" dated 22nd April 2022.

- AJAR0009 – 2 metres @ 8.84 g/t Au from 14 metres,
- AJAR0003 – 2 metres @ 2.96 g/t Au from 42 metres, &
- AJAR0011 – 6 metres @ 1.22 g/t Au from 10 metres.
- Rock chips from veins have hosted mineralisation of up to 17.1 g/t Au (Figure 4).

An approved Program of Works ("POW") to follow up on historical drill intercepts from 2020 was added to the 2022 drilling program to test for structurally controlled, near surface mineralisation anomalies and potential unexposed extensions where the orientation of host structures and areas of associated mineralisation can be confidently extrapolated under alluvial cover at Mulga Plum[7].

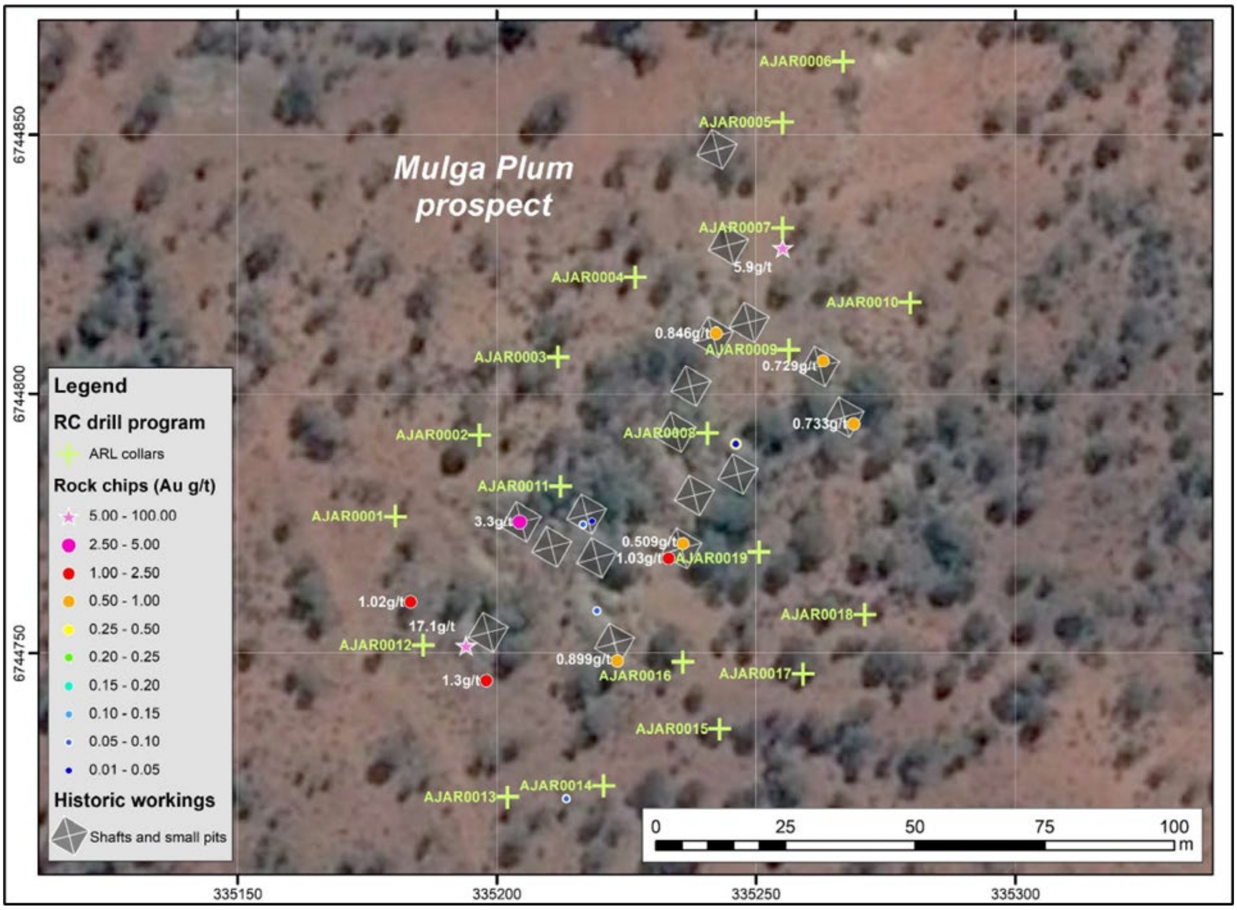

Figure 4. Previous Mulga Plum RC Drilling Collar Plot & Rock Chip Sample Locations.

Northern Zone

The Northern Zone of the Kookynie Gold Project represents the third priority area after the Central and Western Zones containing the Orient Well East Prospect which Metalicity drilled in late 2020. Similar to work carried out on the Central and Western Zones, a review of historic drilling and other exploration results as well as high-resolution aeromagnetic surveys and structural re-interpretation was undertaken, but strategic outcomes are yet to be completed for target generation purposes.

[7] ASX Announcement "Current Drilling Programme at Kookynie to be Significantly Expanded" dated 20th April 2022.

The Yundamindra Gold Project

The Yundamindra Gold Project is located 65 kms southeast of Leonora and 65 kms east of Kookynie. The project consists of none granted mining leases, which the Company will hold the rights to explore.

The Yundamindra Gold Project hosts high grade historical production of 74kt @ 19.3 g/t Au for 45,000 ounces. Significant intercepts from the Prospects within the Project include[8]:

- *Bound to Rise - 2m @ 7.21 g/t Au from 30 m in HC007,*
- *Pennyweight Point - 8m @ 56.36 g/t Au from 44 m in PV095,*
- *Golden Treasure North - 1m @ 48.1 g/t Au from 12 m in TDN18,*
- *Queen of the May - 2m @ 39.49 g/t Au from 31 m in QMN5, &*
- *Landed at Last - 2m @ 23.29 g/t Au from 30 m in LN11.*

The Yundamindra Project has only experienced shallow drilling and offers an opportunity for MCT to confirm and extend the known mineralisation occurrences within the area. The company has identified immediate drill targets at Penny Weight Point, Washington, Polish Queen and Maori Queen prospects. Field work has identified the presence of inverted paleochannels obscuring mineralised trends at the Yundamindra West line of lode[9].

All Yundamindra tenure is currently under plaint, however these proceedings are currently before the Wardens Court.

[8] Please refer to ASX Announcement "September 2019 Quarterly Activities Report" dated 30 October 2019.

[9] **Cautionary Statement Relating to Yundamindra Historical Production Data**

The Production details for the Yundamindra are referenced from publicly available data sources. The source and date of the production data for Yundamindra has been reported in the Geological Survey of Western Australia records showing the development of the Cosmopolitan Gold Mine in 1905. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. Two documents with WAMEX reference numbers A069774 and A067918 are of particular interest. The previous operator in the early 2000's, Point Exploration Ltd, digitised these historical maps, including the channel sampling. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012 Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

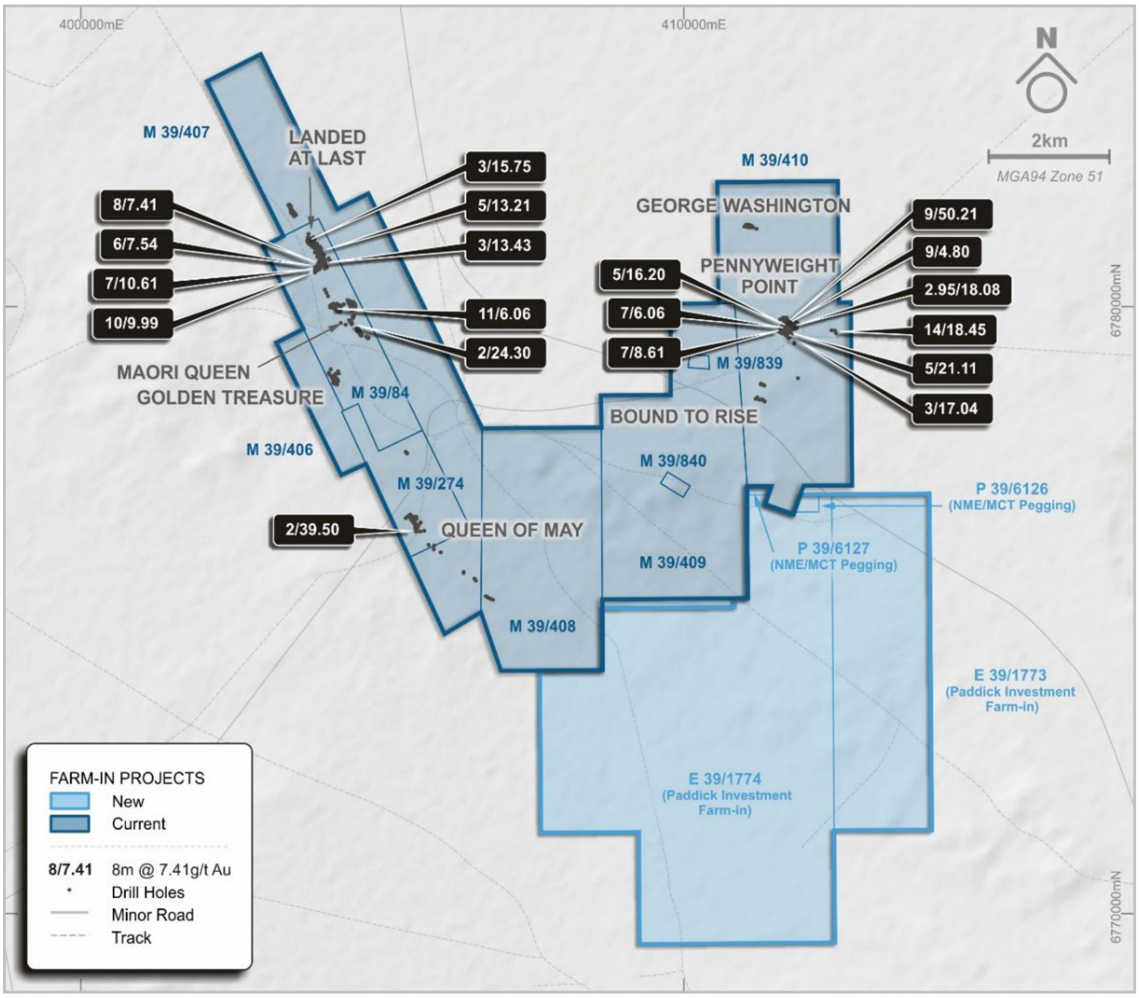

Figure 5 – Yundamindra Tenement Map

Mt Surprise and Georgetown Lithium Projects

Mt Surprise Lithium Project

The Mount Surprise project covers a large area approximately 165km from the city of Cairns, Queensland and 57 km northeast of the town of Mt Surprise (Figure 6). Mt Surprise is considered highly prospective for lithium, as evidenced by a historical rock chip sample that returned 3.55% Li2O[10]. The Project has seen minimal exploration work and, in particular, has not been properly explored for lithium and other valuable associated metals.

Reconnaissance rock sampling was conducted by Monax in 2016 (See MOX announcement May 2016) from an area identified as the Gingerella Site, which returned assay results outlined in the summary table below.

Site	Easting	Northing	Li_2O (%)	Ta (ppm)	Cs (ppm)	Rb (%)
Gingerella	252747	8039644	3.55	125.5	2560	1.23
	MGA94 (Zone 55)					

[10] ASX Announcement "Metalicity Secures Highly Prospective Lithium Project" dated 18th August 2022.

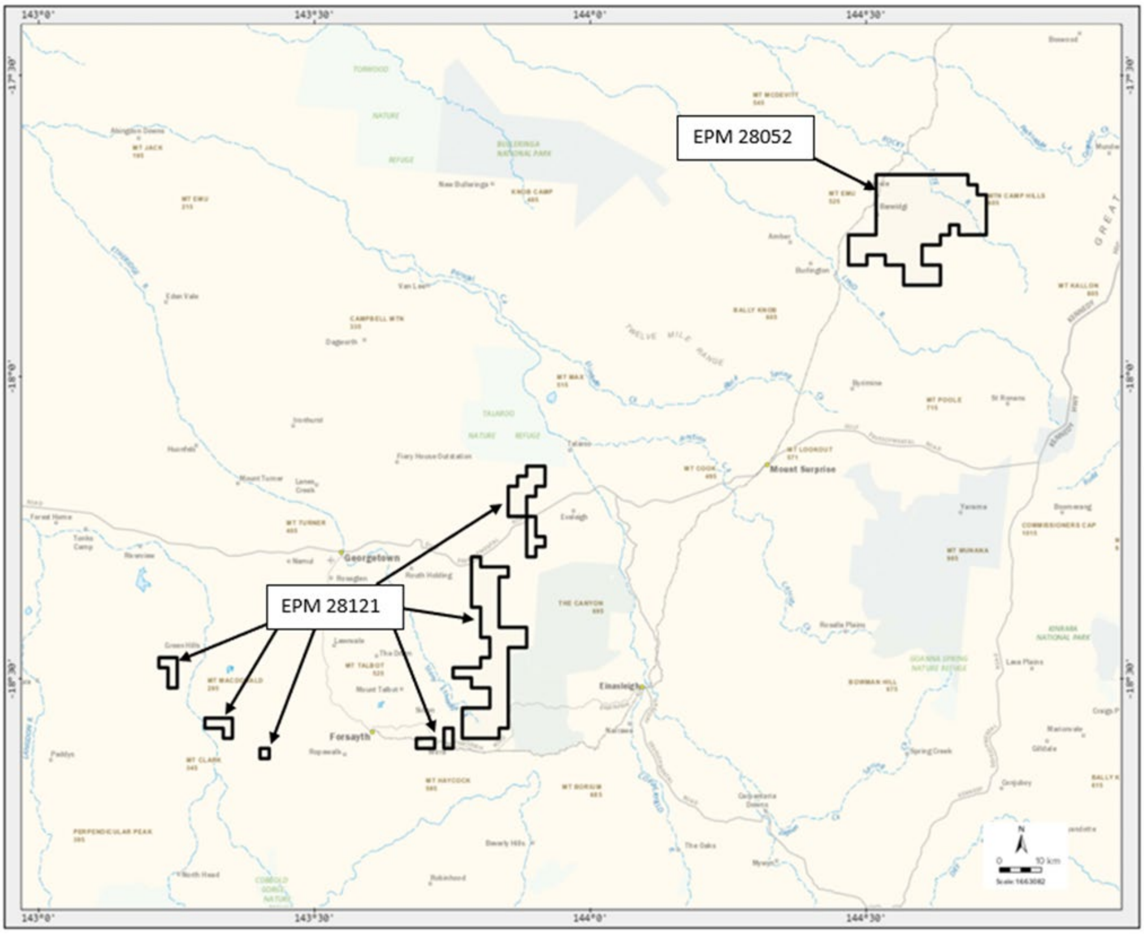

Figure 6 – Location of Application EPM 28052 Mt Surprise Project and EPM 28121 Georgetown Project - North Queensland.

The sampled outcrop is described as close to a quarry working the Double Barrel andesite but specifically along a red/pink altered contact of the underlying Blackman Granite and/or pegmatite. Lithium minerals were described as lepitolite (lithium mica) however the mineralogy has never been confirmed.

In addition, historic rock chip sampling results on the Mt Surprise tenure has indicated high-grade and anomalous copper and anomalous base metal and gold mineralisation within the EPM 28052 tenement boundary*. Some of the more significant copper and gold results are shown below.

- 27.5% Cu
- 6.73% Cu
- 4.04% Cu
- 3.67% Cu
- 1.62% Cu
- 1.32 g/t Au
- 1.21 g/t Au
- 1.11 g/t Au
- 18.8% Pb

The information presented is open to the public via the GSQ Open Data Portal System (formerly the QDEX system), and we are using this information, along with planned fieldwork in the very near future to assist the Company in our exploration efforts over the Mt Surprise Project[11].

[11] ASX Announcement "Historical Samples at the Mt Surprise Lithium Project Identify Significant Copper mineralisation over 5km Strike" dated 2nd September 2022.

These preliminary results highlight the significant prospectivity of this area, which has not been explored in any detail for Lithium mineralisation*.

Georgetown

The Georgetown Project covers an extensive area and a wide range of prospective lithologies including the White Springs Granodiorite, Einasleigh Metamorphics as well as a number of other intrusives, volcanic and non-volcanic metasediments (Figure 7). The regional area of the Georgetown Project is a highly mineralised system which includes numerous mineral occurrences of precious and base metals as well as Lithium Caesium Tantalum (LCT) occurrences including Buchannan pegmatite hosted lithium-tantalum deposit held by Strategic Metals Australia Buchanans LCT pegmatite discovery by Strategic Metals Australia2 (Figure 7).

Similar to the lithology of the Mt Surprise Project area, Metalicity regards the Georgetown Project area as fertile to produce more LCT (Lithium-Caesium-Tantalum) pegmatites prospective for lithium mineralisation.

Within the northern area of exploration permit application EPM 28121 several outcropping pegmatite dykes were mapped from well exposed outcrops with a total strike length of up to 3 kilometres (Figure 7). These pegmatites will be the initial investigation sites for a detailed exploration program including detailed field mapping and rock chip sampling that will assist in developing a more detailed exploration program across the total tenement area.

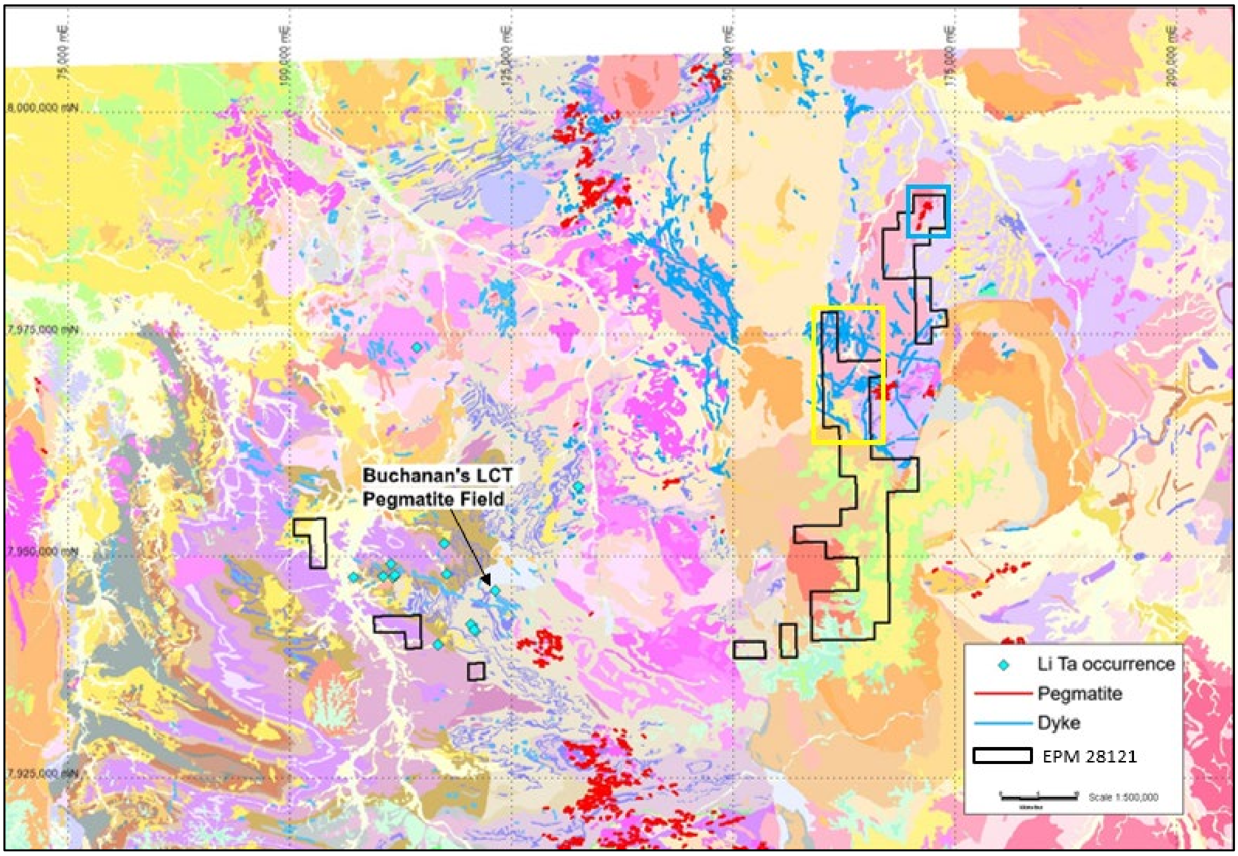

Figure 7 - Location of Application EPM 28121 Georgetown Project - North Queensland. 100,000 bedrock geology by Geological Survey of Qld. Blue polygon indicates mapped pegmatites, significant area of Felsic/Rhyolitic dykes highlighted as yellow polygon.

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*Cautionary Note: Confidence in the precise location of historical surface samples collected is low as an older, superseded coordinate system was utilised. The location of the samples can be approximated using georeferenced features relative to current information available on the GSQ Open Data Portal System. More exploration sampling and confirmation geological mapping is required to establish what is representative of the true extent and sample grade of all types of mineralisation within the Project area.

Admiral Bay

The Company currently holds an ~80.3% interest in Kimberley Mining Ltd.(KML), that in turn holds 100% of the Admiral Bay Asset. While the asset itself is on care and maintenance, the Company is continuing to look for opportunities to monetise its interest in KML.

The Admiral Bay Zinc Project is located in the Kimberley region of Western Australia, approximately 140 km south of Broome. The general area in which the Project is located is characterised by low elevation and fairly flat terrain. The Project consists of 2 granted mining leases (MLs) and an exploration licence (EL).

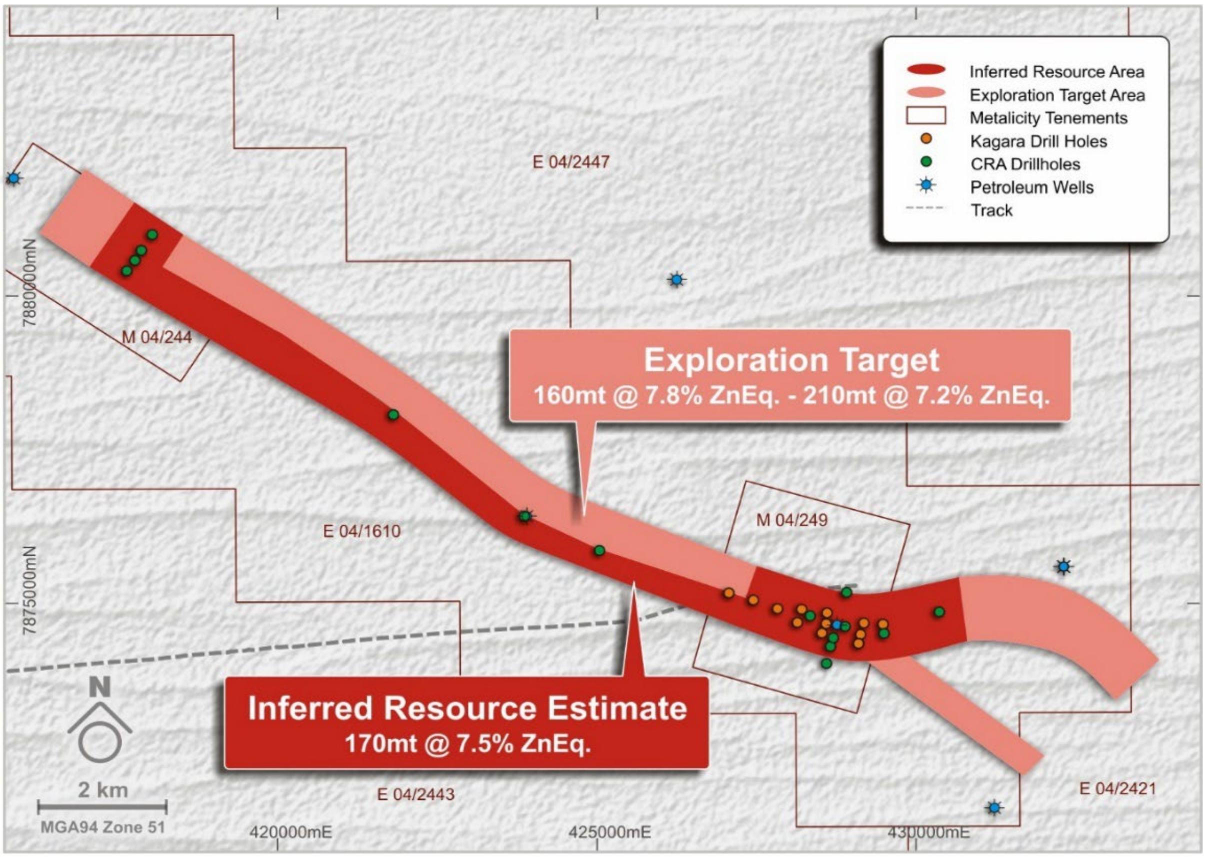

Figure 8 – Admiral Bay tenements and historical drilling

Metalicity has previously undertaken an updated Inferred Mineral Resource Estimate (MRE) of 170 Mt at 7.5% ZnEq (Figure 8), with a high-grade zone of 20Mt at 10% ZnEq (including 4.9Mt at 12.5% ZnEq)[1]. A scoping study was alco completed by SRK Consulting (July 2016) which identified the following key outcomes:

- Project development determined to be technically feasible
- Base case open stope mining method
- Flat lying deposit geometry and rock properties potentially favourable for longwall mining
- Conventional flotation processing with expected high metallurgical recoveries.

Please refer to pages 80 – 86 for all Metalicity Ltd Resource Statements, Competent Persons Statements and Disclaimer and Forward-Looking Statements.

Results

The net loss after income tax for the year ended 30 June 2022 was $5,207,914 (30 June 2021: loss $3,170,895).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Environmental regulations

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

Dividends

No dividends have been paid or declared since the beginning of the financial year and none are recommended.

Subsequent events

Other than the following, the Directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the Group in future financial years:

- On 4 July 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 25 July 2022;
- On 5 July 2022, the Company advised that the extraordinary meeting of Nex had been adjourned to 25 July 2022;
- On 22 July 2022, the Company announced the proceedings for the $1,279,794 claim against Nex had been listed for mediation in the Supreme Court of Western Australia on the 11 November 2022;
- On 25 July 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 8 August 2022;
- On 2 August 2022, the Company announced it had brought court action seeking ~22.28% of Nex to be vested in ASIC and sold;
- On 8 August 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 29 August 2022;
- On 18 August 2022, the Company announced the acquisition of the highly prospective Mt Surprise Lithium Project.
- On 23 August 2022, the Company announced that the Mt Surprise Lithium Project had been granted;
- On 25 August 2022, the Company announced it had secured a second highly prospective lithium project with the acquisition of the Georgetown Lithium Project;
- On 29 August 2022, the Company announced that its extension of offer in relation to its off-market takeover bid of Nex had lapsed and would not be extended;
- On 1 September 2022, the Company announced that it retains effective interest of ~67.8% in Kookynie and Yundamindra Gold Project through direct ownership of 51% and 34.3% indirect interest via Nex;
- On 2 September 2022, the Company announced historical samples at the Mt Surprise Lithium Project identify significant copper mineralisation over 5km strike;
- On 13 September 2022, the Company announced substantial extensions and significant gold intersections at Champion.
- On 23 September 2022, the Company announced the Annual General Meeting would be held on 25 November 2022.

Likely developments and expected results of Operations

The Group will continue to explore and assess its mineral projects.

Information on Directors

<u>Andrew Daley</u> - Non-executive Chairman – appointed as a Non-Executive Director in August 2013 and Chairman on 18 May 2021

Experience and Expertise

Mr Daley has a Bachelor of Science (Honours), a Grad Dip in Mineral Economics and is a Fellow of the Australasian Institute of Mining and Metallurgy. He has over 50 years' experience in resources worldwide having initially worked with Anglo American Corp, Rio Tinto, Conoco Minerals and Fluor Australia in mining operations, project evaluation and mining development. Mr Daley then moved into resource project financing with National Australia Bank, Chase Manhattan Bank and from 1999 to 2003 was a Director of the Mining Team at Barclays Capital in London. Moving back to Australia, Mr Daley was a Director of Investor Resources Finance Pty Ltd, a company based in Melbourne which provided financial advisory services to the resources industry globally and for the last 20 years has also been a Director and Chairman of the Board of a number of developing public resource companies both in Australia and the UK.

Other Current Directorships

None

Former Directorships in the Last Three Years

None

Interests in Shares and Options

17,990,978 ordinary shares, 1,332,666 listed options and 5,985,055 performance rights.

<u>Justin Barton</u> – Managing Director – appointed Finance Director on 1 January 2018, Chief Executive Officer on 1 June 2021 and Managing Director on 1 January 2022

Experience and Expertise

Mr Barton is a Chartered Accountant with over 20 years' experience in accounting, international finance, M&A and the mining industry. He worked for over 13 years in the Big 4 Accounting firms in Australia and Europe and advised many of the world's largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, Morgan Stanley and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group Tax Manager. More recently, he has worked as the CFO and has been a Board Member of a number of junior exploration companies.

Other Current Directorships

Kimberley Mining Limited (a public unlisted Canadian company)

Former Directorships in the Last Three Years

Great Western Exploration Limited (appointed 20 May 2020, resigned 4 June 2020)

Interests in Shares and Options

19,850,510 ordinary shares, 1,470,409 listed options and 39,590,220 performance rights

<u>Jason Livingstone</u> - Non-Executive Director – appointed 4 July 2022, formerly Technical Director until 4 July 2022

Experience and Expertise

Mr Livingstone is a geologist with 20 years' experience across exploration through to production environments on four continents. Mr Livingstone holds a Bachelor of Science (Geology) from the West Australian School of Mines, a Masters of Business Administration from the Curtin Graduate School of Business, is a member of the Australian Institute of Geoscientists, and has completed the Company Directors Course at the Australian Institute of Company Directors.

Other Current Directorships

Managing Director of Woomera Mining Ltd (ASX:WML) from 16 August 2022

Former Directorships in the Last Three Years

Non-executive for Resource Mining Inc (ASX:RMI) from 4/04/22 to 20/06/22

Interests in Shares and Options

23,574,348 ordinary shares and 37,531,253 performance rights

Company Secretary

Nicholas Day – Company Secretary – appointed 24 September 2020

Mr Day has over 20 years' experience as a company Director, CFO and company secretary for a broad range of listed and private exploration, mining and technology companies. Previously he was CFO and company secretary of Battery Minerals, Minbos Resources Limited, Dreadnought Resources Limited, RTG Mining, finance Director at Coventry Resources and company secretary to Paringa Resources Limited and Ebooks Corporation. Qualifications: BCOM(UWA); MBA(UWA); Fellow Finsia, ACPA.

Directors' meetings

The number of meetings of the Company's board held during the year ended 30 June 2022 that each Director was eligible to attend, and the number of meetings attended by each Director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Andrew Daley	17	17
Justin Barton	17	17
Jason Livingstone	17	17

The whole board undertakes the role of the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee given the size and complexity of the Company.

Remuneration Report (Audited)

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001.*

Executive remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) acceptability to shareholders;

(iii) performance linkage / alignment of executive compensation;

(iv) transparency; and

(v) capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation, which are designed to align the interests of executives with those of shareholder and costs of:

1) *Fixed remuneration*

The fees and payments to the executive reflect the demands which are made on, and the responsibilities of the executive, and are in line with market. The executives' remuneration is reviewed annually by the board to ensure that the fees and payments remain appropriate and in line with the market, no third party consultants were used. The Company has entered into standard contracts with executive Directors.

2) *Variable remuneration – Long term incentives*

Being performance shares and/or options issued under the Employees Share Plan. The performance shares and employee options issued under this plan have varying vesting and service conditions and are structured to reward performance that aligns with the creation of shareholder value and confirms to market best practice.

3) *Termination*

Executive Directors currently have a 6 month notice period in ordinary course of business and a 12 month notice period in the event of Change of Control event or for 12 months after such event.

During the year, Justin Barton was paid $260,000 (including superannuation) and Jason Livingstone was paid $60,000 for being a director and $187.50 an hour for technical work completed, both amounts excluding superannuation. Justin has a 6 month notice period and Jason has a 3 month notice period.

Non-executive Directors' remuneration

Fees to the non-executive Directors are determined by the board acting as the Remuneration Committee as appropriate having regard to the market and the aggregate remuneration specified in the Company's Constitution ($500,000) and determined by the shareholders in general meeting. The fees are reviewed annually. It is the Group's policy that service contracts for non-executive Directors are unlimited in term and capable of termination by either party upon written notice.

Andrew Daley is paid $75,000 per annum (including superannuation) for his role as a non-executive Director and Chairperson, and Jason is paid $60,000 per annum (including superannuation) from 4 July 2022 in his role as non-executive director, both with termination available on written notice. Nick Day is paid $5,500 a month based on 32 hours work and anything over that is paid $200 an hour (GST to be added to both amounts), for his role as Company Secretary, as a consultant through his company 133 North Trust.

The amount of remuneration of the Directors of the Company (as defined in AASB 124 *Related Party Disclosures*) and other key management personnel is set out in the following tables.

The Company has entered into standard contracts with Directors, the details of which are set out below.

Remuneration Report (Audited) (continued)

2022	Short-term Benefit – salary & fees	Short-term Benefit - Other	Post-Employment Benefit[4]	Share-based Payments[3]	Total	Performance related %
	$	$	$	$	$	
Executive Directors						
Justin Barton	247,314	-	24,265	132,358	403,937	32.77%
Jason Livingstone[1]	368,796	-	35,353	136,483	540,632	25.25%
Non-executive Director						
Andrew Daley	65,138	-	6,383	29,670	101,191	29.32%
Other executive						
Nick Day[2]	86,690	-	-	-	86,690	0.0%
Totals	767,938	-	66,001	298,511	1,132,450	

The fees paid to Director related entities were for the provision of services of the particular Director to the Company are as follows:

1 Jason Livingstone was was paid $60,000 as a director's fee and per day for technical work performed.
2 133 North Trust, an associate of Nick Day, was paid $86,690 for company secretarial services. Nick Day was appointed company secretary on 24 September 2020.
3 $13,677 relates to the current year and if approved at the November 2022 AGM, performance rights will be issued to Justin Barton, vesting on 1 July 2022 or such later date when the share price exceeds 150% and 250% of closing price on the first business day of 2022 for 5 consecutive days. (Please refer to share based payment compensation below). The remaining $284,834 relates to 12 months expense of the performance rights issued in 2021.
4 Relates to Superannuation.

2021	Short-term Benefit - Salary &, fees	Short-term Benefit - Other	Post-employment Benefit	Share-based Payments[6]	Total	Performance related %
	$	$	$	$	$	
Executive Directors						
Justin Barton	182,507	-	17,338	70,233	270,078	66.7%
Jason Livingstone[1]	213,321	83,482[1,2]	23,538	80,768	401,109	58.9%
Non-executive Directors						
Andrew Daley	44,638	-	4,241	17,558	66,437	67.2%
Mathew Longworth[3]	68,750	-	-	26,338	95,088	68.6%
Other executives						
Nick Day[4]	87,356	-	-	-	87,356	0.0%
Neil Hackett[5]	12,000	-	-	-	12,000	0.0%
Totals	608,572	83,482	45,117	194,897	932,068	

The fees paid to Director related entities were for the provision of services of the particular Director to the Company are as follows:

1 Jason Livingstone resigned as Managing Director and was appointed Technical Director on 1 June 2021 and was paid out all leave entitlements totalling $33,482.
2 Jason Livingstone was paid a bonus of $50,000 during the year.
3 Mat Mining, an entity associated with Mathew Longworth, was paid $68,750. Mathew Longworth resigned on 18 May 2021.
4 133 North Trust, an associate of Nick Day, was paid $87,356 for company secretarial services. Nick Day was appointed company secretary on 24 September 2020.
5 Corporate Starboard Pty Ltd, an entity associated with Neil Hackett, was paid $12,000 for company secretarial services. Neil Hackett resigned on 24 September 2020.
6 Performance rights were approved by shareholders at the 2020 AGM and were issued to Directors during the year. The performance rights have vesting hurdles of $0.04 and $0.06 (Please refer share based payment compensation below)

Remuneration Report (Audited) (continued)

Share-based compensation

The grant of each tranche of the following performance rights in the current and prior financial years, represent a conditional right for the holder to acquire one fully paid ordinary share in the Company, and are subject to meeting specified vesting conditions.

During the financial year, the following performance rights for key management personnel were recognised:

2022

Name	Share price hurdle	No. granted	Grant date	Expiry Date	Value of Performance Rights granted at grant date
Justin Barton	$0.015	5,000,000[1]	30/06/2022	30/06/2025	$7,963
Justin Barton	$0.025	5,000,000[2]	30/06/2022	30/06/2025	$5,714
		10,000,000			$13,677

[1] 5 million performance rights will vest on 1 July 2022 or such later date, when the share price of the Company's ordinary shares listed on the ASX have exceeded 150% of the closing price on the first business day of 2022, for 5 consecutive business days.

[2] 5 million performance rights will vest on 1 July 2022 or such later date, when the share price of the Company's ordinary shares listed on the ASX have exceeded 250% of the closing price on the first business day of 2022, for 5 consecutive business days.

These instruments have been accrued as at 30 June 2022 with the instruments to be issued following shareholder approval at the AGM.

2021

Name	Share price hurdle	No. granted	Grant date	Expiry Date	Value of Performance Rights granted at grant date
Jason Livingstone	$0.04	12,299,465[1]	26/11/2020	18/12/2022	$132,834
Jason Livingstone	$0.06	15,231,788[2]	26/11/2020	18/12/2022	$140,132
Justin Barton	$0.04	10,695,187[1]	26/11/2020	18/12/2022	$115,508
Justin Barton	$0.06	13,245,033[2]	26/11/2020	18/12/2022	$121,854
Andrew Daley	$0.04	2,673,797[1]	26/11/2020	18/12/2022	$28,877
Andrew Daley	$0.06	3,311,258[2]	26/11/2020	18/12/2022	$30,464
Mat Longworth	$0.04	4,010,695[1]	26/11/2020	18/12/2022	$43,316
Mat Longworth	$0.06	4,966,887[2]	26/11/2020	18/12/2022	$45,696
		66,434,110			$658,681

[1] Tranche A performance rights will vest subject to the Company achieving a 20 day volume weighted average price (VWAP) of Shares of at least $0.04.

[2] Tranche B performance rights will vest subject to the Company achieving a 20 day volume weighted average price (VWAP) of Shares of at least $0.06.

Remuneration Report (Audited) (continued)

Share and option holdings of Key Management Personnel (KMP)

(i) Option and performance right holdings

Options

The numbers of options over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

2022

	Balance at the start of the year	Granted during the year	Exercised during the year	Expired /cancelled during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested but not exercisable at end of year
Options								
Directors								
Jason Livingstone	4,000,000	-	-	(4,000,000)	-	-	-	-
Andrew Daley	-	1,332,666[(a)]	-	-	-	1,332,666	1,332,666	-
Justin Barton	-	1,470,409[(a)]	-	-	-	1,470,409	1,470,409	-
Other executives								
Nick Day	-	-	-	-	-	-	-	-
	4,000,000	2,803,075	-	(4,000,000)	-	2,803,075	2,803,075	-

[(a)]Options obtained as part of June 2022 Rights Issue, where 1 option was provided for every 3 shares purchased. Exercisable at $0.01 on or before 01/06/2024.

2021

	Balance at the start of the year	Granted during the year	Exercised during the year	Expired /cancelled during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested but not exercisable at end of year
Options								
Directors								
Jason Livingstone	5,016,667	-	(1,016,667)	-	-	4,000,000	4,000,000	-
Andrew Daley	14,466,420	-	(4,216,420)	(10,250,000)	-	-	-	-
Justin Barton	362,964	-	(362,964)	-	-	-	-	-
Mathew Longworth	10,495,971	-	(31,709)	(10,200,024)	(264,238)[(a)]	-	-	-
Other executives								
Nick Day	-	-	-	-	-	-	-	-
	30,342,022	-	(5,627,760)	(20,450,024)	(264,238)	4,000,000	4,000,000	-

[(a)]Balance at time of resignation on 18 May 2021.

Remuneration Report (Audited) (continued)

Performance rights

The numbers of performance rights over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

2022

	Balance at the start of the year	Granted as remuneration during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested but not exercisable at end of year
Performance Rights						
Directors						
Jason Livingstone	37,531,253	-	-	37,531,253	-	-
Justin Barton	29,590,220	10,000,000[(a)]	-	39,590,220	-	-
Andrew Daley	5,985,055	-	-	5,985,055	-	-
Other executives						
Nick Day	-	-	-	-	-	-
	73,106,528	10,000,000	-	83,106,528	-	-

[(a)]These vest and are able to be issued from 1 July 2022.

2021

	Balance at the start of the year	Granted as remuneration during the year	Exercised during the year	Balance at the end of the year/date of resignation	Vested and exercisable at the end of the year/date of resignation	Vested but not exercisable at end of year
Performance Rights						
Directors						
Jason Livingstone	20,000,000	27,531,253	(10,000,000)	37,531,253	-	-
Justin Barton	10,625,000	23,965,220[(c)]	(5,000,000)	29,590,220	-	-
Andrew Daley	-	5,985,055	-	5,985,055	-	-
Mat Longworth	-	8,977,582	-	8,977,582[(a)]	-	-
Other executives						
Nick Day	-	-	-	-	-	-
Neil Hackett	1,400,000	-	(1,000,000)	400,000[(b)]	-	-
	32,025,000	66,459,110	(16,000,000)	82,484,110	-	-

[(a)]Balance at time of resignation on 18 May 2021.
[(b)]Balance at time of resignation on 24 September 2020, which were cancelled 30 days after.
[(c)] Includes 25,000 performance rights not recognised in prior year.

Remuneration Report (Audited) (continued)

Share and option holdings of Key Management Personnel (KMP) (continued)

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each Director, including their personally related parties, are set out below:

2022

	Balance at the start of the year	Acquired on the exercise of options/vesting of performance shares	Other changes during the year[(a)]	Balance at the end of the year
Directors				
Jason Livingstone	23,574,348	-	-	23,574,348
Andrew Daley	13,992,982	-	3,997,996	17,990,978
Justin Barton	15,439,284	-	4,411,226	19,850,510
Other executives				
Nick Day	-	-	-	-
	53,006,614	-	8,409,222	61,415,836

[(a)]Shares acquired as part of June 2022 rights issue.

2021

	Balance at the start of the year	Acquired on the exercise of options/vesting of performance shares	Other changes during the year[(b)]	Balance at the end of the year
Directors				
Jason Livingstone	2,833,333	11,016,667	9,724,348	23,574,348
Andrew Daley	7,662,581	4,216,420	2,113,981	13,992,982
Justin Barton	1,620,372	5,362,964	8,455,948	15,439,284
Mathew Longworth	1,321,183	31,709	3,587,963	4,940,855(a)
Other executives				
Nick Day	-	-	-	-
Neil Hackett	340,801	1,000,000	-	1,340,801[(a)]
	13,778,270	21,627,760	23,882,240	57,947,470

[(a)]Balance at time of resignation.
[(b)]Shares issued in lieu of salary as approved by shareholders at meeting on 13 August 2020.

Remuneration Report (Audited) (continued)

Link between Company performance and Remuneration policy

	2022	2021	2020	2019	2018
	$	$	$	$	$
Profit / (loss) after income tax	(5,207,914)	(3,170,895)	(1,340,757)	(4,410,376)	(2,302,570)
Share price at 30 June ($)	0.003	0.01	0.037	0.007	0.023
Total dividends declared (cents per share)	-	-	-	-	-
Basic profit / (loss) per share (cents per share)	(0.22)	(0.19)	(0.17)	(0.74)	(0.43)

There is no direct link between the Company performance and Remuneration policy.

(End of Remuneration Report)

Additional Information

(a) Unissued shares

At the date of this report, the Company had 345,093,084 options and 96,084,110 performance rights over ordinary shares under issue. Each instrument converts into one fully paid ordinary share on exercise. These instruments are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price $
Options	25,709,467	21/02/2018	14/02/2023	0.08
	35,000,000	12/10/2020	13/10/2023	0.03
	21,000,000	21/06/2021	22/06/2024	0.015
	20,000,000	01/06/2022	01/06/2024	0.01
	243,383,617	01/06/2022	01/06/2024	0.01
	345,093,084			

Details	No of Options	Grant Date	Date of Expiry	Hurdle Price $
Performance Rights	15,650,000	25/11/2019	30/01/2023	0.05
	29,679,144	26/11/2020	18/12/2022	0.04
	36,754,966	26/11/2020	18/12/2022	0.06
	2,000,000	20/09/2021	11/04/2025	0.0135
	2,000,000	20/09/2021	11/04/2025	0.0180
	5,000,000	30/06/2022	30/06/2025	0.015
	5,000,000	30/06/2022	30/06/2025	0.025
	96,084,110			

During the financial year, the Company granted 10 million performance rights for remuneration to a KMP (refer to the Remuneration Report forming part of this Directors' Report) and 4 million performance rights for remuneration to an employee, Stephen Guy, issued 243,383,617 free attaching options (one option for every three shares) as part of a capital raise for $3,650,751 and issued 20,000,000 options to the lead manager as part of the same capital raise. Refer to Note 18 for details.

In addition, at the date of this report, Kimberly Mining Limited, a Canadian subsidiary of the Company, had the following warrants on issue that are exercisable at the date of this report as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price $
Founder Warrants	5,289,500	29/08/2018	29/08/2023	0.4
Founder Warrants – Tranche 2	3,171,500	28/09/2018	28/09/2023	0.4
	8,461,000			

Refer to Note 18 for details of options, performance rights and warrants cancelled/exercised during the year.

(b) Insurance of officers

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

(c) Agreement to indemnify officers

The Group has entered into agreements with the Directors to provide access to Group records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company and or its subsidiaries to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings. No liability has arisen under these indemnities as at the date of this report.

Additional Information (continued)

(d) Proceedings on behalf of the Group

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Group with leave of the court under Section 237.

(e) Non-audit services

The non-audit services provided by the auditor or any entity associated with the auditor for the year ended 30 June 2022 is $4,500 (2021: $2,000).

(f) Corporate Governance

The Company and its Board are committed to achieving and demonstrating the highest standards of corporate governance. The Group has reviewed its Corporate Governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement was approved by the Board on 28 September 2022 and is current at this time. A copy of the Company's current Corporate Governance Statement and Plan adopted during the year ended 30 June 2022 can be viewed at https://www.metalicity.com.au/corporate/corporate-governance/ .

(g) Environmental Liabilities

The Group's operations are subject to environmental regulation in respect of mineral tenements relating to exploration activities on those tenements. No breaches of any environmental requirements were recorded during the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 25 of the annual report.

Rounding amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Director's Report. Amounts in the Director's Report have been rounded off to the nearest dollar.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

Justin Barton
Managing Director, Perth, Western Australia

29 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF METALICITY LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 29 September 2022

METALICITY LIMITED
ABN 92 086 839 992

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METALICITY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Metalicity Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

METALICITY LIMITED
ABN 92 086 839 992

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METALICITY LIMITED

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.

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation assets *Refer to Note 2(g), 2(s), 11*	
As disclosed in Note 11 of the financial report, as at 30 June 2022, the Group held capitalised exploration and evaluation assets of $6,426,763. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of management judgments including but not limited to: • Whether the Group has tenure of the tenements; • Whether the Group has sufficient funds to meet the tenement minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.	Our procedures included, amongst others: Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators. Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure and whether the minimum expenditure of the tenements have been met. Considering and reviewing the Group's intention to carry out significant exploration and evaluation activity in the relevant are of interest, including assessing the Group's cash-flow forecast models, discussions with management and directors as to the intentions and strategy of the Group. Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined. Assessing the adequacy of the disclosures included within the financial report.

Share Based Payments

Refer to Note 2(n), 2(s) & 19

Share based payments represent $435,402 of the Group's expenditure, split between $393,749 in the Consolidated statement of profit and loss and comprehensive income and $41,653 recognised directly in equity as a cost of capital raising.

Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Expected dividend yield; and
- Risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of the relevant controls and evaluating the design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information including but not limited to:

•Estimating the likelihood that the equity instruments will vest;

•Estimating expected future share price volatility;

•Expected dividend yield; and

•Risk-free rate of interest.

Assessing the Group's accounting policy as set out within Note 2(n) for compliance with the requirements of AASB 2 *Share-based Payment.*

Assessing the adequacy of the disclosures included in the financial report.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METALICITY LIMITED

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

METALICITY LIMITED
ABN 92 086 839 992

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METALICITY LIMITED**

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Metalicity 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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 29 September 2022

Directors' declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 38 to 75 are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

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

3. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

4. the audited remuneration disclosures set out on pages 16 to 22 of the Directors' Report comply with accounting standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The Directors have been given the declarations required by Section 295(A) of the *Corporations Act 2001* from the Chief Financial Officer and the Managing Director for the year ended 30 June 2022.

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

Justin Barton
Managing Director
Perth, Western Australia

29 September 2022

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2022

	Note	Consolidated Group 2022 $	Consolidated Group 2021 $
Continuing operations			
Other Income	4	101,483	635,052
Expenses	5	(5,194,672)	(2,222,591)
Loss from continuing operations before income tax		(5,093,189)	(1,587,539)
Income tax expense	6	-	-
Loss after income tax from continuing operations		**(5,093,189)**	**(1,587,539)**
Discontinued operations			
Net loss from discontinued operations	13	(114,725)	(1,583,356)
Net Loss		**(5,207,914)**	**(3,170,895)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		-	49,098
Other comprehensive loss for the period, net of tax		-	49,098
Total comprehensive loss for the year		**(5,207,914)**	**(3,121,797)**
Loss attributable to:			
Owners of the parent		(5,182,556)	(2,875,403)
Non-controlling interest		(25,358)	(295,492)
		(5,207,914)	**(3,170,895)**
Loss attributable to equity holders of the parent entity:			
Loss from continuing operations, net of tax		(5,093,189)	(1,670,048)
Loss from discontinued operations, net of tax		(89,367)	(1,205,355)
		(5,182,556)	**(2,875,403)**
Loss attributable to non-controlling interest relates to:			
Loss from continuing operations, net of tax		-	-
Loss from discontinued operations, net of tax		(25,358)	(295,492)
		(25,358)	**(295,492)**
Total comprehensive loss attributable to:			
Owners of the parent		(5,182,556)	(2,819,748)
Non-controlling interest		(25,358)	(302,049)
		(5,207,914)	**(3,121,797)**
Total comprehensive loss attributable to equity holders of the parent entity:			
Total comprehensive loss from continuing operations, net of tax		(5,093,189)	(1,614,393)
Total comprehensive loss from discontinued operations, net of tax		(89,367)	(1,205,355)
		(5,182,556)	**(2,819,748)**

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2022

		Consolidated Group	
		2022	2021
	Note	$	$
Total comprehensive loss attributable to non-controlling interest relates to:			
Total comprehensive loss from continuing operations, net of tax		-	-
Total comprehensive loss from discontinued operations, net of tax		(25,358)	(302,049)
		(25,358)	**(302,049)**
Loss per share from continuing operations attributable to the equity holders of the parent entity:			
Basic loss per share (cents)	26(a)	(0.21)	(0.10)
Diluted loss per share (cents)	26(a)	(0.21)	(0.10)
Loss per share from discontinued operations attributable to the equity holders of the parent entity:			
Basic loss per share (cents)	26(a)	(0.01)	(0.09)
Diluted loss per share (cents)	26(a)	(0.01)	(0.09)
Loss per share attributable to the equity holders of the parent entity:			
Basic loss per share (cents)	26(a)	(0.22)	(0.19)
Diluted loss per share (cents)	26(a)	(0.22)	(0.19)

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

Consolidated statement of Financial Position
for the financial year ended 30 June 2022

		Consolidated Group	
		2022	2021
	Note	$	$
Current assets			
Cash and cash equivalents	7(a)	3,060,817	4,048,592
Trade and other receivables	8	156,784	150,537
Financial assets at fair value through profit & loss	12	2,838,053	105,922
Prepayments		47,380	29,782
Other financial assets	9	20,723	21,486
Total current assets		6,123,757	4,356,319
Non-current assets			
Exploration and evaluation expenditure	11	6,426,763	5,466,860
Right of use asset	14	7,557	27,402
Plant and equipment		24,353	26,584
Total non-current assets		6,458,673	5,520,846
Total assets		12,582,430	9,877,165
Current liabilities			
Trade and other payables	15	757,314	991,699
Provisions	16	78,758	56,335
Lease liability	14	7,212	20,404
Total current liabilities		843,284	1,068,438
Non-current liabilities			
Lease liability	14	-	7,212
Total non-current liabilities		-	7,212
Total liabilities		843,284	1,075,650
Net assets		11,739,146	8,801,515
Equity			
Issued capital	17(a)	63,725,507	56,023,942
Shares to be issued		8,578	-
Reserves	19	5,920,745	5,485,343
Accumulated losses		(57,806,147)	(52,623,591)
Parent Entity Interest		11,848,683	8,885,694
Non Controlling Interest	27	(109,537)	(84,179)
Total equity		11,739,146	8,801,515

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

Consolidated statement of changes in equity for the financial year ended 30 June 2022

	Issued capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated losses	Non Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 July 2021	56,023,942	5,485,343	-	(52,623,591)	(84,179)	8,801,515
(Loss) for the year	-	-	-	(5,182,556)	(25,358)	(5,207,914)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(5,182,556)	(25,358)	(5,207,914)
Shares to be issued	8,578	-	-	-	-	8,578
Issue of performance rights	-	393,749	-	-	-	393,749
Issue of broker options	-	41,653	-	-	-	41,653
Conversion of options	730,823	-	-	-	-	730,823
Issue of shares (Rights Issue)	3,650,751	-	-	-	-	3,650,751
Issue of shares (Nex takeover)	3,655,810	-	-	-	-	3,655,810
Issue costs	(335,819)	-	-	-	-	(335,819)
	7,710,143	435,402	-	-	-	8,145,545
Balance at 30 June 2022	63,734,085	5,920,745	-	(57,806,147)	(109,537)	11,739,146

	Issued capital	Share Based Payments Reserve	Foreign Currency Reserve	Accumulated losses	Non Controlling Interest	Total
	$	$	$	$	$	$
Balance at 1 July 2020	48,568,493	4,296,211	(55,655)	(49,748,188)	217,870	3,278,731
(Loss) for the year	-	-	-	(2,875,403)	(295,492)	(3,170,895)
Other comprehensive loss	-	-	(26,856)	-	(6,557)	(33,413)
Reclassification adjustment transfer of foreign currency translation reserve to P&L	-	-	82,511	-	-	82,511
Total comprehensive loss the year	-	-	55,655	(2,875,403)	(302,049)	(3,121,797)
Issue of share capital	8,000,000	-	-	-	-	8,000,000
Conversion of options	818,423	-	-	-	-	818,423
Issue of performance rights	-	194,897	-	-	-	194,897
Issue of broker options	-	879,654	-	-	-	879,654
Issue of shares for tenements	-	50,000	-	-	-	50,000
Issue in lieu of salary	-	64,581	-	-	-	64,581
Issue costs	(1,362,974)	-	-	-	-	(1,362,974)
	7,455,449	1,189,132	-	-	-	8,644,581
Balance at 30 June 2021	56,023,942	5,485,343	-	(52,623,591)	(84,179)	8,801,515

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

Consolidated statement of cash flows
for the financial year ended 30 June 2022

	Note	Consolidated Group 2022 $	Consolidated Group 2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,909,100)	(2,490,680)
Payments for exploration and evaluation		-	(108,220)
R&D rebate		-	88,851
Government stimulus		-	72,870
Interest received		586	1,727
Other income		1,436	-
Interest expense		-	12,264
Net cash used in operating activities	**7(b)**	(3,907,078)	(2,423,188)
Cash flows from investing activities			
Payment for exploration and in relation to tenements		(1,150,425)	(3,268,837)
Payments for acquisition of tenements		-	(152,558)
Payments for plant and equipment		(5,854)	(29,251)
Payments for applications		-	(1,862)
Proceeds from sale of shares		-	459,340
Net cash used in investing activities		(1,156,279)	(2,993,168)
Cash flows from financing activities			
Proceeds from shares issued		3,650,751	8,000,000
Proceeds from option conversions		730,823	848,872
Proceeds from option conversions to be issued		8,578	33,894
Principal amount paid on lease		(20,404)	(12,074)
Transaction costs		(294,166)	(513,769)
Net cash provided by financing activities		4,075,582	8,356,923
Net (decrease)/increase in cash and cash equivalents		(987,775)	2,940,567
Cash and cash equivalents at the beginning of the financial year		4,048,592	1,108,285
Effect of exchange rates on cash holdings in foreign currencies		-	(260)
Cash and cash equivalents at the end of the financial year	**7(a)**	3,060,817	4,048,592

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

1. General information

Metalicity Limited ("the Company") is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange. The Company and its wholly owned subsidiaries, Metalicity Energy Pty Ltd and KYM Mining Pty Ltd and its approximate 80.3% interest in Kimberly Mining Limited, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Ridgecape Holdings Pty Ltd, are referred to as the 'Group'.

The Financial Report of the Company for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 28 September 2022.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the *Corporations Act 2001* as appropriate for for-profit oriented entities.

Compliance with IFRS
The financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board.

Historical cost convention
These financial statements have been prepared under the historical cost convention, with exception to the financial assets carried at fair value through profit and loss.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 2(s).

Comparative figures
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Going concern basis
The financial statements have been prepared on the 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 year ended 30 June 2022 the Group incurred a loss after tax of $5,207,914 (2021: $3,170,895) and a net cash outflow from operating and investing activities of $5,063,357 (2021: $5,416,356). At 30 June 2022, the Group has working capital surplus of $5,280,473 (2021: working capital of $3,287,881) and current cash holding was $3,060,817 (2021: $4,048,592).

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

In the view of the Directors that the Group has sufficient funds to meet its commitments as and when they fall due in the next 12 months. The Directors will continue to monitor case reserves and reduce exploration and evaluation expenditure accordingly should the need arise.

In forming this view, the Directors have taken into consideration the following:

- The Group's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Group has sufficient funds;
- Asset sales, including sale of tenure; and
- Ability of the Group to raise further funds through subsequent capital raisings as evidenced during the current financial year.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above then, there is an uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company as at 30 June 2022 and the results of the subsidiaries for the year then ended.

Metalicity Energy Pty Ltd, KYM Mining Pty Ltd, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Kimberly Mining Limited are the subsidiaries over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiaries are fully consolidated from the date of acquisition of the subsidiary. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interest". The Group initially recognises non-controlling interests that are present ownership interest in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

2. Significant accounting policies (continued)

(c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets less liabilities transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Noncurrent Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

(d) Revenue recognition

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

Sale of Goods

Revenue from sale of goods in the course of ordinary activities is brought to account when delivered to the customer and selling prices are known or can be reasonably estimated.

Government Tax Credits and Rebates

Government tax credits and rebates, inclusive of research and development tax credit, are recognised as income at their fair value where there is a reasonable assurance that the grant or rebate will be received and the Group will comply with all attached conditions.

Royalties Income

Revenue from the sale of Royalties rights accounted during the year due to disposal of royalties to third party.

2. Significant accounting policies (continued)

(d) Revenue recognition (continued)

Interest Income

Interest revenue is recognised on a time proportionate basis using the effective interest method.

Sale of tenement income

Revenue from the sale of tenements accounted during the year due to disposal of tenements to third party.

(e) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Income Tax

The income tax expense or revenue for the period is the tax payable on a current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

(g) Exploration Expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. Trade and other receivables are generally receivable within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

2. Significant accounting policies (continued)

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(j) Contributed equity

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 from the proceeds.

(k) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year. Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

(n) Share-based Payments

The Group operates equity-settled share-based payment share and option schemes to Directors, employees and service providers. The fair value of the equity to which parties become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black and Scholes pricing model which incorporates all market vesting conditions and the fair value of performance rights is ascertained using a Monte Carlo pricing model where instruments issued have market conditions The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

2. Significant accounting policies (continued)

(o) Financial Instruments

Recognition, initial measurement and derecognition

The Group's financial assets include receivables, listed shares and receivables from its joint operation partner, Nex Metals Exploration Ltd ("Nex").

The listed shares held by the Group in Nex have been designated as fair value through profit and loss on initial recognition.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

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.

Classification and subsequent measurement

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 other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

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

Financial assets at amortised cost

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

2. Significant accounting policies (continued)

(o) Financial Instruments (continued)

- 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. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

2. Significant accounting policies (continued)

(o) Financial Instruments (continued)

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

2. Significant accounting policies (continued)

(p) Foreign Currency Transactions and Balances

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency. The functional currency of Canadian subsidiary is Canadian Dollars. Other entities that are part of the Group have anAUD functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non- monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity when the exchange difference arises on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

— Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— Income and expenses are translated at average exchange rates for the period; and
— Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is discontinued.

(q) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposures to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of the joint operations are included in the respective line items of the financial statements. Information about the joint arrangements is set out in Note 11.

(r) Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

2. Significant accounting policies (continued)

(s) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell (“FVLCTS”) and Value-in-use (“VIU”) calculations performed in assessing recoverable amounts incorporate a number of key estimates. This includes as assessment of the carrying values of capitalised exploration and evaluation costs.

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest’s viability and/or the existence of economically recoverable reserves.

Expected credit loss

Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Judgement is required in determining the lifetime expected credit loss, and the group uses information from a range of sources in determining the amount, including publicly available financial information.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees (including the Directors) by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Monte Carlo option pricing model, using the assumptions detailed in Note 19.

Joint control

The Group’s accounting policy for Joint Arrangements is set out in Note 2(q). AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement.

Deferred taxation

Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

(t) Application of new and revised Accounting Standards

Application of new and revised Accounting Standards effective

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group.

Application of new and revised Accounting Standards not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group’s assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

2. Significant accounting policies (continued)

(t) Application of new and revised Accounting Standards not yet effective (continued)

AASB 2020-3 Amendments to Australian Standards – Annual Improvements 2018 – 2020 and Other Amendments

AASB 2020-3 amends AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 3 *Business Combinations*, AASB 9 *Financial Instruments*, AASB 116 *Property, Plant and Equipment*, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and AASB 141 *Agriculture.* The main amendments relate to:

(a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;

(b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;

(c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

(d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;

(e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and

(f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

"The likely impact of this accounting standard on the financial statements of the Group has not been determined"

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.

"The likely impact of this accounting standard on the financial statements of the Group has not been determined"

2. Significant accounting policies (continued)

(t) Application of new and revised Accounting Standards not yet effective (continued)

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2020-1 amends AASB 7 *Financial Instruments: Disclosures*, AASB 101 *Presentation of Financial Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 134 *Interim Financial Reporting* and AASB Practice Statement 2 *Making Materiality Judgements*. The main amendments relate to:

(a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

(b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;

(c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;

(d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and

(e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

"The likely impact of this accounting standard on the financial statements of the Group has not been determined"

Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Segment information

Identification of reportable segments

The Group has identified 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 Group has two geographic segment being Australia and Canada and operates in one industry being the exploration of minerals. The Canada operation has been discontinued and is reflected in Note 13.

	Consolidated	
Segment result	**30 June 2022 $**	**30 June 2021 $**
Segment revenue		
Australia	101,483	635,052
	101,483	635,052
Segment expenses		
Australia	(5,194,672)	(2,222,591)
	(5,194,672)	(2,222,591)
Income tax	-	-
(Loss) after tax	(5,093,189)	(1,587,539)

Segment assets and liabilities	Consolidated		Consolidated	
	Non-current assets		**Non-current liabilities**	
	30 June 2022 $	**30 June 2021 $**	**30 June 2022 $**	**30 June 2021 $**
Australia	6,458,673	5,520,846	-	7,212
	6,458,673	5,520,846	-	7,212
	Total assets		**Total liabilities**	
	30 June 2022 $	**30 June 2021 $**	**30 June 2022 $**	**30 June 2021 $**
Australia	12,560,325	9,856,082	843,284	1,075,650
	12,560,325	9,856,082	843,284	1,075,650

4. Other Income

An analysis of the Group's other income for the year is as follows:

	Consolidated Group	
	2022	2021
	$	$
Profit from sale of shares	-	459,340
R&D Rebate	-	88,851
Government stimulus	-	72,870
Joint arrangement management fee	99,461	12,264
Finance income	586	1,727
Other	1,436	-
	101,483	635,051

5. Expenses

	Consolidated Group	
	2022	2021
	$	$
Accounting & audit	100,506	128,227
ASX	85,505	100,453
Company secretarial fees	86,690	99,356
Consulting fees	403,504	80,000
Depreciation	27,930	16,082
Employee benefits	528,314	574,511
Exploration impaired	116,030	14,901
Exploration written off	8,391	-
Other receivables written off	21,172	-
Expected credit loss[1]	1,279,794	-
Exploration expenses (excl those capitalised)	87,157	-
Investor relations	49,210	42,620
Legal fees	600,731	323,467
Business development expenses	66,908	119,069
Rent & office expenses	22,760	13,618
Share based payments	393,749	194,897
Share registry fees	192,034	121,001
Superannuation expenses	56,171	58,804
Fair value movement on financial instruments at fair value through profit and loss	923,679	205,052
Other	144,437	173,153
Total expenses	5,194,672	2,222,591

[1] Refer to Note 9.

6. Income tax expense

	Consolidated Group	
	2022	2021
	$	$
a) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(5,093,189)	(1,587,539)
Loss from discontinued operations before income tax expense	(114,725)	(1,583,356)
	(5,207,914)	(3,170,895)
Tax at the Australian tax rate of 25% (2021: 26%)	(1,301,979)	(824,433)
Tax effect of amounts which are not deductible in calculating taxable income	99,054	51,086
Tax effect of amounts which are non (taxable) in calculating taxable income	-	(29,738)
Tax losses not recognised	1,202,925	803,084
Prior year losses not recognised, now recognised		-
Income tax expense	-	-

	Consolidated Group	
	2022	2021
	$	$
b) Deferred tax assets/liabilities		
Unused tax losses for which no deferred tax asset has been recognised	21,258,474	17,962,328
Temporary Differences	(2,853,770)	(4,705,141)
Potential tax benefit at 25% (2021: 26%)	4,601,176	3,446,869

Tax losses and other temporary differences have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There is a net deferred tax liability of approximately $713,442 relating to capitalised exploration costs and other minor temporary differences. These are offset with the deferred tax assets that have been recognised to the extent of the deferred tax liabilities.

7. Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows are reconciled to the related items in the consolidated statement of financial position as follows:

	Consolidated Group	
	2022	2021
	$	$
Cash and cash equivalents	3,060,817	4,048,592

7. Cash and cash equivalents (continued)

(b) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(5,207,914)	(3,170,895)
Share based payments	393,749	194,897
Foreign exchange loss/(gain)	(1,305)	(139,075)
Depreciation	27,930	16,082
Disposal of shares	-	(459,340)
Exploration impaired	116,030	14,901
Exploration written off	8,391	-
Expected credit losses	1,279,794	
Receivables written-off	21,172	-
Fair value movement on financial instruments through profit and loss	923,679	205,052
Impairment of asset held for sale	-	1,392,626
(Increase) in trade and other receivables and other asset	(1,257,947)	(80,954)
(Decrease) in trade and other payables	(233,080)	(525,019)
Increase in provisions	22,423	18,036
Exchange differences on translation of foreign operations	-	110,501
Net cash (used in) operating activities	(3,907,078)	(2,423,188)

(c) Non-cash investing and financing activities

During the year, 20,000,000 advisor options were granted to Canaccord for assisting with the June 2022 Rights issue and 243,383,617 options were issued to shareholders as part of the same rights issue, both on the same conditions (expiring 1 June 2024 and exercisable at $0.01).

In the prior year, 2,615,837 shares amounting to $50,000 was issued as payment for tenement E40/350 and E40/357 for exercise of Mulga Plum option.

8. Trade and other receivables

	Consolidated Group	
	2022 $	2021 $
GST Receivable	156,784	129,365
Other	-	21,172
	156,784	150,537

None of these receivables are past due or impaired.

9. Other financial assets

	Consolidated Group	
	2022 $	2021 $
Nex receivable(1)	-	-
Rental security bond	20,723	21,486
	20,723	21,486

9. Other financial assets (continued)

[1]The Nex receivable comprises $1,279,794 being 49% of joint operation billings raised to Nex under the Joint Venture Agreement ("JV Agreement") less an expected credit loss allowance for the full amount, following a prudent assessment by the Board as to the recoverability of the amount based on publicly available information regarding Nex's financial position. Refer to Note 2(s) critical accounting estimates and judgements.

	Consolidated Group	
	2022 $	2021 $
Nex receivable	1,279,794	-
Less: Expected credit loss	(1,279,794)	-
	-	-

10. Current Assets Held for Sale

	Consolidated Group	
	2022 $	2021 $
Assets Held for sale		
Balance at beginning of the period	-	1,420,616
Impairment of Assets Held for Sale	-	(1,399,418)
Sale of tenements	-	-
Foreign exchange difference	-	(21,198)
Balance of assets held for sale	-	-

	Consolidated Group	
	2022 $	2021 $
Liabilities Related to Non-Current Assets Held for Sale		
Balance at beginning of the period	-	-
Translation difference	-	-
Settlement of liability	-	-
Balance at period end	-	-

During the prior year ended 30 June 2021, the Directors decided to impair the carrying value of the Admiral Bay Project to nil, following an extensive process to divest the project which resulted in no offers.

11. Exploration and evaluation expenditure

	Consolidated Group	
	2022	2021
	$	$
Exploration at cost at the beginning of the period	5,466,860	1,160,907
Acquisition costs	-	202,558
Exploration and evaluation expenditure[(2)]	116,030	4,049,498
Impairment of exploration expenditure	(116,030)	(14,901)
Written off of exploration expenditure	(8,391)	-
Exploration and evaluation expenditure - Interest in joint operation [(1)]	1,034,395	68,798
Transfer to financial assets upon billing of cash calls	(66,101)	-
Closing balance	6,426,763	5,466,860
Total expenditure incurred and carried forward in respect of specific projects		
- Kookynie/Yundamindra Area of interests	6,426,763	5,466,860
- Other	-	-
Total carried forward exploration expenditure	6,426,763	5,466,860

[(1)]In the prior year, on 6 May 2019, the Company announced that it had entered into a farm-in agreement with Nex for the Kookynie and Yundamindra projects in the Eastern Goldfields, Western Australia. On 20 May 2021, MCT announced that it had met the required $5 million spend to achieve a 51% earn-in on the Kookynie and Yundamindra tenements. The Joint arrangement is classified as a joint operation.

[(2)]In prior year, included in expenditure incurred during the period is an amount of $66,101, representing unbilled cash calls to Nex.

The Group's share of exploration and evaluation in its joint operation is $1,103,193 as at 30 June 2022 (2021: $68,798). The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

12. Financial Assets at Fair Value through Profit & Loss

	Consolidated Group	
	2022	2021
	$	$
Nex Shares	2,838,053	105,922
	2,838,053	105,922

The Group held 91,550,106 shares in Nex at 30 June 2022. This financial asset is carried at fair value through profit and loss for year ended 30 June 2022 (30 June 2021: 4,073,941 shares in Nex).

12. Financial Assets at Fair Value through Profit & Loss (continued)

	Consolidated Group	
	2022	2021
	$	$
Opening balance – at fair value	105,922	260,974
Additions – at fair value	3,655,810	50,000
Fair value adjustment	(923,679)	(205,052)
Closing balance – at fair value	2,838,053	105,922

The revaluation of the shares to the above value resulted in a $923,679 loss that flowed through the P&L as a "Fair Value movement on financial instruments at fair value through profit and loss".

13. Discontinued operations

	Consolidated Group	
	2022	2021
	$	$
Kimberley Mining Limited – Admiral Bay Project	114,725	1,500,845
Transfer of foreign currency translation reserve to profit and loss (discontinued operation)	-	82,511
	114,725	1,583,356

During the prior year ended 30 June 2021, following an extensive process to divest the Admiral Bay project, which is currently held by the ~80.3% owned subsidiary, Kimberley Mining Limited, the Board elected to put the Admiral Bay project on care and maintenance and impair the carrying value of the Project to nil.

(i) Financial performance information	Consolidated Group	
	2022	2021
	$	$
Exploration and evaluation expenses	-	(105,699)
Impairment of exploration and expenditure assets	(116,030)	(1,392,626)
Gain/(Loss) on transfer of foreign currency translation reserve	1,305	(82,511)
Others	-	(2,520)
	(114,725)	(1,583,356)
Income tax expense	-	-
Loss after income tax of discontinued operations	(114,725)	(1,583,356)

(ii) Cash flow information	Consolidated Group	
	2022	2021
	$	$
Net cash used in operating activities	-	(106,790)
Net cash used in investing activities	(116,030)	-
Net cash used in financing activities	-	-
Net cash outflow	(116,030)	(106,790)

13. Discontinued operations (continued)

(iii) Carrying amount of assets and liabilities

	Consolidated Group	
	2022 $	2021 $
Other receivables	22,105	21,083
Asset classified as held for sale	22,105	21,083
Liabilities held for sale*	(578,462)	(448,642)
Net liabilities attributable to discontinued operations	(556,357)	(427,559)

*Intercompany payables that are eliminated on consolidation.

14. Leases

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated Group	
	2022 $	2021 $
Right of use asset		
Building – at initial recognition	39,689	39,689
Less: Accumulated depreciation	(32,132)	(12,287)
	7,557	27,402
Lease liability		
Current	7,212	20,404
Non-current	-	7,212
	7,212	27,616

(b) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated Group	
	2022 $	2021 $
Depreciation charge	19,845	12,287
Interest expense	650	760

(c) The Group's leasing activities and how these are accounted for

The Group leases an office premises which has a 2 year fixed term commencing on 16 November 2020, with an option to extend. Contracts contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

15. Trade and other payables

	Consolidated Group	
	2022 $	2021 $
Trade payables and accruals	690,857	969,031
Superannuation	3,038	-
PAYG payable	63,419	22,668
	757,314	991,699

16. Provisions

	Consolidated Group	
	2022 $	2021 $
Employee benefits – annual leave	78,758	56,335

17. Issued capital

(a) Issued share capital

	2022 $	2021 $
3,458,393,356 (2021: 2,124,777,033) fully paid ordinary shares	63,725,507	56,023,942
2,144,500 Shares to be issued	8,578	-
	63,734,085	56,023,942

(b) Movement in ordinary share capital

Date	Details	Number of shares	$
01/07/2021	Opening balance	2,124,777,033	56,023,942
Various	Option exercise at $0.004	182,705,631	730,823
Various	Nex takeover (87,476,177 Nex shares)	420,760,411	3,655,810
01/06/2022	Rights Issue at $0.005	730,150,281	3,650,751
	Share issue costs	-	(335,819)
30/06/2022	**Balance at the end of the year**	**3,458,393,356**	**63,725,507**

17. Issued capital (continued)

Date	Details	Number of shares	$
01/07/2020	Opening balance	1,397,793,904	48,568,493
15/07/2020	Option exercise at $0.015	4,888,439	73,327
15/07/2020	Option exercise at $0.025	2,500,000	62,500
15/07/2020	Option exercise at $0.02	471,429	9,428
Various	Option exercise at $0.004	168,291,851	673,168
Various	Vesting and exercise of performance rights (note 18)	16,000,000	-
14/08/2020	Shares issued to Directors in lieu of salaries at $0.0027 per share	23,882,240	-
11/09/2020	Share placement at $0.0024	208,333,333	5,000,000
03/12/2020	Shares issued as part of consideration for tenement acquisition at $0.019 per share	2,615,837	-
22/06/2021	Share placement at $0.01	300,000,000	3,000,000
	Share issue costs	-	(1,362,974)
30/06/2021	**Balance at the end of the year**	**2,124,777,033**	**56,023,942**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

18. Options, Performance Rights and Warrants

(a) (i) Options

30 June 2022

At year end 30 June 2022, the Company had 370,093,084 options over ordinary shares under issue (30 June 2021: 373,665,570). These options are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price $
Other Options	25,709,467	21/02/2018	14/02/2023	0.08
	25,000,000	13/08/2020	14/08/2022	0.003
	35,000,000	12/10/2020	13/10/2023	0.03
	21,000,000	21/06/2021	22/06/2024	0.015
	263,383,617(1)	01/06/2022	01/06/2024	0.01
	370,093,084(2)			

18. Options, Performance Rights and Warrants (continued)

(a) (i) Options (continued)

(1)Included in this amount are 243,383,617 free attaching options (one option for every three shares) as part of a capital raise for $3,650,751. No fair value attributable to these options as these were listed options issued during the year as free attaching to the June 2022 Rights Issue and available to all shareholders (no implicit service).

(2)Represents number of instruments vested and exercisable as at 30 June 2022.

30 June 2021

Details	No of Options	Grant Date	Date of Expiry	Conversion Price $
Management Incentive Options	2,500,000	27/07/2018	26/08/2021	0.06
	2,500,000	27/07/2018	26/08/2021	0.08
	2,500,000	27/07/2018	26/08/2021	0.10
	2,000,000	10/04/2019	14/01/2022	0.025
	2,000,000	10/04/2019	14/01/2022	0.035
Other Options	25,709,467	21/02/2018	14/02/2023	0.08
	10,785,715	10/06/2019	31/05/2022	0.02
	25,000,000	13/08/2020	14/08/2022	0.003
	35,000,000	12/10/2020	13/10/2023	0.03
	21,000,000	21/06/2021	22/06/2024	0.015
	244,670,388	22/05/2020	22/05/2022	0.004
	373,665,570			

(a) (ii) Free attaching options

Included in the tables in 18(a)(i) are the following free attaching options. These are not recognised in the share based payment reserve as they do not constitute a share based payment under accounting standards.

30 June 2022

Free attaching options	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 01/06/2022	243,383,617	01/06/2022	01/06/2024	$0.01	$0.00

30 June 2021

Free attaching options	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 20/08/2020	177,500,000	13/08/2020	22/05/2022	$0.004	$0.00

Movements in options during the financial year are as follows:

	2022 No.	2021 No.
Balance at beginning of the year	373,665,570	347,689,002
Granted during the year (note 19)	263,383,617	258,500,000
Exercised during the year	(182,705,631)	(176,151,719)
Forfeited/expired/cancelled during the year	(84,250,472)	(56,371,713)
Balance at the end of the year	370,093,084	373,665,570

18. Options, Performance Rights and Warrants (continued)

(b) Performance Rights

At year ended 30 June 2022, the Company had 96,084,110 performance rights over ordinary shares under issue (30 June 2021: 82,084,110). Each represent a conditional right for the holder to acquire one fully paid ordinary share in the Company, and are subject to meeting specified vesting conditions.

These performance rights are exercisable as follows:

30 June 2022

Details	No of Options	Grant Date	Date of Expiry	Hurdle Price $
Performance Rights	15,650,000(1)	25/11/2019	30/01/2023	0.05
	29,679,144(2)	26/11/2020	18/12/2022	0.04
	36,754,966(3)	26/11/2020	18/12/2022	0.06
Sub-total - on issue(9)	82,084,110			
Performance Rights – to be issued	2,000,000(4)	20/09/2021	11/04/2025	0.0135
	2,000,000(5)	20/09/2021	11/04/2025	0.0180
	5,000,000(6)(8)	30/06/2022	30/06/2025	0.015
	5,000,000(7)(8)	30/06/2022	30/06/2025	0.025
Sub-total – to be issued	14,000,000			
Total	96,084,110			

30 June 2021

Details	No of Options	Grant Date	Date of Expiry	Hurdle Price $
Performance Rights	15,650,000(1)	25/11/2019	30/01/2023	0.05
	29,679,144(2)	26/11/2020	26/11/2022	0.04
	36,754,966(3)	26/11/2020	26/11/2022	0.06
	82,084,110			

(1) Performance rights issued to employees with a vesting hurdle of 10 day volume weighted average price (“VWAP”) of Shares of at least $0.05.

(2)Tranche A performance rights will vest subject to the Company achieving a 20 day volume weighted average price (VWAP) of Shares of at least $0.04.

(3)Tranche B performance rights will vest subject to the Company achieving a 20 day volume weighted average price (VWAP) of Shares of at least $0.06.

(4)2 million performance rights issued to an employee will vest when the share price of the Company’s ordinary shares listed on the ASX have exceeded 150% of the share price at date of issue.

(5)2 million performance rights issued to an employee will vest when the share price of the Company’s ordinary shares listed on the ASX have exceeded 250% of the share price at date of issue.

(6)5 million performance rights issued to a KMP will vest on 1 July 2022 or such later date, when the share price of the Company’s ordinary shares listed on the ASX have exceeded 150% of the closing price on the first business day of 2022, for 5 consecutive business days.

(7)5 million performance rights issued to a KMP will vest on 1 July 2022 or such later date, when the share price of the Company’s ordinary shares listed on the ASX have exceeded 250% of the closing price on the first business day of 2022, for 5 consecutive business days.

(8)These instruments have been accrued as at 30 June 2022 as the vesting conditions have been met, with the instruments to be issued following shareholder approval at the AGM.

(9)Represents number of instruments vested and exercisable as at 30 June 2022.

18. Options, Performance Rights and Warrants (continued)

(b) Performance Rights (continued)

Movements in options during the financial year are as follows:

	2022 No.	2021 No.
Balance at beginning of the year	82,084,110	32,025,000
Prior year adjustment	-	25,000
Granted during the year	14,000,000	66,434,110
Exercised during the year	-	(16,000,000)
Forfeited/expired/cancelled during the year	-	(400,000)
Balance at the end of the year	96,084,110	82,084,110

(c) Kimberly Mining Limited Warrants

As at 30 June 2022, there were 31,128,738 in issued common shares in Kimberly Mining Limited and 8,461,000 under warrants (30 June 2021: 31,128,738 common shares and 8,461,000 warrants). These warrants are exercisable/convertible as follows:

Details	No of Warrants	Date of Expiry	Conversion Price $
Special Warrants	5,289,500	23/08/2023	0.4
Special Warrants – Tranche 2	3,171,500	23/09/2023	0.4
	8,461,000		

Special warrants and broker warrants are convertible to 1 ordinary share in Kimberly Mining Limited upon exercise.

	30 June 2022 No.	30 June 2021 No.
Balance at beginning of the period	8,461,000	8,734,370
Granted during the period	-	-
Exercised during the period	-	-
Forfeited/expired during the period	-	(273,370)
Balance at the end of the period	8,461,000	8,461,000

(d) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

19. Reserves

	Consolidated 2022 $	Consolidated 2021 $
Shared based payment reserve	5,920,745	5,485,343
Foreign currency translation reserve	-	-
Total	5,920,745	5,485,343

Movement of Shared based payment reserve	**30 June $**
Balance at 1 July 2020	4,296,211
Issue of shares for tenements	50,000
Issue of shares in lieu of salary^	64,581
Issue of options	879,654
Issue of performance rights	194,897
Balance at 30 June 2021	5,485,343
Performance rights and options issued in the current year (note 19b)	87,893
Performance rights and options issued in the prior year	347,509
Balance at 30 June 2022	**5,920,745**

^23,882,240 shares were issued to Directors in lieu of salaries at $0.0027 per share, total amounting to $64,581. Refer to remuneration report for details.

The nature and purpose of the share based payment reserve is to record the instruments over unissued ordinary shares used to settle transactions.

Movement of Foreign currency translation reserve	**30 June $**
Balance at 1 July 2020	(55,655)
Foreign currency translation reserve movement during the period	(26,856)
Transfer of foreign currency translation reserve to profit and loss (discontinued operation)	82,511
Balance at 30 June 2021/30 June 2022	-

The nature and purpose of the foreign currency translation reserve is to record movements in foreign exchange rates against the Group's denominated and functional currency balances and the presentation currency. Upon the decision to transfer the previously recognised Canadian segment to Discontinued Operations and to write down the asset group to nil, all foreign exchange movements are transferred to the profit and loss at balance date.

19. Reserves (continued)

(a) Share based payment reserve

The following new options, performance rights and warrants were recognised in the Share based payment reserve during the current and prior reporting periods:

30 June 2022

At 30 June 2022, the Company recognised an expense of $87,893, comprising $46,240 for 14,000,000 unissued performance rights provided to employees for which service vesting conditions have already been met and $41,653 for 20,000,000 options issued to the lead manager in connection with the June 2022 Rights Issue.

Options/Performance Rights	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Performance rights					
Not issued yet	2,000,000	20/09/2021	11/04/2025	0.0135	$0.0084
Not issued yet	2,000,000	20/09/2021	11/04/2025	0.018	$0.0079
Not issued yet	5,000,000	30/06/2022	30/06/2025	0.015	$0.0016
Not issued yet	5,000,000	30/06/2022	30/06/2025	0.025	$0.0011
	14,000,000				

Options	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 01/06/2022	20,000,000	01/06/2022	01/06/2024	0.01	$0.00208

30 June 2021

In relation to instruments issued in the prior year, at 30 June 2022, the Company recognised an expense of $347,509, comprising the below options and performance rights expensed over respective vesting periods.

Options/Performance Rights	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Options					
Issued 17/08/2020	25,000,000	13/08/2020	14/08/2022	0.003	$0.0065
Issued 13/10/2020	35,000,000	15/09/2020	13/09/2023	0.003	$0.0206
Issued 22/06/2021	21,000,000	22/06/2021	21/06/2024	0.015	$0.00756
	81,000,000				
Performance rights					
Issued 18/12/2020	29,679,144	26/11/2020	18/12/2022	0.00	$0.0108
Issued 18/12/2020	36,754,966	26/11/2020	18/12/2022	0.00	$0.0092
	66,434,110				

The terms of the above options and performance rights for the current and prior years are set out in note 18(a) and 18(b) respectively.

19. Reserves (continued)

(b) Types of share-based payment plans

(i) Performance rights

The following tables list the inputs to the Monte Carlo model used to value the performance rights issued during the current and prior financial year to employees. In all cases volatility was determined by reference to the Company's historical share price data over a period consistent with the useful life of the instrument:

There were $393,749 share based payments relating to performance rights in 2022 (2021: $194,897).

30 June 2022

No of Performance Rights	2,000,000[(1)]	2,000,000[(1)]	5,000,000[(2)]	5,000,000[(2)]
Grant date	20/09/21	20/09/21	30/06/22	30/06/22
Share price	$0.009	$0.009	$0.003	$0.003
Exercise price	$0.014	$0.018	$0.015	$0.025
Risk-free interest rate	0.17%	0.17%	3.205%	3.205%
Expiry date	11/04/25	11/04/25	30/06/25	30/06/25
Volatility	90%	90%	90%	90%
Fair value at grant date (cents)	0.0084	0.0079	0.0016	0.0011
Useful life	1,095 days	1,095 days	1,095 days	1,095 days

[(1)]Performance rights were granted to an employee during the period. These remain unissued as at balance date. The performance rights can be exercised from 11 April 2022 when the share price of the Company's ordinary shares have exceeded 150% (initial 2 million) and 250% (final 2 million) of the closing price on the first business day of 2022.

[(2)]Performance rights were granted to a KMP, Justin Barton, during the period. These remain unissued at balance date. The performance rights vested after the first 6 months of his role as managing director (01/01/22-30/06/22). The performance rights can be exercised from 1 July 2022 when the share price of the Company's ordinary shares have exceeded 150% (initial 5 million) and 250% (final 5 million) of the closing price on the first business day of 2022, for 5 consecutive days.

30 June 2021

No of Performance Rights	29,679,144	36,754,966
Grant date	26/11/20	26/11/20
Share price	$0.017	$0.017
Exercise price	$0.00	$0.00
Risk-free interest rate	0.09%	0.09%
Vesting Conditions and Period	If 20 day VWAP exceeds $0.04	If 20 day VWAP exceeds $0.06
Expiry date	26/11/22	26/11/22
Volatility	123%	123%
Fair value at grant date (cents)	0.0108	0.0092
Useful life	730 days	730 days

19. Reserves (continued)

(b) Types of share-based payment plans (continued)

(ii) Options

The 20,000,000 options issued to advisors during the year ended 30 June 2022 have been valued using the Black Scholes model, $41,653 is fully recognised directly in equity as transaction costs during the financial year ended, with the following inputs.

30 June 2022

No of Options	20,000,000
Grant date	01/06/2022
Share price	$0.0045
Exercise price	$0.01
Risk-free interest rate	2.63%
Vesting Conditions and Period	Nil
Expiry date	01/06/2024
Volatility	122%
Fair value at grant date (cents)	0.002

30 June 2021

The prior year options issued to advisors were valued using a Black Scholes model. 35,000,000 options and 21,000,000 options, with a value of $720,980 and $158,674 respectively were recognised directly in equity as transaction costs during the prior financial year, with the following inputs:

No of Options	35,000,000	21,000,000
Grant date	15/09/20	22/06/21
Share price	$0.026	$0.01
Exercise price	$0.03	$0.015
Risk-free interest rate	0.23%	0.14%
Vesting Conditions and Period	Nil	Nil
Expiry date	13/10/2023	21/06/24
Volatility	147.5%	143%
Fair value at grant date (cents)	0.0206	0.00756

The 25,000,000 options issued during the prior financial year were recognised as a share based payment expense in the year ended 30 June 2020. The fair value of $162,706 was fully recognised directly in equity in 30 June 2020 as transactions costs as the options were issued to advisors in connection with a capital raise.

No fair value is attributable to any other options issued in the prior year as all other options were either free attaching options issued in relation to the Placement and Entitlement issues during each year or were the beforementioned options set out above.

19. Reserves (continued)

(c) Summary of share based payment options granted

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued during the year:

	2022 No	2022 WAEP	2021 No	2021 WAEP
Outstanding at the beginning of the year	373,665,570	0.012	347,689,002	0.021
Granted during the year	20,000,000	0.0005	258,500,000	0.005
Exercised during the year	(182,705,631)	0.005	(176,151,719)	0.005
Expired/forfeited/cancelled during the year	(84,250,472)	0.009	(56,371,713)	0.046
Outstanding at the end of the year	126,709,467	0.002	373,665,570	0.012

(d) Weighted average of remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2022 is 1.14 years (2021: 1.48 years).

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2022 is 2.17 years (2021: 1.21 years)

(e) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.003-$0.08 (2021: $0.003-$0.10). The performance rights do not have an exercise price.

(f) Weighted average fair value

The weighted average fair value of options granted during the year, excluding free attaching options, was $0.002 (2021: $0.0129).

The weighted average fair value of performance rights granted during the year was $0.003 (2021: $0.0108)

(g) Share options exercised during the year

The following options were exercised during the year.

30 June 2022

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 22/05/2020	182,705,631	22/05/2020	22/05/2022	$0.004	0.004
	182,705,631				

30 June 2021

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 22/05/2020	168,291,851	22/05/2020	22/05/2022	$0.004	0.004
Issued 18/10/2019	4,888,439	18/10/2019	18/10/2020	$0.015	0.00[1]
Issued 10/06/2019	471,429	10/06/2019	31/05/2022	$0.02	0.00[1]
Issued 02/07/2015	2,500,000	02/07/2015	23/07/2020	$0.025	0.00568
	176,151,719				

20. Financial Risk Management

Risk management is the role and responsibility of the Board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks.

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating interest rate	1 year or less	Over 1 year to 5 years	More than 5 years	Non interest bearing	Total
	$	$	$	$	$	$
30 June 2022						
Financial Assets						
Cash and deposits	2,967,635	-	-	-	93,182	3,060,817
Trade and other receivables	-	-	-	-	156,784	156,784
Financial asset at FV through P&L	-	-	-	-	2,838,053	2,838,053
Other financial assets	-	-	-	-	20,723	20,723
	2,967,635	-	-	-	3,108,742	6,076,377
Weighted average interest rate	0.035%					0.035%
Financial liabilities						
Trade and other payables	-	-	-	-	707,265	707,265
	-	-	-	-	707,265	707,265
30 June 2021						
Financial Assets						
Cash and deposits	3,982,650	-	-	-	65,942	4,048,592
Trade and other receivables	-	-	-	-	150,537	150,537
Financial asset at FV through P&L	-	-	-	-	105,922	105,922
Other financial assets	-	-	-	-	21,486	21,486
	3,982,650	-	-	-	343,887	4,326,537
Weighted average interest rate	0.05%					0.05%
Financial liabilities						
Trade and other payables	-	-	-	-	944,381	944,381
	-	-	-	-	944,381	944,381

The Group has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- $29,676 (2021: $39,826) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

20. Financial Risk Management (continued)

(b) Market risk

The Group's listed investments are susceptible to market risk arising from uncertainties about its fair value. This risk is managed by investing decisions conducted by the Board. The Group held 91,550,106 shares in Nex valued at $2,838,053 as at 30 June 2022 (2021: 4,073,941 shares valued at $105,922). This is a level 1 measurement in accordance with the AASB 13 Fair Value hierarchy.

Sensitivity analysis

If share prices were to increase/decrease by 10 percent from share price used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	Consolidated	
	2022	2021
+/- 10%	$	$
Impact on profit/(loss) after tax	283,805	10,592
Impact on equity	(283,805)	(10,592)

(c) Credit risk

	Current	>30 days	>60 days	>90 days	Other	Total
	$	$	$	$		$
30 June 2022						
Financial Assets						
Cash & deposits	3,060,817	-	-	-	-	3,060,817
Trade and other receivables	156,784	-	-	-	-	156,784
Other financial assets:						
Rental security bond	-	-	-	-	20,723	20,723
Nex Receivable				1,279,794	-	-
Lifetime Expected Credit Loss	-	-	-	(1,279,794)	-	-
Subtotal – other financial assets	-	-	-	-	20,723	20,723
	3,217,601	-	-	-	20,723	3,238,324

	Current	>30 days	>60 days	>90 days	Other	Total
	$	$	$	$		$
30 June 2021						
Financial Assets						
Cash & deposits	4,048,592	-	-	-	-	4,048,592
Trade and other receivables	150,537	-	-	-	-	150,537
Other financial assets:						
Rental security bond	-	-	-	-	21,486	21,486
	4,199,129	-	-	-	21,486	4,220,615

20. Financial Risk Management (continued)

(c) Credit risk (continued)

Other than the Nex Receivable in the current year:

- the Group has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Group. Credit risk related to balances with banks is managed by ensuring that the surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-;
- None of the Group's financial assets subject to credit risk are past due or impaired (2021: nil). The majority of the Group's trade and other receivables relates to GST receivable and as such no credit risk exists.

The Nex Receivable has been fully impaired via an ECL. Refer to note 9.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with ANZ which is available as required.

The material liquidity risk for the Group is the ability to raise equity in the future.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflects management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Within 1 Year		1 to 5 Years		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	707,265	944,381	-	-	707,265	944,381
Lease liabilities	7,212	20,404	-	7,212	7,212	27,616
Total expected outflows	**714,477**	**964,785**	**-**	**7,212**	**714,477**	**971,997**
Financial asset - cash flows realisable						
Cash and cash equivalent	3,060,817	4,048,592	-	-	3,060,817	4,048,592
Trade, term and loan receivables	156,784	216,638	-	-	156,784	216,638
Financial assets at fair value through profit & loss	2,838,053	105,922	-	-	2,838,053	105,922
Rental Security bond	20,723	21,486	-	-	20,723	21,486
Total anticipated inflows	**6,076,377**	**4,392,638**	**-**	**-**	**6,076,377**	**4,392,638**
Net (outflow)/inflow on financial instruments	**5,361,900**	**3,427,853**	**-**	**(7,212)**	**5,361,900**	**3,420,641**

20. Financial Risk Management (continued)

(e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Group.

21. Key management personnel disclosures

	Consolidated Group	
	2022	2021
Key management personnel compensation	$	$
Short-term employee benefits	767,938	692,054
Post-employment benefits	66,001	45,117
Share based payments	298,511	194,897
	1,132,450	**932,068**

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report.

Apart from the Company's Directors, the Group had 2 employees as at 30 June 2022 (30 June 2021: 1 employee).

22. Remuneration of auditors

	Consolidated Group	
	2022	2021
	$	$
During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Group:		
Audit services		
- Audit and review of financial report and other audit work under the *Corporations Act 2001*	49,000	48,418
- Under provision of audit fee for prior year	5,773	-
Non-audit services		
- Other services provided – tax compliance	4,500	2,000
Total remuneration for audit and other services	59,273	50,418

From 2021, the auditors of Metalicity Limited and its subsidiaries has been Pitcher Partners BA&A Pty Limited.

23. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2022.

24. Commitments for expenditure

(a) Exploration Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report and are payable.

Outstanding exploration commitments, including the Company's 51% direct interest in the Kookynie and Yundamindra Joint Venture tenements, are as follows (other than detailed below, no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the Directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

	Consolidated Group	
	2022	2021
	$	$
Not longer than 1 year	508,478	823,427
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	508,478	823,427

25. Related Party transactions

(a) Key management personnel

During the year ended 30 June 2022, there were no related party transactions with key management personnel.

All other disclosures relating to key management personnel are set out in Note 21 and in the detailed remuneration disclosures in the Directors' Report.

(b) Transaction with related parties

There were no transactions with related parties other than with key management personnel as noted above.

(c) Outstanding balances arising from sales / purchases of goods and services

There are no balances owing to or from related parties at 30 June 2022 (2021: $Nil).

26. Earnings per share

	Consolidated Group	
(a) Basic earnings per share	**2022 Cents**	**2021 Cents**
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.22)	(0.10)
	(0.22)	(0.10)
(b) Diluted earnings/(loss) per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.22)	(0.10)
	(0.22)	(0.10)

(c) Reconciliation of profit/(loss) used in calculating earnings per share	**2022 $**	**2021 $**
Basic and diluted profit/(loss) per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(5,093,189)	(1,587,539)
Loss from discontinued operations	(114,725)	(1,583,356)
	(5,207,914)	(3,170,895)

(d) Weighted average number of shares used as the denominator	**2022 Number**	**2021 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	2,411,475,003	1,699,333,137
Adjustment for calculation of diluted profit/(loss) per share - Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	2,411,475,003	1,699,333,137

As the Group made a loss for the years ended 30 June 2022 and 30 June 2021, the options on issue have no dilutive effect. Therefore, dilutive loss per share is equal to basic loss per share.

27. Group entities

	Country of incorporation	Interest 2022	Interest 2021
Parent entity			
Metalicity Limited	Australia		
Subsidiary			
Metalicity Energy Pty Ltd	Australia	100%	100%
KYM Mining Pty Ltd	Australia	100%	100%
Kimberley Mining Limited(1)	Canada	~80.3%	~80.3%
Ridgecape Holdings Pty Ltd(1)	Australia	~80.3%	~80.3%
Kimberley Mining Australia Pty Ltd(1)	Australia	~80.3%	~80.3%
Kimberley Mining Holdings Pty Ltd(1)	Australia	~80.3%	~80.3%

(1) Metalicity Limited holds ~80.3% interest in Kimberley Mining Limited ("KML"), and its wholly owned subsidiaries, with outside equity interest holding the remaining ~19.7%. The outside equity interest in Kimberley Mining Limited equates to ~0.94% of the net assets of the Group, being $109,537 at 30 June 2022 (2021: $84,179). Please refer to note 13 for further details on the summarised financial information of KML.

28. Parent entity information

Statement of financial position

	Parent 2022 $	Parent 2021 $
ASSETS		
Total current assets	12,570,599	9,751,744
Total non-current assets	50,810	73,912
TOTAL ASSETS	12,621,409	9,825,656
LIABILITIES		
Total current liabilities	843,544	1,068,700
Total non-current liabilities	-	7,212
TOTAL LIABILITIES	843,544	1,075,912
NET ASSETS	11,777,865	8,749,744
EQUITY		
Contributed equity	63,725,507	56,023,942
Other reserves	3,895,576	3,460,175
Shares to be issued	8,578	-
Accumulated losses	(55,851,796)	(50,734,373)
TOTAL EQUITY	11,777,865	8,749,744
(Loss) of the parent entity	(5,117,423)	(3,243,426)
Total comprehensive (loss) of the parent entity	(5,117,423)	(3,243,426)

The parent entity has not provided any guarantees or become responsible for contingent liabilities or contractual commitments of its subsidiaries, other than those disclosed in this financial report.

29. Subsequent events

Other than the following, the Directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the Group in future financial years:

- On 4 July 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 25 July 2022;
- On 5 July 2022, the Company advised that the extraordinary meeting of Nex had been adjourned to 25 July 2022;
- On 22 July 2022, the Company announced the proceedings for the $1,279,794 claim against Nex had been listed for mediation in the Supreme Court of Western Australia on the 11 November 2022;
- On 25 July 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 8 August 2022;
- On 2 August 2022, the Company announced it had brought court action seeking 22.28% of Nex to be vested in ASIC and sold;
- On 8 August 2022, the Company announced an extension of its offer in relation to its off-market takeover bid of Nex to 29 August 2022;
- On 18 August 2022, the Company announced the acquisition of the highly prospective Mt Surprise Lithium Project.
- On 23 August 2022, the Company announced that the Mt Surprise Lithium Project had been granted;

- On 25 August 2022, the Company announced it had secured a second highly prospective lithium project with the acquisition of the Georgetown Lithium Project;
- On 29 August 2022, the Company announced that its extension of offer in relation to its off-market takeover bid of Nex had lapsed and would not be extended;
- On 1 September 2022, the Company announced that it retains effective interest of 67.8% in Kookynie and Yundamindra Gold Project through direct ownership of 51% and 34.3% indirect interest via Nex;
- On 2 September 2022, the Company announced historical samples at the Mt Surprise Lithium Project identify significant copper mineralisation over 5km strike;
- On 13 September 2022, the Company announced substantial extensions and significant gold intersections at Champion.
- On 23 September 2022, the Company announced the Annual General Meeting would be held on 25 November 2022.

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ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 15 September 2022.

(a) Substantial Shareholder

There are no substantial shareholders at the date of this report.

(b) Voting Rights

Ordinary Shares

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

Options and Performance Rights

There are no voting rights attached to the options or performance rights.

(c) Distribution of Equity Security Holders

(i) Ordinary Shares

Category	Total Holders	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	681	291,099	0.01
1,001 – 5,000	311	764,074	0.02
5,001 – 10,000	110	870,599	0.03
10,001 – 100,000	1,685	88,539,386	2.56
100,001 and over	2,413	3,368,240,848	97.38
Total	**5,200**	**3,458,706,006**	**100.00**

There were 106,857,706 unmarketable parcels of ordinary shares.

(ii) Listed Options

Category	Total Holders	Listed Options	% of Listed Options
1 – 1,000	30	9,155	0.00
1,001 – 5,000	60	188,622	0.07
5,001 – 10,000	76	603,842	0.23
10,001 – 100,000	274	12,341,769	4.69
100,001 and over	177	250,240,229	95.01
Total	**617**	**263,383,617**	**100.00**

There were 24,103,846 unmarketable parcels of listed options.

(iii) Unquoted Options

Category	Total Holders	Unlisted Options*	% of Unlisted Options
1 – 1,000	22	81,561,667	99.82
1,001 – 5,000	3	147,800	0.18
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and over	0	0	0.00
Total	**25**	**81,709,467**	**100.00**

* CG Nominees (Australia) Pty Ltd is the only holder with over 20% of total unlisted options, with 56,000,000 (68.54%).

(iv) Unquoted Performance Rights

Category	Total Holders	Unlisted Performance Rights*	% of Unlisted Performance Rights
1 – 1,000	6	82,084,110	100.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 and over	0	0	0.00
Total	**6**	**82,084,110**	**100.00**

*There are another 14,000,000 performance rights that were granted during the year but have not been issued yet that also have under 1,000 holders.

(d) Equity Security Holders
(i) Ordinary Shares

The names of the twenty largest ordinary fully paid shareholders at 15 September 2022 are:

		Number Held	Percentage of Issued Shares
1	BNP PARIBAS NOMS PTY LTD <DRP>	94,860,402	2.74
2	HISHENK PTY LTD	90,000,000	2.60
3	CITICORP NOMINEES PTY LIMITED	48,303,802	1.40
4	E C DAWSON SUPER PTY LTD <THE DAWSON SUPER FUND A/C>	46,000,000	1.33
5	MR MARK EDWIN ROBERTS	40,000,000	1.16
6	CG NOMINEES (AUSTRALIA) PTY LTD	33,558,122	0.97
7	FMR INVESTMENTS PTY LIMITED	32,708,000	0.95
8	WESTERN AUSTRALIAN HOLDINGS PTY LTD <SHASH NIGAM FAMILY A/C>	28,860,005	0.83
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,555,288	0.83
10	RAINMAKER HOLDINGS (WA) PTY LTD <THE MACRI INVESTMENT A/C>	27,991,807	0.81
11	FIRST LIGHT NOMINEES PTY LTD <NIGAM FAMILY A/C>	27,898,005	0.81
12	UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	26,999,339	0.78
13	HOGHTON SUPERFUND PTY LTD <HOGHTON SUPERFUND A/C>	26,042,374	0.75
14	SACROSANCT PTY LTD <SACROSANCT SUPER FUND A/C>	25,399,680	0.73
15	MRS MARISA MACKOW	24,401,417	0.71
16	TERRA FORTUNA SDN BHD	23,687,480	0.68
17	MR JASON NEWTON LIVINGSTONE	22,559,905	0.65
18	MR GURTEJ SINGH	20,586,731	0.60
19	WIP FUNDS MANAGEMENT PTY LTD <PORTER FAMILY S/F A/C>	20,000,000	0.58
20	COVENTINA HOLDINGS PTY LTD <COVENTINA FAMILY A/C>	19,850,511	0.57
	Total	**708,262,868**	**20.48**

(ii) Listed Option Holders

The names of the twenty largest listed option holders shareholders at 15 September 2022 are:

		Number Held	Percentage of Issued Shares
1	EUTHENIA TYCHE PTY LTD	20,100,000	7.63
2	CG NOMINEES (AUSTRALIA) PTY LTD	20,000,000	7.59
3	MR PAUL-JOHN CRAWFORD GERBER	10,000,000	3.80
4	MR PETER KARL LAIS	9,216,436	3.50
5	MR MD AKRAM UDDIN	8,500,005	3.23
6	MR SHAFIQUL ISLAM	6,126,800	2.33
7	EQUITY TRUSTEES SUPERANNUATION LIMITED <AMG GARTH HOPKINSON A/C>	6,000,000	2.28
7	SHANTO PTY LTD <SHANTO SUPER FUND A/C>	6,000,000	2.28
7	MR MARK RICHARD JENSEN	6,000,000	2.28
8	MR MD MUNTASIR BILLAH	5,000,000	1.90
8	MR CLEMENT FREDERICK DEVINE	5,000,000	1.90
9	HISHENK PTY LTD	4,761,906	1.81
10	PAUL THOMSON FURNITURE PTY LTD <THOMSON S/F A/C>	4,158,572	1.58
11	SKYWALKER HOLDINGS WA PTY LTD	4,049,760	1.54
11	SHEZAPPLES PTY LTD	4,049,760	1.54
12	MR MARK ANDREW TKOCZ	3,950,000	1.50
13	MR CAJETAN FRANCIS MASCARENHAS	3,637,199	1.38
14	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	3,376,014	1.28
15	MR MARK EDWIN ROBERTS	3,333,334	1.27
16	MR ROSS DIX HARVEY	3,200,000	1.21
17	APT CONTRACTORS PTY LTD <THOMPSON FAMILY A/C>	3,000,000	1.14
18	MRS LAI SUN KEANE	2,879,829	1.09
19	E C DAWSON SUPER PTY LTD <THE DAWSON SUPER FUND A/C>	2,699,840	1.03
20	BVB CUSTODIAN PTY LTD <BVB A/C>	2,474,211	0.94
	Total	**147,563,666**	**56.03**

(e) Unquoted Securities

(i) Unlisted Options

Class	Expiry Date	No. of Holders	Exercise Price	No. of Options
MCTOP40	14 Jan 2022	1	$0.025	2,000,000[12]
MCTOP41	14 Jan 2022	1	$0.035	2,000,000[12]
MCTOP42	31 May 2022	6	$0.020	10,785,715[13]
MCTOP34	14 Feb 2023	24	$0.080	25,709,467[14]
MCTOP46	14 Aug 2022	1	$0.003	25,000,000[15]
MCTOP47	13 Oct 2023	1	$0.003	35,000,000[15]
MCTOP48	22 Jun 2024	1	$0.015	21,000,000[15]
Total				**81,709,467**

(ii) Unlisted Performance Rights

Class	Expiry Date	No. of Holders	Vesting at	No. of Options
MCTPERF2	30 Jan 2023	2	$0.050	15,650,000[16]
MCTPERF3	18 Dec 2022	4	$0.040	29,679,144[17]
MCTPERF4	18 Dec 2022	4	$0.060	36,754,966[18]
Not issued yet	11 April 2025	1	$0.0135	2,000,000[19]
Not issued yet	11 April 2025	1	$0.0180	2,000,000[19]
Not issued yet	30 June 2025	1	$0.015	5,000,000[20]
Not issued yet	30 June2025	1	$0.025	5,000,000[20]
Total				**96,084,110**

The names of holders and number of unquoted securities held for each class (excluding securities issued under an employee share scheme) where the holding was 20% or more of each class of security are as follows set out in the footnotes below.

[12] Jason Livingstone owns 100%
[13] E C Dawson Super Pty Ltd and Cheyne Michael Dunford both hold 4,000,000 each
[14] National Bank Financial Inc holds 8,890,000
[15] CG Nominees Australia Pty Ltd owns 100%
[16] Jason Livingstone owns 10,000,000 and Justin Barton owns 5,650,000
[17] Jason Livingstone owns 12,299,456 and Conventina Holdings Pty Ltd owns 10,695,187
[18] Jason Livingstone owns 15,231,788 and Conventina Holdings Pty Ltd owns 13,245,033
[19] Stephen Guy owns 100%
[20] Justin Barton owns 100%

Resources Statement

Mineral Resource Estimate – Kookynie Gold Project.

The current Mineral Resource Estimate (MRE) for the Kookynie Gold Project as at 30th June 2022 is reported below.

Mineral Resource Estimate

Mineral Resource	Tonnes (Kt)	Grade (g/t Au)	Contained Ounces
Indicated Mineral Resources	450	1.3	19,000
Inferred Mineral Resources	1,130	1.7	62,000
Total Mineral resources	**1,580**	**1.6**	**81,000**

Note: Mineral Resources are reported to a 0.5 g/t Au cut-off grade.

Indicated and Inferred Mineral Resource Estimate Subdivided by Deposit

	Indicated			Inferred		
Deposit	Tonnes (kt)	Au Grade (g/t)	Ounces	Tonnes (kt)	Au Grade (g/t)	Ounces
Leipold	450	1.3	19,000	630	1.7	34,000
Champion	-	-	-	380	1.7	20,000
McTavish	-	-	-	120	2.0	8,000
Total	**450**	**1.3**	**19,000**	**1,130**	**1.7**	**62,000**

Note: Mineral Resources are reported to a 0.5 g/t Au cut-off grade.

Previous Mineral Resource Estimate – Kookynie Gold Project

The mineral resource estimate for the Kookynie Gold Project is a maiden estimate for Metalicity and announced on the 1st of April 2022 and therefore there are no changes to the resource from last year[21].

Classification Criteria

The Leipold, Champion and McTavish deposits show good continuity of the main mineralised units which allowed the drill hole intersections to be modelled into coherent, geologically robust domains. Consistency is evident in the thickness of the structure, and the distribution of grade appears to be reasonable along and across strike.

The Kookynie Mineral Resources have been classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was confined to the Leipold deposit, within areas of close spaced RC and DD drilling of less than 20m by 20m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 20m by 20m, where small, isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. Champion and McTavish were classified as Inferred Mineral Resource.

[21] ASX Announcement "Kookynie Maiden JORC 2012 Mineral Resource Estimate" dated 1st April 2022.

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ASX Additional Information

Governance Controls

All Mineral Resource estimates are prepared by Competent Persons using data that they have reviewed and considered to have been collected using appropriate industry standard practices and which, to the most practical degree possible are representative, unbiased, and collected with appropriate QA/QC practices in place.

Mineral Resource Estimate – Admiral Bay Zinc Project.

The current MRE for the Admiral Bay Zinc Project as at 30th June 2022 is reported below.

Global Mineral Resource Estimate

		Grade				
Mineral Resource	**Tonnes (Mt)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Ba (%)**	**ZnEq* (%)**
Inferred Mineral Resource	170	4.1	2.7	25	10	7.5
Total Mineral Resource	**170**	**4.1**	**2.7**	**25**	**10**	**7.5**

Notes:

- Inferred Mineral Resource is constrained within modelled mineralisation domains based on a notional 3% Zn+Pb cutoff grade.
- Nearest neighbour block model estimates into 50mX by 50mY by 360mZ parent block dimensions based on composite drill intersection grades over entire mineralised zone intervals.
- No cutoff grade applied to block model estimates for resource reporting.
- Zinc equivalence (ZnEq) in the MRE has been reported based on average LME prices for lead, zinc and silver in May 2016 and metallurgical recoveries derived from metallurgical testwork completed by CRAE and Kagara.
- ZnEq* is a formula based on LME metal prices in May 2016 and previous Metalicity metal recovery estimates as discussed above.
- The calculation for the Zinc Equivalent formula is ZnEq = Zn+0.97Pb+0.03Ag.
- Resource tonnages and grades are rounded to two significant figures.

Mineral Resource Estimate Subdivided by Modelling Domains

Inferred Mineral Resource

	Description				Grade				
Zone	**Style**	**Host Stratigraphy**	**Tonnes (Mt)**	**Density (t/m^3)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Ba (%)**	**ZnEq* (%)**
11	High Zn, Low Pb	NFM at contact w/CFM	95	3.0	5.7	1.6	29	9	8.1
12	Mod Zn, Low Pb	CFM at contact w/NFM	23	2.7	3.6	0.6	17	2	4.7
20	Low Zn, High Pb	NFM below MZ11	40	3.4	1.7	5.1	19	15	7.2
30	Mod Zn, Low Pb	CFM above MZ12	2	2.7	4.4	0.8	28	1	6.0
40	Low Zn, High Pb	NFM/GFM contact	10	3.9	0.2	9.5	20	17	10.0
50	Mod Zn, Low Pb	CFM above MZ30	0.5	2.7	4.1	1.1	22	1	5.9
All	**Total – Combined Zones**		**170**	**4.1**	**4.1**	**2.7**	**25**	**10**	**7.5**

Notes:

- Inferred Mineral Resource subdivided by modelled mineralisation domains based on a notional 3% Zn+Pb cutoff grade.
- CFM = Cudalgarra (or Bongabinni) Formation, NFM = Nita Formation, GFM = Goldwyer Formation.
- Nearest neighbour block model estimates into 50mX by 50mY by 360mZ parent block dimensions based on composite drill intersection grades over entire mineralised zone intervals.
- No cutoff grade applied to block model estimates for resource reporting.
- Zinc equivalence (ZnEq) in the MRE has been reported based on average LME prices for lead, zinc and silver in May 2016 and metallurgical recoveries derived from metallurgical testwork completed by CRAE and Kagara.
- ZnEq* is a formula based on LME metal prices in May 2016 and previous Metalicity metal recovery estimates as discussed above.
- The calculation for the Zinc Equivalent formula is ZnEq = Zn+0.97Pb+0.03Ag.
- Resource tonnages and grades are rounded to two significant figures.

Previous Mineral Resource Estimate - Admiral Bay Zinc Project

No change in the mineral resource estimate from last year.

Classification Criteria

A total of six mineralised zone domains were modelled using interpretations of the stratigraphy and mineralisation dominance (zinc versus lead) and a notional 3% Zn+Pb cutoff grade to guide the modelling.

The main zones of zinc (MZ11) and lead (MZ20) dominant mineralisation near the top of the NFM have been modelled over an 18km strike length mostly trending towards an azimuth of 300°. The main zinc zone ranges from nearly 900m wide at the western end, tapering to 500m to 600m wide over the eastern half of the strike extents. The main lead zone ranges from 400m wide at the western end, tapering to 130m wide 12km to the southwest, and then increasing to 250m wide over 4km from the eastern end. Drill intersections of both zones range from 3m to 20m.

The Mineral Resource Classification is based on confidence in the geological and grade continuity in relation to the drill hole spacing. Where present, the mineralisation appears to be highly continuous along the strike of the deposit but shows significant variations in grade and thickness across the deposit. Higher confidence local estimates therefore require a drill spacing that adequately represents the local variation in the mineralised intersection grades and better characterises changes in mineralisation thicknesses, in particular across the deposit.

Governance Controls

The Mineral Resource estimate (above) for Admiral Bay Zinc has been classified in accordance with the guidelines set out in the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC, 2012 Edition). Classification of the Mineral Resource estimate has taken into consideration the quality of geological and sampling data, geological understanding/interpretation and geological and grade continuity.

The data spacing and distribution at Admiral Bay Zinc is considered sufficient to establish an appropriate degree of geological and grade continuity appropriate for classification of an Inferred Mineral Resource.

Disclaimer and Forward-Looking Statements

This report is not a prospectus nor an offer of securities for subscription or sale in any jurisdiction nor a securities recommendation. The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Metalicity Limited and consult with their own legal, tax, business and/or financial advisers in connection with any acquisition of securities.

ASX Additional Information

The information contained in this report has been prepared in good faith by Metalicity Limited. However, no representation or warranty, express or implied, is made as to the completeness or adequacy of any statements, estimates, opinions or other information contained in this report. To the maximum extent permitted by law, Metalicity Limited, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use of, or reliance on, anything contained in or omitted from this report. Certain information in this report refers to the intentions of Metalicity Limited, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act (Cth, Australia) or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Metalicity Limited's actual results, performance or achievements to differ from those referred to in this report to occur as contemplated.

The report contains only a synopsis of more detailed information to be published in relation to the matters described in this document and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you or incurring by you of additional liability. Recipients of this report should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and you should satisfy yourself in relation to such matters. Furthermore, this report may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether because of new information, future events or results or otherwise.

Competent Person Statements

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears. In addition, please refer to the referenced ASX Announcements for the Competent Persons Statements applicable.

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Stephen Guy, a Competent Person who is a Member of the Australian Institute of Geoscientists.

Mr. Guy is an employee of Metalicity Limited. Mr. Guy has sufficient experience that is 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Guy consents to the inclusion of the data in the form and context in which it appears.

The information in this announcement that relates to previous Exploration Results based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is a consultant for Metalicity and a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits that are covered in this announcement and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The Kookynie Gold Mineral Resource has been compiled under the supervision of Mr. Shaun Searle who is a director of Ashmore Advisory Pty Ltd and a Registered Member of the Australian Institute of Geoscientists.
Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

The information in this report that relates to the Admiral Bay Zinc Mineral Resource Estimate is based on, and fairly represents, information which has been compiled by Mr James Ridley. Mr Ridley is a Director and Principal Geologist at Ridley Mineral Resource Consulting Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ridley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ridley consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

All Mineral Resources figures reported in the table above represent estimates at 30 June 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 11(The Joint Ore Reserves Committee Code – JORC 2012 Edition).

The Group is not aware of any new information or data that materially affects the information included in the report and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

(f) Tenement List:

As at 15 September 2022

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)	Nature of Interest	Interest
Kookynie							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Direct Holding	51%
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Direct Holding	51%
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Direct Holding	51%
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Direct Holding	51%
E40/401	KYM Mining Limited	100/100	No	Live	598.0	Direct Holding	51%
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Direct Holding	51%
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Direct Holding	51%
P40/1510	Metalicity Limited	100/100	No	Live	185.0	Direct Holding	51%
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Direct Holding	51%
E40/387	Metalicity Limited	100/100	No	Live	299.0	Direct Holding	51%
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2	Earnt In	51%
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0	Earnt In	51%
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0	Earnt In	51%
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7	Earnt In	51%
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5	Earnt In	51%
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7	Earnt In	51%
M40/77	Nex Metals Explorations Limited	90,405/90,405	No	Live	119.2	Earnt In	51%
P40/1499	Nex Metals Explorations Limited	100/100	No	Live	8.3	Earnt In	51%
P40/1500	Nex Metals Explorations Limited	100/100	No	Live	5.9	Earnt In	51%
P40/1501	Nex Metals Explorations Limited	100/100	No	Live	21.1	Earnt In	51%
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7	Earning In	51%
Kookynie Total Area (ha)					10,862.1		
Yundamindra							
L39/34	Nex Metals Explorations Limited	100/100	Yes	Live	1.0	Earnt In	51%
L39/52	Nex Metals Explorations Limited	96/96	Yes	Live	1.0	Earnt In	51%
L39/258	Nex Metals Explorations Limited	100/100	Yes	Live	3.2	Earnt In	51%
M39/84	Nex Metals Explorations Limited	100/100	Yes	Live	378.0	Earnt In	51%
M39/274	Nex Metals Explorations Limited	100/100	Yes	Live	230.0	Earnt In	51%
M39/406	Nex Metals Explorations Limited	100/100	Yes	Live	124.0	Earnt In	51%
M39/407	Nex Metals Explorations Limited	100/100	Yes	Live	896.0	Earnt In	51%
M39/408	Nex Metals Explorations Limited	100/100	Yes	Live	785.0	Earnt In	51%
M39/409	Nex Metals Explorations Limited	100/100	Yes	Live	966.0	Earnt In	51%
M39/410	Nex Metals Explorations Limited	100/100	Yes	Live	978.0	Earnt In	51%
M39/839	Nex Metals Explorations Limited	100/100	Yes	Live	7.3	Earnt In	51%

M39/840	Nex Metals Explorations Limited	100/100	Yes	Live	9.7	Earnt In	51%
P39/6126	Nex Metals Explorations Limited	100/100	No	Live	10.4	Earnt In	51%
P39/6127	Nex Metals Explorations Limited	100/100	No	Live	5.6	Earnt In	51%
E39/1773	Paddick Investments Pty Ltd	100/100	Yes	Live	903.0	Earning-in	51%
E39/1774	Paddick Investments Pty Ltd	100/100	Yes	Live	2,517.0	Earning-in	51%
Yundamindra Total Area (ha)					7,815.1		

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Admiral Bay					
E04/1610	Kimberley Mining Australia Pty Lyd	Live	42 Blocks	Holding in Subsidiary	80.3%
M04/244	Kimberley Mining Australia Pty Lyd	Live	796.4 ha	Holding in Subsidiary	80.3%
M40/249	Kimberley Mining Australia Pty Lyd	Live	843.85 ha	Holding in Subsidiary	80.3%

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Queensland Lithium Projects					
EOM 28052	Astralis Resources Pty Ltd	Live	100 Sub-Blocks	Earning-in	100%