



Annual Report 2023

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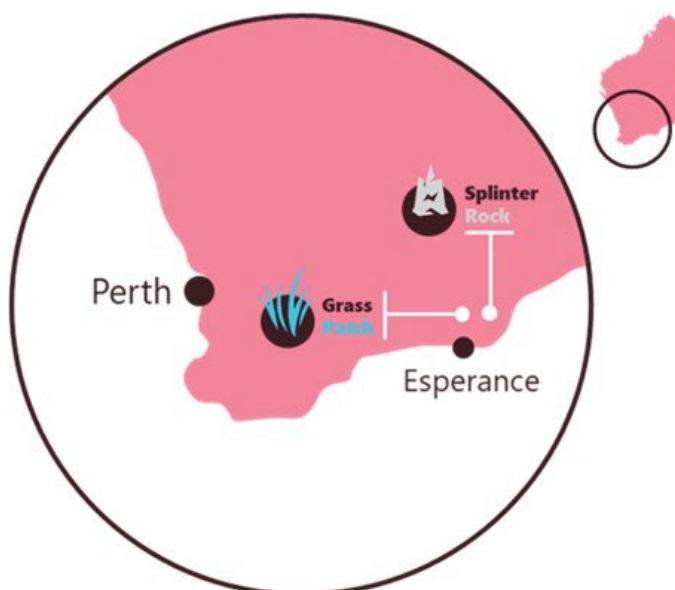
ASX | OD6

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ACKNOWLEDGEMENT OF COUNTRY

OD6 Metals Limited acknowledges the Esperance Nyungar and Ngadju Peoples of the land and waters upon which our exploration is focused, and the Whadjuk People of the land upon which our offices are based. We pay our respects to the Traditional Owners and their elders past, present and emerging.



CHAIR'S LETTER

Dear Shareholder

As the Chair of the board of OD6 Metals Ltd and on behalf of the Board and Management, it is my pleasure to provide this letter in the Company's second Annual Report since listing on the Australian Securities Exchange (ASX) in June 2022.

On behalf of the Board of Directors, I acknowledge the Ngadju people and the Esperance Nyungar people, the Traditional Owners of the land upon which we work. We pay our respects to the respective Traditional Owner groups and their elders, past, present and emerging. We thank the Traditional Owners and their representatives for their support on-country over the past year.

Our Company has continued to make remarkable progress with its exploration for Rare Earth Elements (REE) across its tenements, which encompass 4,828 square kilometres, in districts near Esperance in Western Australia.

Having raised A\$8 million at the end of the previous financial year we moved quickly to establish a small, highly skilled team to manage a set of targeted exploration activities. Our team ensured we completed the maiden drilling program at Splinter Rock within the first three months of the 2023 financial year. The results from that drilling program recorded outstanding REE assay levels, representing some of the highest grades and thickest clay-hosted rare earth intersections seen in Australia.

In October 2022, the Company announced it had entered into an agreement with the CSIRO, supported through the Kick-Start Program, in order to generate an improved geochemical and geophysical understanding of the techniques needed to increase confidence in REE exploration.

During that same month the Company commenced an airborne electromagnetic survey, across both its Grass Patch and Splinter Rock Projects, designed to enable future targeted drilling of high priority exploration areas. When this data was assessed, it strongly aligned with the initial drilling results and enabled the identification of 253 square kilometres of combined clay basin target areas.

In January 2023, OD6 Metals commenced a first pass reconnaissance drilling program at the Grass Patch Project which confirmed significant areas of high grade, clay hosted earths with three main prospects identified for further follow up drilling.

The second half of the financial year also saw further drilling at Splinter Rock, to strengthen and expand on the earlier results.

An initial metallurgical test work program, through the Australian Nuclear Science and Technology Organisation (ANSTO), recorded some excellent recoveries and provides a platform for our on-going metallurgical studies.

Metallurgical engineering, along with innovative strategies for sustainable development, are key parts of our on-going research and we are fortunate to have the assistance from several research providers including the CSIRO, Murdoch University, ANSTO and industry leading consultants.

In striving towards the potential future development of our REE resources, OD6 Metals is pursuing a disciplined approach to geometallurgy whereby we not only prioritise areas, tonnes and grade, but we move to also maximise value through a "Best of the Best" strategy. We are out to prioritise areas replete with all the characteristics required - tonnes, grade, thickness, strip-ratio, high metallurgical recovery and low reagent consumption.

We continue to conduct research into engineering aspects including how to efficiently provide what is required for large scale development including, studies into producing reagents on-site and utilising the excellent renewable energy resources available to the Esperance district.

We achieved a key milestone in July 2023, being a **maiden Inferred Mineral Resource Estimate of 344 million tonnes at 1,308ppm Total Rare Earth Oxides at 1,000ppm cut-off grade for the Splinter Rock Project**¹.

¹ ASX Ann: Splinter Rock Maiden Mineral Resource 18 July 2023

CHAIR'S LETTER (CONTINUED)

The impressive result was derived from less than five per cent of the targeted clay basin area, with on-going exploration now anticipated to further expand the known mineralised zones.

This remarkable outcome was achieved in less than a year from the start of the first drilling.

One crucial aspect of how we operate is reflected by our Environmental, Social and Governance (ESG) approach which was initiated during the last 12 months. Our ESG aims are to minimize our environmental impact, look after our people, grow with our communities and create value for our stakeholders.

As always, all of our activities are underpinned by high standards of business ethics, governance and regulatory compliance, along with acting with integrity to responsibly deliver future rare earth resources for a low carbon future.

On review of our first year as a listed entity I am proud to state that OD6 Metals has fulfilled the short-term commitments made in the 2022 Prospectus and our project at Splinter Rock has exceeded even our own lofty ambitions.

The support of our loyal shareholders is also greatly appreciated by the Board as, although the major achievements of the past year are remarkable, there remains a great deal more to do.

Critical minerals exploration, discovery and development is crucial for a world in an energy industry transition. Australia is set to provide a globally significant role in this future. OD6 Metals, is at the vanguard of this future with some of the most extensive and highest-grade clay-hosted Rare Earth Element (REE) deposits in the country.

On behalf of the Board, I congratulate everyone involved in contributing to the OD6 Metals story this year and look forward to sharing the journey with you as we carry our business towards a bright future.

Yours faithfully



Dr Darren Holden
Non-Executive Chair
6 September 2023

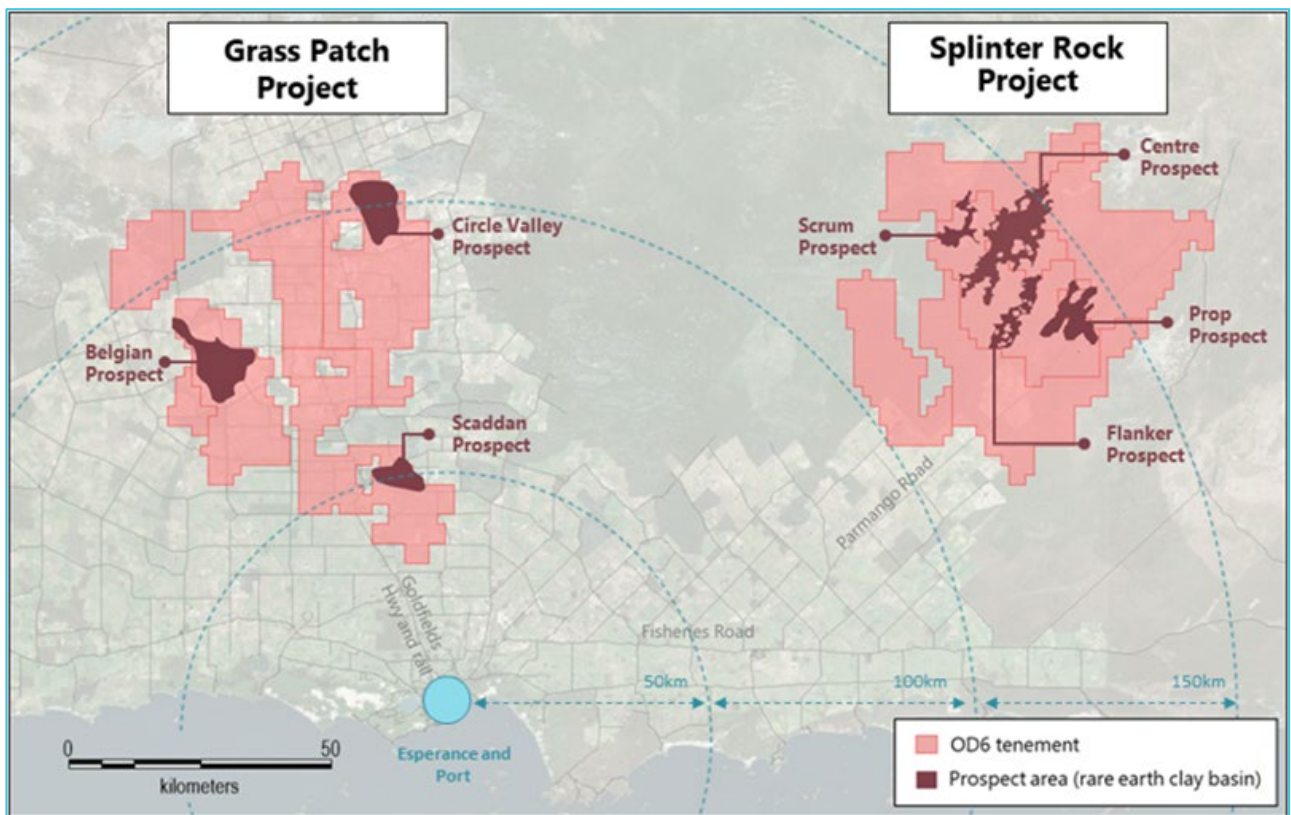


MANAGING DIRECTORS OVERVIEW

I am pleased to take this opportunity to provide my first Managing Director's Overview for an OD6 Metals Annual Report, setting out our place in the Rare Earth Elements (REE) resource sector and explaining our vision of the future for the Company.

OD6 Metals is an Australian public company pursuing exploration and development opportunities within the critical mineral sector.

The Company has successfully identified clay hosted rare earths at its 100% owned Splinter Rock and Grass Patch Projects, which are located in the Esperance-Goldfields region of Western Australia - about 30 to 150 kilometres north and northeast of the major port and town of Esperance.



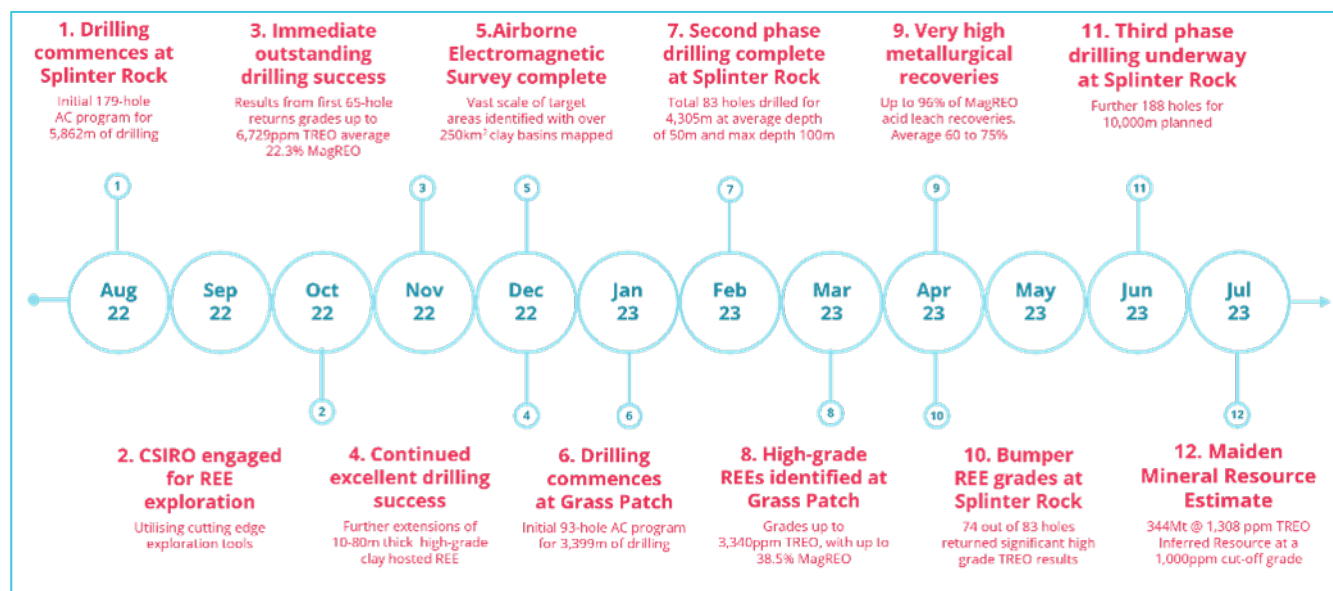
Drilling and geological analysis at its flagship Splinter Rock has shown widespread, thick, high-grade clay hosted REE deposits that extend over hundreds of square kilometres. Metallurgical testing using hydrochloric acid to leach the rare earths have resulted in positive REE recoveries with optimisation ongoing.

The Company aims to delineate and define economic resources and reserves of REEs, in particular Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and Terbium (Tb) which can be developed into a future revenue generating mine. Clay REE deposits are currently economically extracted in China, which is the dominant world producer of REEs.

REEs are becoming increasingly important in the global economy, with uses including advanced electronics and permanent magnets in electric motors. As an example, a neodymium magnet used in a wind turbine or electric vehicle motor is 18 times stronger than a standard ferrite magnet significantly increasing energy use efficiency.

MANAGING DIRECTORS OVERVIEW (CONTINUED)

For the OD6 Metals team, it has been a very busy time post the Company listing on the ASX in late June 2022. As outlined in the timeline below and the following list of our key announcements, we have achieved a significant body of work to reach the point where we were able to publish Australia's largest and highest grade clay hosted rare earth Resource Estimate at our Splinter Rock Project².



Timeline - Delivering on the Commitments to Shareholders

Key ASX Announcements (including ASX hyperlinks)

Date	Announcement Title
12 July 2022	Drill Preparations Complete at Splinter Rock
29 August 2022	Drilling Commences at Splinter Rock
3 October 2022	Drilling Complete at Splinter Rock REE Project
5 October 2022	OD6 Engages CSIRO on Splinter Rock REE Project
17 October 2022	Airborne Electromagnetic (AEM) Survey Commences
10 November 2022	Outstanding Initial Drilling Assay Results
1 December 2022	Excellent Drilling Assay Results Continue
2 December 2020	Full Drill Program Summary Presentation
15 December 2022	AEM Shows Vast Scale of Target Areas
17 January 2023	Drilling Commenced at Grass Patch
1 February 2023	Drilling Complete at Grass Patch
27 February 2023	Second Phase Drilling Complete at Splinter Rock

² ASX Ann: Splinter Rock Maiden Mineral Resource 18 July 2023

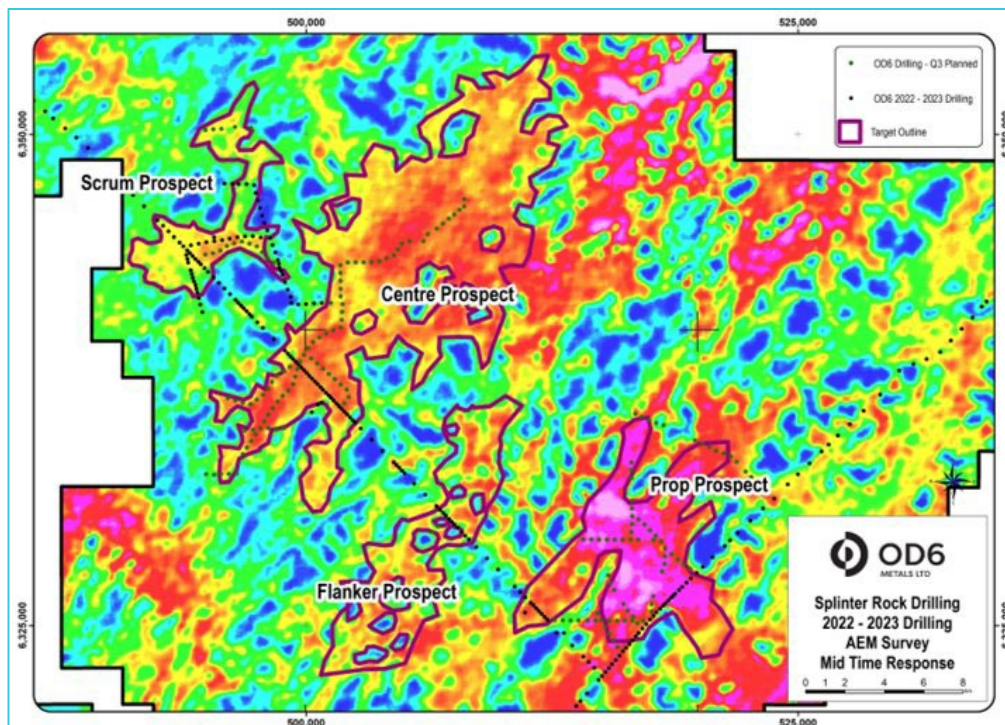
MANAGING DIRECTORS OVERVIEW (CONTINUED)

Key ASX Announcements (Continued)

Date	Announcement Title
24 March 2023	Grass Patch Drilling Identifies High-Grade REEs
3 April 2023	Very High Metallurgical Recoveries
18 April 2023	Bumper REE Grades and Extensive Thicknesses at Splinter Rock
24 April 2023	Successful Exploration Incentive Scheme Application
8 June 2023	Phase Three Drilling Commences At Splinter Rock
18 July 2023	Splinter Rock Maiden Mineral Resource 344Mt @ 1,308 ppm TREO Inferred Resource at a 1,000ppm cut-off grade
18 July 2023	Globally Significant Clay Hosted Rare Earth Discovery - Investor Presentation
15 August 2023	Phase 3 Drilling Complete at Splinter Rock REE Project

OD6 Metals can now confidently state that the Splinter Rock Project, with 344 million tonnes at 1,308 parts per million Total Rare Earth oxide or TREO and using a 1000ppm cutoff grade, has the largest and highest grade clay hosted rare earth resource in Australia.

Importantly, we expect this Resource to grow significantly over the next 6 to 18 months as we drill new areas identified using the airborne electromagnetic survey (AEM) completed in late 2022. The AEM survey has been a key contributor to our exploration success with over 250 square kilometres of clay basins mapped so far, of which the Maiden Resource represents less than five per cent of these basin areas. The potential for a multi-generation asset at Splinter Rock is now a real prospect.



Splinter Rock Project – Airborne Electro Magnetic Survey Results with existing and proposed drill locations

MANAGING DIRECTORS OVERVIEW (CONTINUED)

Going forward a critical focus area for our team will be determining the economics of any future business and the total cost of extracting the REE from our best deposits. As part of our Resource assessment process we internally considered potential mining, processing and business costs of a new rare earth industry based in Esperance and concluded that the use of a 1,000ppm cut-off grade was appropriate.

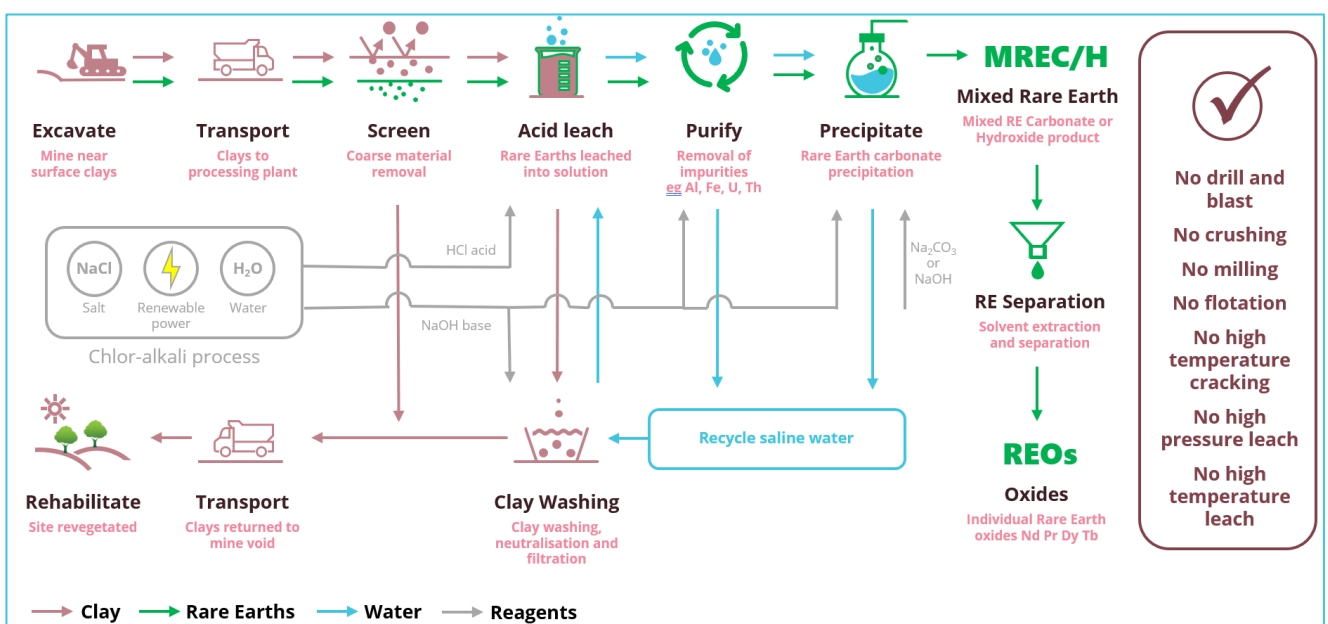
The economics of any minerals industry will always revolve around having the highest possible head grades, but in addition to this, metallurgical recoveries, stripping ratio and reagent costs will be key drivers for a clay hosted rare earth project to be successful. With our stripping ratio expected to be relatively low, geo-metallurgical factors now form a key focus for OD6 Metals moving forward.

Geometallurgy (GeoMet) refers to the practice of combining variables such as geology, grade, volume, geochemistry, mineralogy and metallurgy to combine economic models with exploration. The aim is to optimise the economics of a deposit to facilitate the identification and ranking of preferred initial mining areas across clay hosted prospects. As Splinter Rock's GeoMet relationships are systemically mapped, clay areas containing the highest grades and metallurgical recoveries of rare earth elements can be identified and targeted for advanced stage work streams.

OD6 Metals is working with some of Australia's leading science and technology organisations including ANSTO, CSIRO and Murdoch University to unlock the potential of our clay hosted rare earth prospects. Based on the mineralogy and metallurgical works completed to date we have identified a processing pathway that will continue to be modified and optimised over time.

We have looked at the different recoveries possible from using different acids in the leaching process and concluded that hydrochloric acid will achieve higher recoveries, albeit noting the need to remove those impurities that get leached using hydrochloric acid.

Further, we believe the viability of the project will also be driven by utilising a Chloralkali process to create the acid onsite by converting salt (NaCl) and water in an electrolyser to hydrochloric acid and sodium hydroxide, from predominantly renewable energy (wind, solar and battery). Importantly this process gives us both an acid and a base which are required to produce a final Mixed Rare Earth Carbonate or Hydroxide (MREC/H).



Indicative Processing Steps – Simplified Delivery of Rare Earth Products

MANAGING DIRECTORS OVERVIEW (CONTINUED)

As part of our research and development of the processing pathway with our partners at ANSTO and CSIRO, we continue to evaluate and study the various parameters so that we can identify a way to economically upgrade the clays, leach the rare earths, remove the impurities, produce a saleable MREC/H and return the treated clays back to mining areas. This will take a disciplined approach to geo-metallurgical modelling of the clays and optimising the relationships between grade, recovery, reagent consumption and final product purity.

Mining of clay hosted REEs in Australia is in its infancy and many sections of the investment community and exploration sector lack a clear understanding of the different factors that will influence the exploration, development and success of these projects.

OD6 Metals has started its exploration and development journey with a clear approach focusing on highly targeted geometallurgical exploration to prioritise the 'best of the best' resource (grade, MagREO content, thickness, metallurgical recovery and acid consumption) to then integrate with a disciplined design, evaluation and delivery of a scoping study that creates sustainable value. We look forward to updating the market on the fundamental quality of our Projects



Brett Hazelden
Managing Director
6 September 2023



REVIEW OF OPERATIONS

The Company

OD6 Metals Limited is an Australian public company with a purpose to pursue exploration and development opportunities within the resources sector.

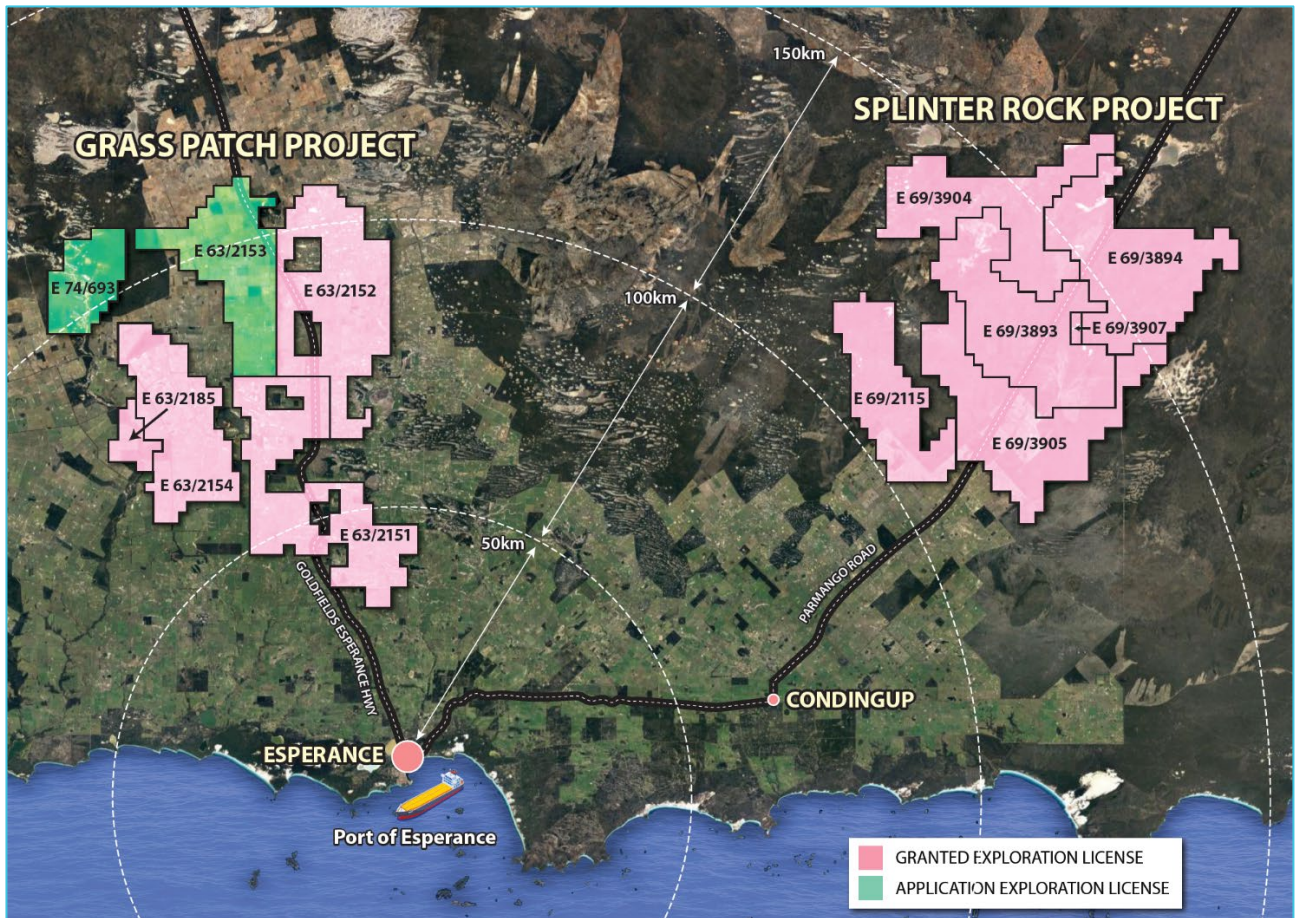
The Company, through the Subsidiaries, holds a 100 per cent interest in in the following Projects:

- **Splinter Rock Project:** a 2,579 square kilometre tenement package located approximately 150 kilometres northeast of Esperance, Western Australia, comprising six granted exploration licences, being E63/2115, E69/3904, E69/3905, E69/3907, E69/3893 and E69/3894.
- **Grass Patch Project:** a 2,248 square kilometre tenement package located approximately 30 kilometres to 100 kilometres north of Esperance, Western Australia, comprising four granted exploration licences, being E63/2151, E63/2152, E63/2185 and E63/2154 and two exploration licence applications, being E63/2153 and E74/693.

The location of the OD6 Metal's REE Projects are shown in the following table with the locations shown on the subsequent map.

PROJECT	TENEMENT NUMBER	HOLDER	STATUS	GRANTED	OWNERSHIP
Splinter Rock	E 63/2115	Odette Six Pty Ltd	Granted	4 Feb 22	100%
Splinter Rock	E 69/3904	Odette Six Pty Ltd	Granted	15 Feb 22	100%
Splinter Rock	E 69/3905	Odette Six Pty Ltd	Granted	15 Feb 22	100%
Splinter Rock	E 69/3907	Odette Six Pty Ltd	Granted	14 Feb 22	100%
Splinter Rock	E 69/3893	Odette Six Pty Ltd	Granted	20 Jan 22	100%
Splinter Rock	E 69/3894	Odette Six Pty Ltd	Granted	20 Jan 22	100%
Grass Patch	E 63/2185	Grass Patch Metals Pty Ltd	Granted	1 Mar 22	100%
Grass Patch	E 63/2151	Grass Patch Metals Pty Ltd	Granted	2 Dec 21	100%
Grass Patch	E 63/2152	Grass Patch Metals Pty Ltd	Granted	3 Dec 21	100%
Grass Patch	E 63/2154	Grass Patch Metals Pty Ltd	Granted	6 Dec 21	100%
Grass Patch	E 63/2153	Grass Patch Metals Pty Ltd	Application	-	100%
Grass Patch	E 74/693	Grass Patch Metals Pty Ltd	Application	-	100%

REVIEW OF OPERATIONS (CONTINUED)



Splinter Rock Project

The Splinter Rock project is located approximately 150 kilometres by road northeast of Esperance.

The Project is located on unallocated crown-land and the Company has a strong working relationship and agreements with the traditional owners via the Ngadju and the Esperance Tjaltjraak Native Title Aboriginal Corporations.

The Splinter Rock clay-hosted REE mineralisation is currently thought to be a mobilised weathering product of the REE enriched Booanya granite suite, which underlies the Project area. Historic work and examination of target geology indicates that the target area at Splinter Rock covers 30 kilometres by 60 kilometres.

OD6 Metals has identified four prospect areas from drilling and geophysics that contribute to the Mineral Resource estimate:

- Centre: Large clay basin within an elevated tableland. Clays have potentially pooled in this area from Booanya granite to the north.
- Scrum: Magnetic dipole, with the northern area residing over a magnetic high in Booanya granite grading to a magnetic low in the south.
- Prop: Located at the lowest elevation and is surrounded by Booanya to the north and south and interpreted to be a glacial paleo-valley filled with clay.
- Flanker: Sits on top of a magnetic high on the Booanya granite and most likely to comprise some transported clays but is potentially related to a localised weathered granite profile.

The prospects contain some of the thickest and highest grades of clay hosted REE's in Australia. The thickness, area and density of the clays show the massive potential scale of REE at Splinter Rock.

REVIEW OF OPERATIONS (CONTINUED)

Works undertaken during the 2022-2023 Financial Year and subsequent events included.

- 110 Kilometres of Track Upgrades
- Completion of Multiple Heritage Surveys
- Maiden Drilling Program
- CSIRO Collaboration
- Airborne Electromagnetic Survey
- Assay Results Identify Widespread Thick Clay Hosted REE Mineralisation
- Phase 2 Drilling Program
- Achievement of Very High MagREO Recoveries
- Bumper Phase 2 Assay Results
- Successful Application for Exploration Incentive Scheme (EIS) Co-Funded Drilling
- Phase 3 Drilling Program Commenced
- Reporting of Maiden Mineral Resource Estimate

Major Mineral Resource Estimate³

The Mineral Resource Estimate (MRE) is expressed as Total Rare Earth Oxide (TREO), represented by:

TREO (Total Rare Earth Oxide) = $\text{La}_2\text{O}_3 + \text{CeO}_2 + \text{Pr}_6\text{O}_{11} + \text{Nd}_2\text{O}_3 + \text{Sm}_2\text{O}_3 + \text{Eu}_2\text{O}_3 + \text{Gd}_2\text{O}_3 + \text{Tb}_4\text{O}_7 + \text{Dy}_2\text{O}_3 + \text{Ho}_2\text{O}_3 + \text{Er}_2\text{O}_3 + \text{Tm}_2\text{O}_3 + \text{Yb}_2\text{O}_3 + \text{Lu}_2\text{O}_3 + \text{Y}_2\text{O}_3$

The key magnet rare earth elements Neodymium (Nd), Praseodymium (Pr), Terbium (Tb) and Dysprosium (Dy) are included individually as these four rare earths comprise the highest price and demand, driving the future economics of the Project. The Mineral Resource is presented as elemental oxides (as opposed to elements) in accordance with current industry practice.

Prospect	Category	Tonnes (Mt)	TREO (ppm)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	MREO (ppm)	MREO/TREO (%)
Centre	Inferred	149	1,423	71.2	244.6	2.6	14.1	329	23.1
Scrum	Inferred	120	1,222	57.7	208.1	2.7	14.7	283	23.2
Flanker	Inferred	42	1,246	58.9	210.9	2.9	16.0	288	23.2
Prop	Inferred	33	1,180	49.9	179.4	2.3	12.9	244	20.7
Total	Inferred	344	1,308	62.5	220.2	2.6	14.5	300	22.9

Table 1: Splinter Rock Rare Earth project Mineral Resource Estimate - by Prospect at 1,000ppm TREO cut off grade

The Mineral Resource for Splinter Rock has been reported at a 1,000 ppm TREO cut-off grade. The cut-off grade was chosen on the basis of a preliminary review of the parameters that would likely determine the economic viability of an open pit operation and with comparison to other clay hosted REE deposits.

³ ASX Ann: Splinter Rock Maiden Mineral Resource 18 July 2023

REVIEW OF OPERATIONS (CONTINUED)

The Mineral Resource was estimated cumulatively for consecutive grade groups which allows for the results to be reported cumulatively for different cut-off grades and presented for comparison purposes (refer Table 2 and Figure 1).

JORC Category	Cut-off ppm TREO	Tonnes (Mt)	TREO (ppm)	Pr ₆ O ₁₁ (ppm)	Nd ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	MREO (ppm)	MREO/TREO (%)
Inferred	400	1,141	869	41.3	144.5	1.8	10.0	198	22.7
Inferred	600	838	1,006	48.0	168.7	2.1	11.4	230	22.9
Inferred	800	583	1,140	54.6	192.1	2.3	12.8	262	30.0
Inferred	1,000	344	1,308	62.6	220.3	2.6	14.5	300	22.9
Inferred	1,200	196	1,471	70.6	248.1	2.9	15.9	338	22.9
Inferred	1,400	105	1,625	78.2	274.1	3.1	16.8	372	22.9

Table 2: Splinter Rock Rare Earth project Mineral Resource Estimate - by global cut off grade

The Competent Person for this MRE is Mr Jeremy Peters, FAusIMM CP (Min, Geo), a full-time employee of Burnt Shirt Pty Ltd. Mr Peters has sufficient relevant experience in the reporting of Ore Reserves to act as Competent Person as defined by the JORC Code (2012 Edition) and consents to his nomination as such in this Report.

Burnt Shirt reports that at Splinter Rock:

- Mineralisation is derived from weathering of granite of the Booanya suite and comprises clays and transported materials.
- TREO grades are comparable to (or greater than) those being commercially exploited elsewhere in the world.
- Preliminary metallurgy indicates that the REE's are amenable to conventional clay processing techniques (acid leach) practised elsewhere.
- Burnt Shirt endorses an Inferred Mineral Resource estimate for Splinter Rock of 344 million tonnes grading 1,308 ppm TREO. Splinter Rock mineralisation is open towards the northeast and southwest of the central drill traverse at each prospect.

Burnt Shirt recommends that OD6 Metals:

- Continue infill drilling to upgrade the maiden MRE to Indicated classification;
- Continue metallurgical studies to design an appropriate flow sheet;
- Concentrate further immediate geological work on identification of high-grade material; and
- Determine what is required to estimate an Indicated Mineral Resource of sufficient size to support capital expenditure and progress.

Grass Patch Project

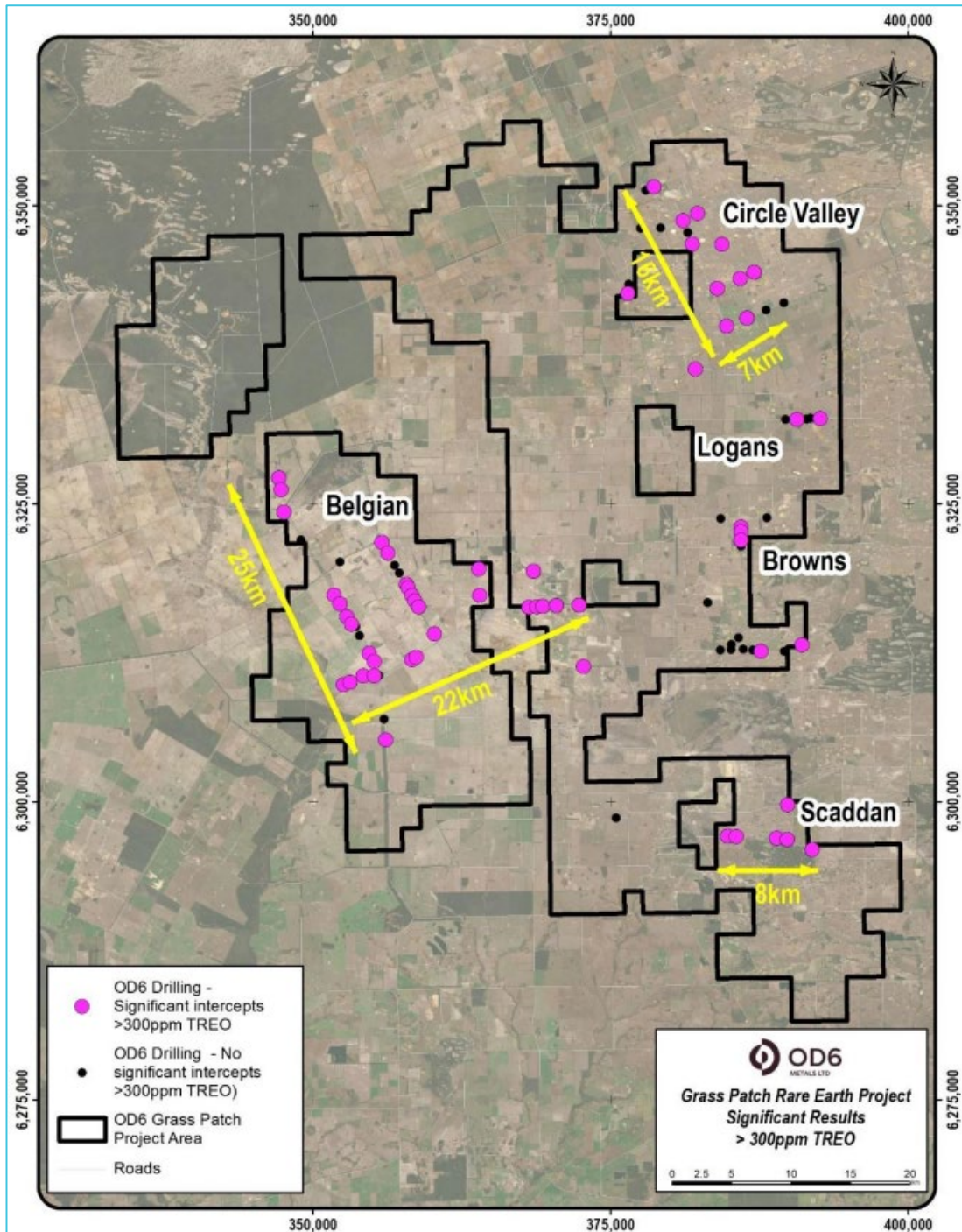
The Grass Patch project is located across an area approximately 30 kilometres to 100 kilometres north of Esperance. The Project is predominantly on private agricultural land and covered with wheat and sheep farming, with cultivated topsoil cover of approximately 30 centimetres.

The Tenements have extensive calcrete formation, which is up to 30 centimetre in thickness, with such calcrete material having been quarried and utilised for sheeting the secondary roads within the region.

REVIEW OF OPERATIONS (CONTINUED)

High-grade clay REEs have been successfully identified in a 93-hole reconnaissance drilling program conducted in early 2023.

- Grades of up 3,340ppm TREO with up to 38.5 per cent MagREO encountered
- Thick clays encountered of up to 59m (average range of 3 metres to 20 metres)
- Three key areas to be targeted for further exploration: Belgian Prospect, Circle Valley Prospect, Scaddan Prospect
- High-potential Prospect areas to undergo metallurgical testing to determine potential recoveries and inform future exploration

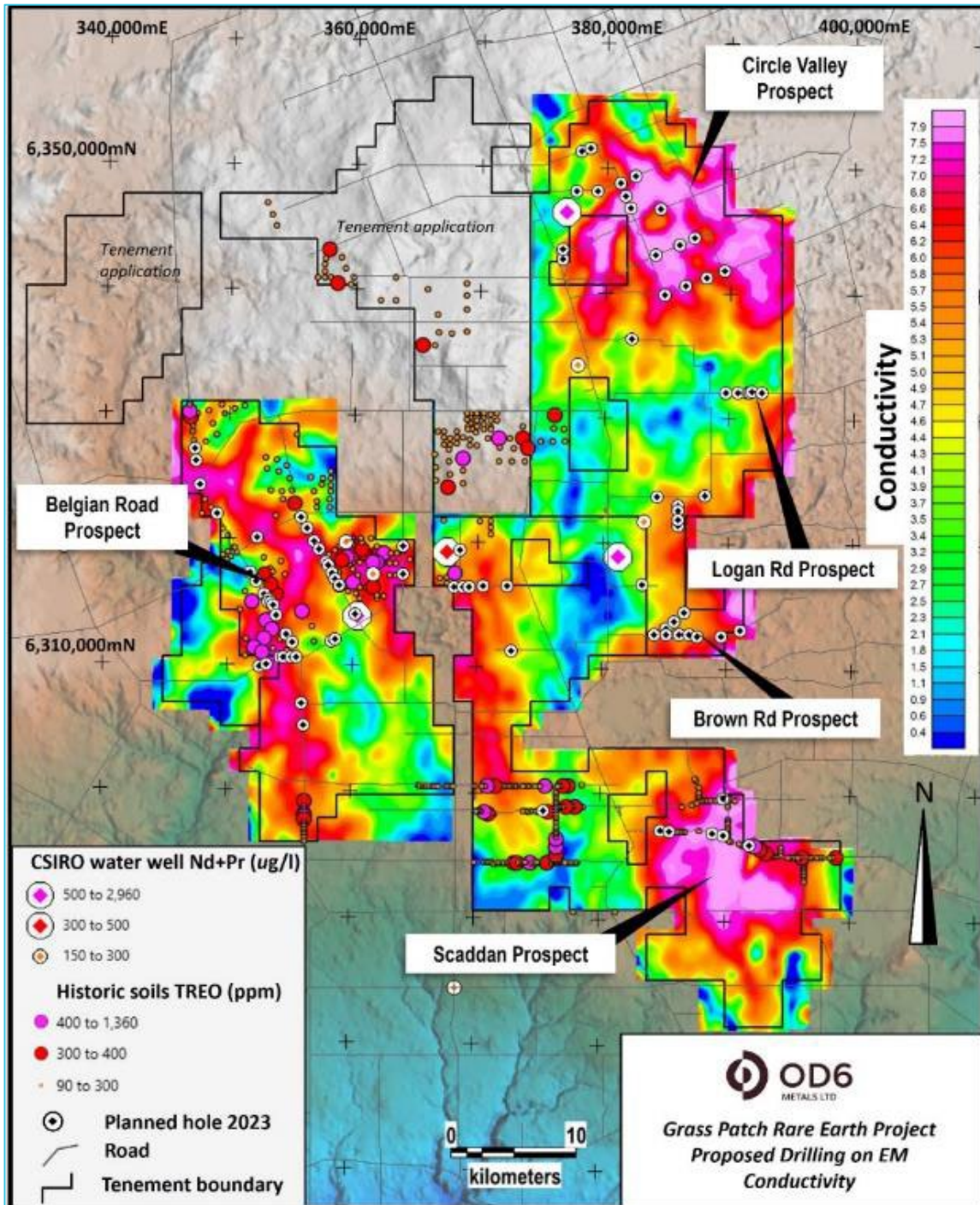


Grass Patch Project – Significant Intercepts

REVIEW OF OPERATIONS (CONTINUED)

Works undertaken during the 2022-2023 Financial Year included.

- CSIRO Collaboration
- Heritage Surveys
- Airborne Electromagnetic Survey
- Initial Drilling Program
- Confirmation of High Grade Clay Hosted Rare Earths



AEM conductivity model of Grass Patch Project with completed and planned drill holes

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Sustainability

At OD6 Metals we take great pride in our commitment to sustainability and responsible business practices. As a newly emerging rare earth exploration company, our approach to ESG (Environmental, Social and Governance) reflects our vision for a greener, more equitable future.

We recognise the significance of social responsibility and prioritise the well-being and safety of our employees and the personnel we interact with. Through the integration of ESG principles into our corporate strategy, we endeavour to lead OD6 Metals and the industry into a more sustainable tomorrow.

Rare Earth Elements' Role in the Energy Transition

Rare earths are a series of elements that are experiencing an insatiable demand due to the composition of rare earth magnets (MagREO), the need for a diversified global supply chain and the increasing awareness of the importance of critical minerals for a low carbon future.

In Australia, rare earths have gained prominence due to the Government's diversity of supply requirements. The value of global MagREO consumption is expected to triple by 2035 (rising from US\$15.1 billion in 2022 to US\$46.2 billion in 2035).⁴ OD6 Metals is working to secure a sustainable future through an environmentally and socially responsible approach to producing critical rare earth materials for a cleaner energy future.

ESG Committee

To ensure Board oversight of Environment, Social and Governance ("ESG") matters, OD6 Metals has established an ESG Committee and an ESG Committee Charter under the Corporate Governance Plan⁵.

As outlined in the Charter, the ESG Committee's main objective is to support and advise the Board in addressing sustainability matters. In FY23, the ESG Committee met once to determine sustainability issues that are material to OD6 Metals. Informed by OD6 Metals' sustainability priorities, the ESG Committee articulated OD6 Metals' ambition and commitment to sustainability.

An ESG Policy has been formulated to provide guidance to the Board and employees on the Company's activities to minimise adverse sustainability impacts and ensure the Company conducts its operations sustainably.

Stakeholder Engagement

The Company recognises that meaningful engagement with stakeholders is essential for long-term success. It actively seeks input from stakeholders, which at this time include local communities, First Nation Peoples (the Ngadju people and the Esperance Nyungar people, the Traditional Owners of the land upon which we work), landowners, employees, contractors, suppliers, Local Government, State Government, Federal Government, non-government organisations, investors, community groups, and regulatory bodies, to better understand their expectations and address their concerns.

⁴ Source Adamas Intelligence, June 2022

⁵ <https://www.od6metals.com.au/wp-content/uploads/2022/04/Corporate-Governance-Plan-OD6-Metals-Limited-vF.pdf>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

The Company values the diversity of perspectives and actively incorporates stakeholder feedback into decision-making processes.

Stakeholders	How we engaged	Key Interests and Concerns
Government and Regulators	Reporting, approvals, licences and permits, meetings, briefings, publications and participation in public policy discussions, forums, relationships with government ministers and government agencies, letters, emails, formal submissions, website, participation in industry association and advocacy bodies, annual reports including establishment of applicable committees and related activities	Critical minerals Rare Earth supply Resource management Cultural heritage Workplace health and safety Climate change Regulatory reform including support for new energy and critical minerals sector
First Nation Peoples	Direct engagement, heritage surveys, phone calls, email, media, meetings, feedback sessions and cultural awareness training	Indigenous engagement and procurement Heritage Surveys Community relationships
Shareholders and Investors	Website, investor briefings, annual general meetings, emails, annual reports, and ASX announcements and financial reports	Rare earth price and trends Geological discoveries Company development Financial performance
Employees and Contractors	SharePoint Hubs, team meetings, site meetings, induction training and emails Implementation of an Employee Assistance Program	Health, safety and wellness Esperance based employees Impacts of fly-in fly-out (FIFO) lifestyle Company development Wellbeing
Communities	Direct engagement, phone calls, email, media (including newspaper articles, meetings, events), website, feedback, and local procurement in the Goldfields / Esperance Regions	Local procurement First Nation Peoples engagement OD6 Metals development Support of Shire of Esperance activities
Suppliers/Vendors	Direct engagement, phone calls, email, media, newspaper, meetings, feedback sessions and procurement of services locally in accordance with our Local Procurement Policy, adherence to agreed terms and conditions and timely payment	Supply chain opportunities Rising costs Contract terms Esperance and Goldfields procurement
Non-government organisations	Direct engagement, emails, events, website	Workplace health and safety Skills shortage Development of Australia's Critical Minerals Sector Gender equity Climate New legislation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Materiality Assessment

Determining OD6 Metals' sustainability priorities is important for establishing a robust sustainability framework. As an initial step, a materiality workshop was conducted in October 2022 with members of the OD6 Metals Board and senior leadership team. Subsequently, a materiality assessment was completed and a list of sustainability topics considered material to OD6 Metals and its stakeholders compiled. This process ensures company resources are focussed on top priorities, informing OD6 Metals' sustainability performance indicators and disclosures.

Sustainability Priorities

Sustainably Creating Value
Acting with integrity to responsibly deliver rare earth resources for a low carbon future

Our sustainability priorities:

- Workplace health and safety and mental health
- Aboriginal engagement, heritage and Traditional Owners
- Business ethics
- Regulatory compliance and change
- Flora and fauna
- Corporate governance and risk management

Our aim is to minimize our environmental impact, look after our people, grow with our communities and create value for our investors

ENVIRONMENTAL

Environmental Management

OD6 Metals recognises the importance of minimising its environmental impact and promoting environmental sustainability. The Company has recently developed an Environmental Exploration Management Plan to provide a structured management approach during the exploration stage. All OD6 Metals' exploration activities at Grass Patch and Splinter Rock are conducted in accordance with the relevant laws and approved by relevant government departments.

All activities involving ground disturbance with mechanised equipment on OD6 Metals' exploration tenements are managed through the Mining Act 1978 via the lodgement of Programme of Work applications. This framework provides a foundation to underpin OD6 Metals' focus on being a sustainable explorer and developer of rare earths. OD6 Metals works closely with government regulatory agencies and stakeholders to identify and manage potential risks to the environment. During the reporting period, OD6 Metals has no non-compliance with environmental laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Flora and Fauna

OD6 Metals is mindful of its impact on biodiversity during exploration operations. The Company has developed a Dieback Management Plan which outlines strategies and actions aimed at preventing, managing, and minimising dieback.

A Malleefowl Management Plan has also been prepared for the conservation and management of Malleefowl, an identified vulnerable species occurring within some of the project area.

The Company has completed an Airborne Electromagnetic Survey (AEM) which is a highly targeted exploration program that minimises land disturbance across a vast 4,500 square kilometre tenement area. The AEM has identified clay basins and channels and initial drilling programs have been based on existing tracks to minimise ground disturbance. New tracks are only proposed once the prospect area has been determined to contain potentially economic rare earth elements. OD6 Metals plans to conduct flora and fauna surveys in Spring 2023 to identify any potential significant or rare flora and fauna.

Water

Water is a critical resource and its effective management is fundamental to the sustainability of OD6 Metals' operations and the surrounding ecosystems. OD6 Metals has taken a proactive approach to responsible water management and acknowledge that its operations have the potential to impact water resources.

The Company is working with CSIRO to develop a sound understanding of the water resources on its tenure. Based on available hydrogeochemistry data, CSIRO have confirmed that all groundwaters on OD6 Metals tenure are acidic and hypersaline and there are high concentrations of rare earths in the groundwaters. OD6 Metals is planning several activities to understand the water resources on our mining tenure including drilling for samples, ongoing test work and research. To minimise freshwater usage, OD6 Metals will use the hypersaline water sources wherever possible. Outside of groundwater exploration, no water has been extracted to 30 June 2023, with all freshwater requirements sourced from local dams.

In 2023, OD6 Metals will be working to develop a suitable ground water exploration or water testing program as part of future drilling activities which include setting up bores, understanding sink quality and production capabilities. When appropriate, a risk assessment will be undertaken to address water requirements and how OD6 Metals can minimise water stress and keep its use of freshwater to a minimum.

Climate Change

As a future producer of rare earths, OD6 Metals understands its role in the low carbon economy. OD6 Metals is focused on clay hosted deposits which have potentially lower energy demand than hard rock rare earths. Clay hosted deposits may require less energy-intensive processing and refining compared to hard rock extraction.

This factor can lead to reduced greenhouse gas emissions and contribute to lower overall energy consumption. As OD6 Metals develops it will investigate opportunities to power its exploration activities using renewable energy sources. These activities may include installing solar panels, wind turbines or utilising other forms of clean energy to reduce the carbon footprint.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

SOCIAL

Workplace Health, Safety and Mental Health

OD6 Metals considers safety as a core value embedded in its operations. Safety is prioritised in all aspects of the Company's activities, from planning and operations to ongoing monitoring and improvement. The Company has established a Workplace Health and Safety Policy⁶, a risk management framework and relevant procedures aligned with regulatory requirements.

These policies and procedures outline clear guidelines for hazard identification, risk assessment, incident reporting and emergency response. Regular safety audits, inspections and reviews are undertaken to identify areas for improvement and comply with safety compliance. OD6 Metals also conducts regular reviews and updates across its operations and as part of its induction training to maintain effective safety protocols and to enable the company and its personnel to respond to changing circumstances. The Company works collaboratively with contractors and suppliers to align safety practices and expectations and to manage specific risks identified for activities being undertaken.

OD6 Metals actively engages with employees and contractors to foster a culture of safety. It encourages open communication and regular feedback from employees and contractors regarding safety concerns, potential hazards and improvement opportunities.

The Company provides employees and contractors with access to appropriate channels to report incidents or near-misses without fear of reprisal. Safety matters are also communicated through regular safety meetings, site inductions and updates.

The Company fosters a supportive work environment that promotes work-life balance and family and personal well-being. It offers flexible work arrangements, such as remote work options, flexible working hours that support employees in managing their personal and professional commitments.

The Company recognises that a healthy workforce is essential for maintaining a safe and productive work environment. In 2023, OD6 Metals introduced an Employee Assistance Program which is available to all personnel, site-based contractors and eligible family members. It offers health and wellness information and includes access to wellness resources, fitness initiatives, mental health support services and regular health check-ups.

Diversity and Inclusion

OD6 Metals values diversity and inclusivity and is committed to ensuring all its people are treated with dignity, courtesy, and respect, irrespective of age, gender, race, sexual orientation, political or religious belief, culture, marital status, family commitments, physical or mental ability. The Company has developed a Diversity Policy⁷ and Commitment to Gender Equality Policy, which outline the Company's dedication to fostering a workplace environment that respects and empowers individuals.

The Company has a fair and transparent promotion process, where individuals are assessed based on merit and qualifications, regardless of gender. The Company provides equal access to training and development opportunities for all employees, irrespective of gender.

⁶ <https://www.od6metals.com.au/wp-content/uploads/2022/04/Corporate-Governance-Plan-OD6-Metals-Limited-vF.pdf>

⁷ <https://www.od6metals.com.au/wp-content/uploads/2022/04/Corporate-Governance-Plan-OD6-Metals-Limited-vF.pdf>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

The Company's Employee Code of Conduct and Integrity specifies that discrimination must not influence any part of the employment or business relationship. OD6 Metals does not tolerate any form of discrimination, harassment or bullying in the workplace. Appropriate disciplinary action, up to and including, dismissal, will be taken by OD6 Metals where any complaint of discrimination, harassment or bullying is substantiated.

Aboriginal Engagement, Heritage and Traditional Owners

The Company is developing a First Nation Peoples Engagement Plan to provide a robust process for working with the Ngadju and Esperance Nyungar People, who are the Traditional Owners of the land upon which we work.

OD6 Metals is dedicated to reconciliation and understanding the rights, cultures, interests, and aspirations of First Nation Peoples. In the spirit of reconciliation, OD6 Metals aspires to build and maintain mutually beneficial and enduring relationships based on respect, meaningful engagement and trust.

OD6 Metals developed a First Nation Peoples Policy Statement, which outlines a consistent approach to engaging and partnering with First Nation Peoples across the entire lifecycle of our activities including exploration, operation closure and post closure.

Through this Policy Statement OD6 Metals will be guided by the following principles:

- Incorporate First Nation Peoples' perspectives
- Engagement, dialogue and co-design
- Free, prior and informed consent
- Cultural and intellectual property and data sovereignty

During the Reporting Period, OD6 Metals Board members and staff attended cultural awareness training. A Cultural Heritage Management Plan was developed to define the process for the ongoing management of Aboriginal cultural heritage in Splinter Rock. Multiple archaeological work programs were conducted for exploration drilling activities at Splinter Rock and Grass Patch.

Community Relations and Development

Community relations and development allows OD6 Metals to establish meaningful connections with local communities, contribute to their well-being and work collaboratively towards a sustainable future.

The Company has appointed a Community Liaison Manager to facilitate effective communication and collaboration between the Company and the local communities, ensuring that their concerns are considered. Throughout the Airborne Electromagnetic Survey process, OD6 Metals conducted information campaigns in Esperance to inform the local communities about the survey and latest development. The Company will continue to maintain positive relationships with the local communities as it develops.

OD6 Metals is also committed to contributing to the growth and development of local businesses while fostering strong relationships with local communities. The Company's Local Procurement Policy provides guidance on giving preference to local suppliers, promoting local supplier diversity, supporting the growth of local businesses and maintaining regular evaluation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

GOVERNANCE

Business Ethics

OD6 Metals integrates business ethics into its operations to promote responsible business practices. The Company's Corporate Governance Plan stipulates principles and expectations in employee business conduct.

OD6 Metals has a zero-tolerance approach to bribery and corruption. The Company's Anti-Bribery and Corruption Policy⁸ sets out the expected business conduct to minimise the risk of bribery or corruption occurring in connection with its operations and activities. It also provides guidance on how to deal with instances of bribery or corruption.

The Company's Whistle-Blower Policy⁹ outlines reporting channels and investigation processes for corrupt, illegal or unethical work-related conduct. It provides employees with assurance that all reports will be taken seriously, treated as confidential and handled without fear of reprisal. There were no breaches or litigation associated with anti-bribery and corruption brought to OD6 Metals' attention in FY23.

Cybersecurity

In an increasingly interconnected and digital world, cybersecurity has emerged as a critical aspect in the corporate environment. OD6 Metals implements robust cybersecurity measures to safeguard sensitive data, protect digital infrastructure and maintain stakeholder trust.

The Company's Board of Directors actively engages in cyber security discussions, sets strategic objectives and ensures the allocation of necessary resources to enhance cyber resilience. The Company's Information and Communications Technology (ICT) Guideline sets out the acceptable behaviour required by employees, including contract and third-party providers when using OD6 Metals systems and ICT resources. This guideline is issued to all new starters on joining the Company along with ongoing awareness sessions for OD6 Metals' employees and contractors.

OD6 Metals conducts regular cyber security risk assessments to identify vulnerabilities and potential threats across its systems and networks. Through a proactive approach, OD6 Metals implements comprehensive risk management frameworks and controls to mitigate cyber risks effectively. The Company's National Information Technology (IT) Security Plan provides a comprehensive framework that can be used to safeguard the Company and indirectly the national IT infrastructure against cyber attacks.

This plan provides guidance and support to personnel working for or with OD6 Metals on the measures they need to take to prevent, detect and respond to cyber attacks. Eleven key risks and mitigation steps are identified. IT specialists are engaged to provide oversight in conjunction with personnel within the OD6 Metals team. OD6 Metals is in the process of developing an Information Security Incident Response Plan which can be used to respond effectively to any cyber attacks or security breaches.

OD6 Metals adheres to relevant data protection regulations, implement stringent data privacy policies, and maintain a culture of confidentiality to safeguard sensitive information. The Company also has appropriate confidentiality agreement templates which it uses when dealing with confidential or sensitive information.

⁸ <https://www.od6metals.com.au/wp-content/uploads/2022/04/Corporate-Governance-Plan-OD6-Metals-Limited-vF.pdf>

⁹ <https://www.od6metals.com.au/wp-content/uploads/2022/04/Corporate-Governance-Plan-OD6-Metals-Limited-vF.pdf>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Future Plans

Based on the materiality assessment results, OD6 Metals will review data and collect information relating to material ESG topics. This will inform the formulation of a Sustainability Positioning Statement to articulate overarching sustainability goals and pillars. The statement will be a cornerstone for OD6 Metals' sustainability activities and provide a simple, consistent reference point for strategic ESG decision-making. Reporting of performance against key metrics will form part of OD6 Metals' future sustainability communications.

Risk Management Process

OD6 Metals Limited understands that effective management of risk is a critical aspect of its business, with the potential to substantially improve the business in a number of ways. Risk management is integral to an efficient and successful company and forms part of the strategic and operational responsibilities of management.

It is the policy of OD6 Metals to achieve an acceptable industry standard in the management of risks that may potentially impact the Company.

OD6 Metals use the standard risk framework (AS/NZS ISO 31000) to manage Risk as it provides a basis on which to carry out and manage risk. Further, the Company categorises its risk appetite into three categories, Low, Moderate and High. OD6 Metals has identified a risk appetite that the organisation is prepared to accept.

The Company performs an annual review to ensure that the risks to the business are being managed. The risks and their categorisation are reviewed by the Audit and Risk Committee, at meetings held during the year.

The Company's risk management policy is reflective of its environment (listed public company), the nature of the mining industry and the often unpredictable nature in commodities, which cannot be avoided in all instances. As such, the Company is required to accept risks such as these. It is our policy to mitigate risks, where practicable, in accordance with our framework.

Every employee of the Company is recognised as having a role in the identification and management of risks and are required to participate in that process.

The Company's risk champions will continue to manage risk even when the risk becomes elevated. Risks that are High or Very High will be overseen by senior management. At this point the risk will be specifically highlighted for the Boards attention whereby the Board will provide an oversight role.

Risk Factors and Management

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described below are not an exhaustive list of the risks faced by the Company or by investors in the Company. The risks described below also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares or the market price at which the Shares will trade.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Stated Risks

Limited Operation History

The Company was incorporated on 27 October 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects or any other mining assets it has an interest in. Until the Company is able to realise value from the Projects or such mining assets, it is likely to incur operational losses.

Future Capital Requirements

The Company is an exploration company and currently has no operating revenue and is unlikely to generate any operational revenue unless the Company's Tenements are successfully developed and exploited. The future capital requirements of the Company will depend on many factors including its business development activities. Should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this presentation. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Any additional equity financing may be dilutive to Shareholders and may be undertaken at lower prices than the market price. Any debt financing, if available, may involve restrictions on financing and operating activities. There can be no assurance that additional finance will be available when needed. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development, or production on the Company's Projects or even loss of interest in the Projects.

Title Risk

As at the date of this presentation, exploration licence applications E63/2153 and E74/693 have not yet been granted. There is a risk that the exploration licences may not be granted in their entirety or only granted on conditions deemed unacceptable to the Company or that such grant will be delayed.

Private land, Reserve Land and Land Access Risk

The Company's interests in the Tenements are subject to Commonwealth and applicable state legislation and cannot be guaranteed. The Company may be required to obtain the consent of and / or compensate holders of third-party interests which overlay areas within the Tenements. The Tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration activities including Crown land, proposed Crown reserves, pastoral leases and areas covered by native title determinations. The Grass Patch Project, comprising exploration licences E63/2151, E63/2152, E63/2153, E63/2154, E63/2185 and E74/693 falls principally on private agricultural land that is intersected by multiple road reserves. The Company has applied for, and obtained, permits from the Shire of Esperance to conduct exploratory drilling within the road reserves and expects to be able to proceed with initial exploration on the Grass Patch Project

without the need for private land access agreements. Should substantial discovery be made, however, the Company will need to obtain the consent of any relevant private land owners and occupiers. This typically involves negotiating land access agreements with those parties which will likely require the Company to pay compensation to those parties for any exploration activities undertaken on it. Once this consent is obtained, the Company can apply to the Minister for Mines and Petroleum to obtain the right to access the top 30 metres of its exploration licences which encroach on private land. Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration activities within the affected areas.

Nature of Mineral Exploration

Mineral exploration and development is considered a high-risk undertaking. There is no guarantee that exploration of the Projects will result in the discovery of an economically viable resource. Even if an apparently viable resource is discovered, there is no guarantee that the resource can be economically exploited. Exploration on the Company's Projects may be unsuccessful, resulting in a reduction of the value of those Projects, diminution in the cash reserves of the Company and possible relinquishment of such Projects.

The proposed exploration costs of the are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice which may materially and adversely affect the Company's ability to complete the exploration programs as planned.

Metallurgy

Metal and / or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- identifying a metallurgical process through test work to produce a saleable metal and / or concentrate
- developing an economic process route to produce a metal and / or concentrate; and
- changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Shortage of Available Fresh Water

The process plant is likely to be reliant on water for production. A potentially suitable source of water has not yet been identified. The total volume, extraction rate and quality of water is yet to be determined, which poses a risk to any project development and operation, and may incur additional costs in the sourcing, permitting and development of required bore fields.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Project Delays and Cost Overruns

The Company's ability to successfully explore, develop and potentially commercialise its Projects may be affected by factors including project delays and costs overruns. If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

Inclement Weather and Natural Disasters

The Company's operational activities are subject to a variety of risks and hazards which are beyond its control, including hazardous weather conditions such as excessive rain, flooding and fires. Any of the above occurrences will impact the Company's ability to realise its operational or developmental plans and may negatively impact profitability.

Resource Estimates May Be Inaccurate

The Company has not published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.

Furthermore, resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or technologies become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Development Risk

The business of exploration, project development and mining contains risks by its very nature. To prosper, it depends on the successful exploration or acquisition of reserves, design and construction of efficient production and processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavour and force majeure circumstances, cost over runs and other unforeseen events can hamper mining operations.

Operational Risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Even though the Directors have between them significant mineral exploration and operational experience, no assurance can be given that the Company will achieve commercial viability through the successful exploration and mining of its Tenements. Until the Company is able to realise value from its Projects, it likely to incur ongoing operating losses.

Dilution Risk

In the future, the Company may elect to issue Securities in connection with fundraisings, including to raise proceeds to fund further exploration of its Projects. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Securities.

The Company has 29,300,371 Options and 2,500,000 MD Performance Rights on issue which, if exercised or converted (as applicable) will further dilute the interests of Shareholders. Furthermore, the Options have exercise prices ranging between \$0.30 and \$0.50 each which means the Company will receive additional funds if they are all exercised.

Liquidity Risk

Certain Securities on issue in the Company will be subject to ASX imposed escrow restrictions. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to ASX full details (including quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

Potential Acquisitions

Although the Company's immediate focus will be on the Projects, the Company may pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, tenement acquisitions and direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project activities will remain.

Completion Risk

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial resources than the Company and, as a result, may be in a better position to compete for future business opportunities, including potential acquisitions. There can be no assurance that the Company can compete effectively with these Companies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Commodity Price and Exchange Rate Risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of REEs fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events.

Future serious price declines in the market values of minerals which the Company plans to explore for could cause the development of, and eventually the commercial production from, the Company's Projects to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of REEs are produced, a profitable market will exist for it.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Environmental Risk

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the industry standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Natural events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities. Furthermore, under the Mining Rehabilitation Fund Act 2012 (WA), the Company is required to provide assessment information to DMIRS in respect of a mining rehabilitation levy payable for mining tenements granted under the Mining Act. The Company is required to contribute annually to the mining rehabilitation fund if its rehabilitation liability is above \$50,000.

Tenure Risk

The Company's Tenements are subject to the applicable mining acts and regulations in Western Australia, pursuant to which mining, and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position or performance of the Company. There can be no guarantee that a renewal will be approved. If the Company is unable to secure a renewal for these Tenements this may impact the Company's exploration plans for the Projects and may adversely impact the Company or the value of its Shares. Prior to any development on any of its properties, the Company must receive licences from appropriate governmental authorities.

There is no certainty that the Group will hold all licences necessary to develop or continue operating at any particular property. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Similarly, the rights to mining tenure carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the licence and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a licence or licences. There is no guarantee that current or future exploration applications or existing licence renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

The Tenements may be relinquished either in total or in part even though a viable mineral deposit may be present, in the event that:

- exploration or production programs yield negative results;
- insufficient funding is available;
- environmental offsets are required
- such a tenement is considered by the Company to not meet the risk / reward or other criteria of the Company;
- its relative perceived prospectivity is less than that of other tenements in the Company's portfolio, which take a higher priority; or
- a variety of other reasons.

Further, a number of the Tenements are pending applications. There is a risk that the applications for Tenements may not be granted in their entirety or only granted on conditions unacceptable to the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Native Title and Aboriginal Heritage

In relation to the Tenements or any tenements that the Company may in the future acquire an interest in, there may be areas over which legitimate common law Native Title rights may exist. If such Native Title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant native title holders) or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.

As at the date of this report, a number of the Tenements are subject to Native Title determinations and others are subject to Native Title claims. The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. In addition, determined native title holders may seek compensation under the Native Title Act for the impacts of acts affecting native title rights and interests after the commencement of the Racial Discrimination Act 1975 (Cth) on 31 October 1975.

The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant Tenements. Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force).

At this stage, the Company is not able to quantify any potential compensation payments, if any. In addition, the Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations. The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community which affect a number of Tenements. It is also likely that additional Aboriginal heritage sites may be identified on the land the subject of the Tenements. These Aboriginal heritage sites require the Company to comply with all relevant the Aboriginal Heritage Acts in respect of any ground disturbing activities and any applicable agreements that may be in place with the relevant Traditional Owners. The Company is a party to a standard form heritage agreement with the determined Native Title holders which covers a majority of the Tenements. Prior to commencing significant ground disturbing activities, including exploration, the Company will need to consult with the relevant local Traditional Owners regarding the likely impact that the proposed activities may have on such areas. There is no guarantee that the Company will be able to deal with Aboriginal heritage issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities, lead to increased costs for such activities (in obtaining the required consents and/or approvals) and also limit the Company's ability to conduct its proposed activities on the relevant Tenement.

The Aboriginal Cultural Heritage Act 2021 (WA) (ACH Act), which had proposed to strengthen the Western Australian Government's authority to regulate land use (including mining activities) with respect to areas and objects of cultural significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs, was passed by the Parliament of Western Australia in December 2021 and took effect on 1 July

2023. However, on 8 August 2023 the Western Australian Government confirmed its intention to repeal the ACH Act and revert back to the previous Aboriginal Heritage Act 1972 (WA) (AH Act) (with limited amendments), with the Aboriginal Heritage Legislation Amendment and Repeal Bill 2023 (WA) (Repeal Bill) introduced into Parliament on 9 August 2023. As at the date of writing, the Repeal Bill has not yet passed both Houses of Parliament, however it is expected that the Repeal Bill will be passed in the coming days or weeks and receive royal assent shortly thereafter.

The Registrar of Aboriginal Sites maintains a register of Aboriginal Sites protected under the AH Act in addition to a record of other heritage places which may have cultural significance to Aboriginal people but are yet to be assessed for the purposes of the AH Act, or fail to satisfy the criteria specified under the AH Act. An 'Aboriginal Site' under the AH Act may be an archaeological site, a sacred or ceremonial site or a place of importance or significance which is associated with Aboriginal people and should be preserved because of its significance to the cultural heritage of the State and to Aboriginal people.

Under the AH Act, it is an offence to damage or in any way alter an 'Aboriginal Site' without the consent of the Minister for Aboriginal Affairs (Minister) under section 18, with a further obligation to inform the Minister of any new information the holder becomes aware of in relation to the relevant Aboriginal Site to which the Section 18 consent relates. Importantly, if the Minister is informed of new information by way of notification from the holder of a Section 18 consent, the Minister must make a decision in respect of that new information. The Minister may suspend the Section 18 consent while making a decision, during which period the holder will not be able to rely on its authority.

Crown Land and Pastoral Lease Risk

The land covered by the Tenements overlaps with Crown land. Under the terms of the Land Administration Act 1997 (WA) (LAA), the State has the ability to reserve, sell or lease Crown land. If that occurs, the Company may need to consider entering into a compensation and access agreement with the relevant holders of that Crown land to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. As at the date of this presentation, the Crown land remains unallocated (other than the Reserved Land as noted above) and accordingly, the Company has not entered into Land Access Agreements with respect to any of the Tenements. In the absence of an agreement, the leaseholder or the Company itself can request that the Warden's Court determines the quantum of compensation payable to leaseholders if those activities have resulted in loss or damage to that leaseholder. The entry into these agreements may delay the undertaking of activities, including the development of any future mines, and may restrict the areas within which the Company can explore for mineral development.

Sovereign Risk

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possible expropriation of the Company's properties without adequate compensation. If the Company was to extend its activities into jurisdictions other than Western Australia and Australia in the future, the risks described in this paragraph may be considerably increased.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Climate Change Risk

There are several climate-related factors that may affect the operations and proposed activities of the Company. One of the climate change risks particularly attributable to the Company is the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its potential future profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Furthermore, climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Equipment Availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source appropriate contractors with access to relevant drilling and other exploration and mining equipment. Equipment is not always available and the market for exploration and mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

Conflicts of Interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance.

Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

Third Party Contractor Risk

It is the Company's intention to outsource a substantial part of its exploration activities to third party contractors. The Company is unable to predict the risk of insolvency or managerial failure of any of the third-party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

Reliance on Key Personnel

Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed by the Company from time to time cease their employment with the Company.

Insurance Risk

The Company intends to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

General Risks

Unforeseen Expenses

The Company's cost estimates, and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

Speculative Investment

The Securities to be issued should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital, the underlying market liquidity of the Company's Securities (i.e. the volume of Shares that may be able to be traded on ASX at any given price) or the market value of the Securities trading on ASX from time to time. The price at which an investor is able to trade Shares may be above or below the price paid for Shares under the Capital Raising Offer. Whilst the Directors commend the Offers, investors must make their own assessment of the risks, consult with professionals and determine whether an investment in the Company is appropriate in their own circumstances.

Economy Risk

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Market Conditions

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; fear of global pandemics; and terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

Ukraine Conflict

The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.

The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

Securities Investment Risk

Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the price of the Company's Securities, regardless of its performance.

Force Majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

Government and Regulatory Risk

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities and stakeholders to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain required permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a Project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

Under the Mining Act, a tenement holder must apply for and be granted a Programme of Work (POW) approval before conducting any ground disturbing activities with mechanised equipment. As described in the Independent Geologist Report in Attachment 1, the Company intends to conduct non-ground disturbing activities (including ground based geophysics) and, if warranted, the Company will be required to submit a POW application to DMIRS for approval of selected drilling on its tenements. A POW approval is considered to be in the ordinary course, and the Company is not aware of any reason why a POW approval would not be granted.

- In addition, the Company's capacity to undertake future mining operations may be affected by various factors such as:
- potential inability to obtain necessary consents and approvals to mine;
- delay to obtaining necessary consents and approvals to mine;
- increased costs in obtaining necessary consents and approvals to mine; and
- limited ground available for mining due to access restrictions and limitations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) (CONTINUED)

Litigation Risk

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, particularly if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this presentation, there are no legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities.

COVID-19

Global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19.

There is a risk that this uncertainty may continue for the foreseeable future, which could interrupt the Company's operations, its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

Other Risks

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Securities offered carry no guarantee with respect to the payment of dividends, return of capital or their market value.



CORPORATE

Board and Management



From left: Mr Joel Ives, Dr Mitch Loan, Dr Darren Holden, Mr Brett Hazelden, Mr Piers Lewis, Mr Troy Cavanagh



Dr Darren Holden
Non-Executive Chair
BSc (Hons), PhD

Dr Holden is a geoscientist and experienced director with 28 years of worldwide experience in mineral discovery and mineral exploration technologies. As well as chair of OD6, he is currently a Non-Executive Director of Augustus Minerals Ltd (ASX:AUG).

Currently Dr Holden is the chair of private project generation company Odette Geoscience Pty Ltd and the director of GeoSpy Pty Ltd, a private mineral exploration advisory business with clients in Western Australia, New South Wales and Fiji. He is a Fellow in good standing of the Australasian Institute of Mining and Metallurgy (FAusIMM). Dr Holden was appointed as a Director on 27 October 2021 and is not considered to be an independent Director as he is a substantial holder of the Company.



Mr Brett Hazelden
Managing Director and Chief Executive Officer
BSc, MBA, AICD

Mr Hazelden is a Metallurgist who brings over 25 years' experience serving the Australasian resources industry. His experience includes being a Company Director, Managing Director, CEO, Project Manager, Study Manager and originally a Metallurgist in an operating environment.

Mr Hazelden brings a diverse range of capabilities from exploration, project development studies, research and development, project approvals, offtake agreements, equity raising, debt financing plus mergers and acquisitions. He has worked across multiple commodities including potash, gold, copper, zinc, lead, iron ore, tungsten, salt, diamond and now rare earth sectors. Most recently, Brett was the Co-founder and Managing Director/CEO of Kalium Lakes (ASX:KLL).

Mr Hazelden was appointed as a Director on 1 April 2022 and is not considered to be an independent Director as he is engaged in an executive capacity.

CORPORATE (CONTINUED)



Mr Piers Lewis

Non-Executive Director

B.Com, ACA, FAICG

Mr Lewis has over 25 years corporate advisory experience with various ASX companies and Investment Banks. He founded SmallCap Corporate, which provides corporate advisory, IPO management, CFO and Company Secretary services.

Mr Lewis is currently Non-Executive Director and Company Secretary for a number of ASX listed companies, including Non-Executive Chair of Aurumin Ltd (ASX: AUN), and Non-Executive Director of Noronex Ltd (ASX: NRX), company secretary of Grange Resources Limited (ASX: GRR) and Almonty Industries Inc. (ASX: AII). Mr Lewis has also held senior management roles with Credit Suisse (London), Mizuho International, ABN Amro and NAB Capital.

Mr Lewis was appointed as a Director on 27 October 2021 and although he holds Securities in the Company and will receive Incentive Options, Mr Lewis is considered to be an independent Director.



Dr Mitch Loan

Non-Executive Director

BSc (First Class Honours), PhD Curtin University, AAICD

Dr Loan is a mining executive with over 20 years' experience. Mitch has diverse experience in operational, commercial, strategy, stakeholder management, governance and technical and corporate development across the minerals industry.

Dr Loan is currently the Global Director of Strategy and Business Development for Alcoa, a leading mine to metal Aluminium company.

Dr Loan was appointed as a Director on 12 April 2022 and although he will receive Incentive Options and Performance Options, Dr Loan is considered to be an independent Director.



Mr Joel Ives

Joint Company Secretary

B.Com, CA

Mr Ives is a Chartered Accountant who has held numerous roles as Chief Financial Officer and Company Secretary of private and public start-up technology and resource exploration companies. He has assisted a number of ASX listing, via both IPOs and RTOs and has ensured ongoing regulatory compliance post-listing.

Mr Ives is currently a Company Secretary of DigitalX Ltd (ASX:DCC), Kuniko Limited (ASX: KNI) and Green Technology Metals Limited (ASX:GT1). He is also Joint Company Secretary of Harvest Technology Group Limited (ASX:HTG) and OliveX Holdings Limited (NSX:OLX).

CORPORATE (CONTINUED)



Mr Troy Cavanagh

Chief Financial Officer and Joint Company Secretary
B.Com, CA

Mr Cavanagh is a Chartered Accountant with 15 years' experience in the accounting and corporate finance industry. He is the founding director of LCP Group, which specialises in accounting, taxation and IPO management and provides CFO and company secretary services to a range of ASX listed and large private entities.

Mr Cavanagh has performed roles as Chief Financial Officer and Company Secretary of various private resource exploration and technology companies, assisting with strategy, governance and dealings with other ASX listed entities.

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations).

The Board considers that, due to the Company's size and nature, the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. The Company's Corporate Governance Statement is available on the Company's website at www.od6metals.com.au

Disclaimer

This Annual Report has been prepared by OD6 Metals Ltd (I 654 839 602) (**OD6 Metals**) and is current as at the date of this document. The information contained in this document is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this document is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The document has been prepared without considering the investment objectives, financial situation or needs of any particular person. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate considering your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance. Any securities that may be issued by OD6 Metals should be considered speculative and there is no guarantee implied or explicit that there will be a return on the capital invested or that any dividend will be paid or that there will be an increase in the price or value of OD6 Metals' shares in the future.

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CORPORATE (CONTINUED)

Competent Person Statement

The information contained in this presentation that relates to the Mineral Resource estimation is based on information reviewed by Mr Jeremy Peters who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist and Mining Engineer of that organisation. Mr Peters is a Director of Burnt Shirt Pty Ltd, consulting to OD6 Metals and has sufficient experience which 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 Peters consents to the inclusion of the data in the form and context in which it appears.

Visual Mineralisation Cautionary Statement

In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visible mineralisation reported in preliminary geological logging. The Company will update the market when laboratory analytical results become available. The reported intersections are down hole measurements and are not necessarily true width. Descriptions of the mineral amounts seen and logged in the core are qualitative, visual estimates only (they are listed in order of abundance of estimated combined percentages). Quantitative assays will be completed by ALS Global in Perth Western Australia.

Forward Looking Statements

Certain information in this document refers to the intentions of OD6 Metals, however these are not intended to be forecasts, forward looking statements, or statements about the future matters for the purposes of the Corporations Act or any other applicable law. Statements regarding plans with respect to OD6 Metals projects are forward looking statements and can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. There can be no assurance that the OD6 Metals plans for its projects will proceed as expected and there can be no assurance of future events which are subject to risk, uncertainties and other actions that may cause OD6 Metals actual results, performance, or achievements to differ from those referred to in this document. While the information contained in this document has been prepared in good faith, there can be given no assurance or guarantee that the occurrence of these events referred to in the document will occur as contemplated. Accordingly, to the maximum extent permitted by law, OD6 Metals and any of its affiliates and their directors, officers, employees, agents and advisors disclaim any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



Annual Financial Report

For the year ended 30 June 2023

OD6 Metals Limited

ABN: 34 654 839 60 and Controlled Entities

CORPORATE DIRECTORY

PRINCIPAL AND REGISTERED OFFICE

c/- LCP Group
Level 1, 50 Kings Park Road
West Perth WA 6005
Telephone: +61 8 6189 8515
Email: info@od6metals.com.au

DIRECTORS

Dr Darren Holden – Non-Executive Chairman
Mr Brett Hazelden – Managing Director
Mr Piers Lewis – Non-Executive Director
Dr Mitch Loan – Non-Executive Director

ASX CODE

OD6

JOINT COMPANY SECRETARY

Troy Cavanagh
Joel Ives

SHARE REGISTRAR

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

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA

LAWYERS

AGH Law
Level 1, 50 Kings Park Road
West Perth WA 6005

BANKERS

Macquarie Bank
235 St George's Terrace
Perth WA 6000

DIRECTORS' REPORT

Your Directors present the following report on OD6 Metals Limited and controlled entities (referred to hereafter as "the Company") for the financial year ended 30 June 2023.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

- Dr Darren Holden – Non-Executive Chairman (appointed 27 October 2021);
- Mr Brett Hazelden – Managing Director (appointed 1 April 2022);
- Mr Piers Lewis – Non-Executive Director (appointed 27 October 2021); and
- Dr Mitch Loan – Non-Executive Director (appointed 12 April 2022).

COMPANY SECRETARY

Troy Cavanagh and Joel Ives held the position of joint company secretary during the financial year.

PRINCIPAL ACTIVITIES

The Group's primary purpose is to pursue exploration and potential development opportunities within the resources sector. In particular, the Group was established to undertake exploration of its Splinter Rock Project and Grass Patch Project (**Projects**), which are located in the Goldfields-Esperance region of Western Australia and are prospective for rare earth elements (**REEs**), with the aim of delineating and defining economic resources and reserves to develop into revenue generating operational mines.

OPERATING RESULTS

The loss of the Company for the financial year, after providing for income tax amounted to \$1,356,800 (2022: \$1,339,199).

FINANCIAL POSITION

As at 30 June 2023 the Company had a cash balance of \$3,515,459 (2022: \$8,357,053) and a net asset position of \$7,665,547 (2022: \$8,722,334).

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2023.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this report, no significant changes in the state of affairs of the Company occurred during the financial year.

EVENTS AFTER THE REPORTING PERIOD

The company confirms there were no subsequent events for disclosure after the reporting period.

OD6 Metals Limited & Controlled Entities

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON DIRECTORS

Brett Hazelden**Managing Director (appointed 01 April 2022)**

Interest in Shares and Options

1,000,000 ordinary shares
1,500,000 options expiring on 31/03/2026 exercisable at \$0.30
2,500,000 performance rights

Directorships held in other listed entities in the past 3 years

Kalium Lakes (ASX: KLL, ended 31 July 2020)

Darren Holden**Non-executive Chairman (appointed 27 October 2021)**

Interest in Shares and Options

6,937,425 ordinary shares
3,468,712 options expiring on 31 October 2025 exercisable at \$0.30
500,000 options expiring on 31 March October 2026 exercisable at \$0.30

Directorships held in other listed entities in the past 3 years

Aurumin Limited (ASX: AUN, ended 09 Jun 2023)
Odessa Minerals (ASX:ODE, ended 24 Apr 2022)
Augustus Metals (ASX:AUG)

Piers Lewis**Non-executive Director (appointed 27 October 2021)**

Interest in Shares and Options

3,037,487 ordinary shares
843,743 options expiring on 31 October 2025 exercisable at \$0.30
350,000 options expiring on 31 March 2026 exercisable at \$0.30

Directorships held in other listed entities in the past 3 years

Aurumin Limited
Noronex Limited
Ultima United Limited (ASX: UUL, ended June 2021)
Cycliq Group Limited (ASX: CYQ, ended Sept 2020)
E-Sense Lab Limited (ASX: ESE, Jul 2020)

Mitch Loan**Non-executive Director (appointed 12 April 2022)**

Interest in Shares and Options

350,000 options expiring on 31 March 2026 exercisable at \$0.30
1,500,000 performance options expiring on 31 March 2026 exercisable at \$0.50

Directorships held in other listed entities in the past 3 years

None

Joint Company Secretaries

Troy Cavanagh

(Appointed on 27 October 2021)

Joel Ives

(Appointed on 06 February 2022)

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of OD6 Metals Limited and for the executives receiving the highest remuneration.

1. Employment Agreements

The Company has entered into an Employment Agreement with Mr Brett Hazelden, pursuant to which Mr Hazelden will serve as Managing Director of the Company (Employment Agreement). A summary of the key terms of the Employment Agreement are set out below.

- (Term): The Employment Agreement commenced on 1 April 2022 (Commencement Date) and continues until terminated by Mr Hazelden or the Company in accordance with its terms.
- (Remuneration): The remuneration payable to Mr Hazelden from the Commencement Date is \$320,000 per annum (plus statutory superannuation) (Base Salary).
- (Long Term Incentive): The issue of 1,500,000 Incentive Options, each with an exercise price of \$0.30 and an expiry date of 31 March 2026 and 2,500,000 MD Performance Rights to be issued in connection with the Company's admission to ASX, subject to any required Shareholder and regulatory approvals. Mr Hazelden will also be eligible to participate in incentive arrangements offered by the Company from time to time, including participation in the Plan, which are expected to include an ongoing annual issue of Options and / or performance rights on terms to be agreed with the Board from time to time, subject always to Shareholder approval.
- (Expenses): Mr Hazelden is entitled to be reimbursed for all reasonable travel expenses and the costs of any professional memberships required by Mr Hazelden for the performance of his services, provided documentary evidence of such expenses is provided to the Company and Mr Hazelden complies with any applicable expenses and authority level policy of the Company in force from time to time.
- (Responsibilities): Mr Hazelden's role includes, amongst other things, managing the day-to-day operations of the company, preparing and implementing a strategic plan for the Company, coordinating fundraising, establishing and maintaining management and administrative systems for the Company, overseeing exploration programs, and marketing and promoting the Company to shareholders and the broader equity market.
- (Non-Compete): During the term of the Employment Agreement (and for a period of up to 12 months following termination of the Employment Agreement), Mr Hazelden is restricted, without the prior consent of the Company, from being concerned, either as employee, director, partner, agent, consultant, owner, partner, joint venture partner in any business undertaking which competes with the Company, may cause Mr Hazelden to fail to properly discharge his obligations to the Company or create a conflict between the interests of Mr Hazelden and the Company.
- (Termination by Company): The Company may terminate the Employment Agreement:
 - without cause by providing at least 6 months written notice or salary in lieu of notice;
 - in certain circumstances, such as Mr Hazelden wilfully engaging in serious misconduct or committing a material breach of the Employment Agreement, with immediate effect and without any obligation to provide any notice or make any payment in lieu of notice; or
 - summarily without notice where, in the reasonable opinion of the Company, Mr Hazelden has acted in a manner which would seriously and detrimentally affect the Company or its reputation.
- (Termination by Mr Hazelden): Mr Hazelden may terminate the Employment Agreement without cause by providing at least 6 months' written notice.
- (Consequences of Termination): Upon termination of the Employment Agreement, however occurring, Mr Hazelden will be required, at the request of the Company or its designated nominee, to resign without claim from any offices held by Mr Hazelden in the Company or any member of the Group.

DIRECTORS' REPORT (CONTINUED)

- (Change of Control): In the event of a Change of Control occurring in relation to the Company, Mr Hazelden will receive a bonus payment comprising of a lump sum gross payment of 6 months' Base Salary. If, within 12 months of such Change of Control, Mr Hazelden resigns other than in circumstances which would constitute constructive dismissal under applicable employment laws or if Mr Hazelden's employment is otherwise terminated by the Company for cause, Mr Hazelden will not be entitled to any notice of termination or payment in lieu of notice. For the purposes of the above, "Change of Control" means the occurrence of any of the following events:
 - the acquisition by any person, alone or together with any other persons with whom it is acting jointly or in concert, of beneficial ownership of, or the power to exercise control or direction over, directly or indirectly, securities (or securities convertible into or exchangeable for such securities) representing fifty percent (50%) or more of the votes exercisable by holders of the then-outstanding securities generally entitled to vote for the election of directors (Voting Shares) of the Company;
 - any persons that previously were not acting jointly or in concert commencing to acting jointly or in concert, where such persons together beneficially own, or have the power to exercise control or direction over, directly or indirectly, securities (or securities convertible into or exchangeable for such securities) representing 50% or more of the Voting Shares;
 - any merger, amalgamation, consolidation or reorganisation of the Company into or with another person where, as a result of such reorganisation or business combination, securities representing 50% or more of the votes exercisable by holders of the Voting Shares, or such person into which the Voting Shares is converted immediately after such transaction, are held by a person alone or together with any other persons with whom that person is acting jointly or in concert, and such person, together with those with whom it is acting jointly or in concert, held securities representing less than 50% of the votes exercisable by the holders of Voting Shares immediately prior to such transaction;
 - any reorganisation of the capital of the Company where, as a result of such reorganisation, securities representing 50% or more of the votes exercisable by holders of the Voting Shares or such person into which the Voting Shares is converted immediately after such transaction, are held by a person alone or together with any other persons with whom that person is acting jointly or in concert, and such person, together with those with whom it is acting jointly or in concert, held securities representing less than 50% of the votes exercisable by the holders of the Voting Shares immediately prior to such transaction;
 - the Company sells, transfers or otherwise disposes of all or substantially all of its assets, except that no Change of Control will be deemed to occur if such sale or disposition is made to an affiliate or affiliates of the Company or to a subsidiary or subsidiaries of the Company; or
 - the individuals who constitute the Directors of the Company as at the date of a relevant agreement ceasing to form the majority of the Company's Directors.

For the purposes of the above definition, references to the Company shall include successors to the Company as a result of any merger, amalgamation, consolidation or reorganisation of the Company into or with another person.

The Employment Agreement is otherwise on terms that are considered customary for an agreement of this nature.

OD6 Metals Limited & Controlled Entities

DIRECTORS' REPORT (CONTINUED)

2. Remuneration Policy

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders. As at the Prospectus Date, the maximum aggregate remuneration of the Non-Executive Directors is \$300,000 per annum. The remuneration of Directors is reviewed annually by the Company.

The Directors are also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation, and other expenses the Directors may incur when travelling to or from meetings or when otherwise engaged in the business of the Company.

The annual salaries (excluding statutory superannuation) payable to the Directors from the Company's admission to the Official List are set out below.

Director	Position	Amount
Directors		
Dr Darren Holden ⁽¹⁾	Non-Executive Chairman	\$48,000
Mr Brett Hazelden	Managing Director	\$320,000
Mr Piers Lewis	Non-Executive Director	\$36,000
Dr Mitch Loan	Non-Executive Director	\$36,000

- (1) The Company entered into a geological services agreement with GeoSpy Pty Ltd, an entity controlled by Dr Holden, pursuant to which GeoSpy Pty Ltd received a fee of \$5,000 (plus GST) per month in consideration of geological services.

3. Details of remuneration for the year ended 30 June 2023

The remuneration for each key management personnel of the Company during the year was as follows:

Key Management Person	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Value of Options Remuneration	Performance Related
	Cash, salary & commissions	Superannuation	Other	Performance Rights	Options			
30 June 2023	\$	\$	\$	\$	\$	\$	%	%
Non- Executive Directors								
Dr Darren Holden	\$48,000	\$5,040	-	-	-	\$53,040	-	-
Mr Piers Lewis	\$36,000	\$3,780	-	-	-	\$39,780	-	-
Dr Mitch Loan	\$36,000	\$3,780	-	-	\$42,777	\$82,557	52%	52%
Executive Directors								
Mr Brett Hazelden ⁽¹⁾	\$352,000	\$27,500	-	\$160,000	-	\$539,500	-	31%
Total	\$472,000	\$40,100	-	\$160,000	\$42,777	\$714,877		
30 June 2022	\$	\$	\$	\$	\$	\$	%	%
Non- Executive Directors								
Dr Darren Holden	\$1,184	\$118	-	-	\$55,862	\$57,164	98%	-
Mr Piers Lewis	\$888	\$88	-	-	\$39,104	\$40,080	98%	-
Dr Mitch Loan	\$888	\$88	-	-	\$68,222	\$69,198	99%	42%
Executive Directors								
Mr Brett Hazelden	\$80,000	\$8,000	-	\$140,000	\$167,587	\$395,587	42%	35%
Total	\$82,960	\$8,294	-	\$140,000	\$330,775	\$562,029		

- (1) The Company agreed to pay a bonus of \$32,000 to Brett Hazelden for his performance in FY2023.

OD6 Metals Limited & Controlled Entities

DIRECTORS' REPORT (CONTINUED)

Number of Options held by Key Management Personnel as at 30 June 2023

2023	Opening balance	Granted during the year	Exercised during the year	Net Change Other	Closing balance as at 30 June 2023	Total Vested and exercisable as at 30 June 2023
Directors						
Dr Darren Holden	3,968,712	-	-	-	3,968,712	3,968,712
Mr Brett Hazelden	1,500,000	-	-	-	1,500,000	1,500,000
Mr Piers Lewis	1,193,743	-	-	-	1,193,743	1,193,743
Dr Mitch Loan	1,850,000	-	-	-	1,850,000	350,000
Total	8,512,455	-	-	-	8,512,455	7,012,455

Number of Shares held by Key Management Personnel as at 30 June 2023

2023	Opening Balance	Acquired during the year	Received during the year on the exercise of options	Net Change Other	Closing balance as at 30 June 2023
Non-Executive Directors					
Dr Darren Holden	6,937,425	-	-	-	6,937,425
Mr Piers Lewis	3,037,487	-	-	-	3,037,487
Dr Mitch Loan	-	-	-	-	-
Executive Directors					
Mr Brett Hazelden	1,000,000	-	-	-	1,000,000
Total	10,974,912	-	-	-	10,974,912

4. Options and Rights over Equity Instruments Granted as Compensation

Details of options over ordinary shares in the Company that were granted as compensation to each key management person and details of options that were vested are as follows:

Director/Key Management Personnel	Number Options Granted	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Number Options Vested	Number Options Lapsed During Period
Dr Darren Holden	500,000	22/06/2022	\$0.112	\$0.30	31/03/2026	500,000	-
Mr Piers Lewis	350,000	22/06/2022	\$0.112	\$0.30	31/03/2026	350,000	-
Dr Mitch Loan	350,000	22/06/2022	\$0.112	\$0.30	31/03/2026	350,000	-
Dr Mitch Loan ⁽¹⁾	1,500,000	22/06/2022	\$0.0937	\$0.50	31/03/2026	-	-
Mr Brett Hazelden ^{(2) (3)}	1,500,000	22/06/2022	\$0.112	\$0.30	31/03/2026	1,500,000	-

- (1) Performance Milestone: Performance Options vest upon completion of a scoping study on a Project (prepared in accordance with the guidelines prescribed by the JORC Code and independently verified by an independent competent person under the JORC Code) that demonstrates an internal rate of return (IRR) of more than 20%
- (2) 1,000,000 Class A Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX a JORC compliant inferred (or greater) Mineral Resource (as defined in the JORC Code) of not less than 250,000,000 tonnes (of which at least 100,000,000 tonnes must be an indicated Mineral Resource), grading a minimum of 800 ppm total rare earth oxides (TREO), expiring at 5pm (AWST) on the date that is 2 years from the date of the Company's admission to ASX.
- (3) 1,500,000 Class B Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX the results of a scoping study showing the potential to generate an internal rate of return (IRR) of more than 20% using consensus prices and Board approved assumptions, expiring at 5pm (AWST) on the date that is 3 years from the date of the Company's admission to ASX.

OD6 Metals Limited & Controlled Entities

DIRECTORS' REPORT (CONTINUED)

Note 1: Options issued were valued using a Black Scholes model with the following inputs:

Tranche	Grant Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
MD Options	22/06/2022	0.90	2.61%	31/03/2026	\$0.20	0.112	\$167,646
NED options	22/06/2022	0.90	2.61%	31/03/2026	\$0.20	0.112	\$134,400
Performance options ⁽¹⁾	22/06/2022	0.90	2.61%	31/03/2026	\$0.20	0.0937	\$140,591

- (1) Probability 50% (2022: 20%), with performance milestone: Performance Options vest upon completion of a scoping study on a Project (prepared in accordance with the guidelines prescribed by the JORC Code and independently verified by an independent competent person under the JORC Code) that demonstrates an internal rate of return (IRR) of more than 20%.

Loans to key management personnel

There were no loans to key management personnel during the year (2022:nil).

Other transactions with key management personnel

The Company has entered into a geological services agreement with GeoSpy Pty Ltd, an entity controlled by Dr Holden, pursuant to which GeoSpy Pty Ltd received a fee of \$5,000 (plus GST) per month in consideration of geological services to be provided by GeoSpy Pty Ltd.

- END OF REMUNERATION REPORT -

OD6 Metals Limited & Controlled Entities

DIRECTORS' REPORT (CONTINUED)

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of directors and 4 committee meetings were held. Attendances by each director during the year were as follows:

Directors' Meetings								
	Full Board		Audit and Risk Committee		ESG Committee		Remuneration and Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Dr Darren Holden	8	8	2	2	1	1	1	1
Mr Piers Lewis	8	8	2	2	1	1	1	1
Dr Mitch Loan	8	7	2	2	1	1	1	1
Mr Brett Hazelden	8	8	2	2*	1	1*	1	1*

*committee meetings attended as observer.

In addition to above mentioned meetings, there were 5 circular resolutions.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

INDEMNIFYING AND INSURANCE OF OFFICERS

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

OPTIONS

At the date of this report, the unissued ordinary shares of OD6 Metals Limited under option are as follows:

Date of Expiry	Exercise Price	Number under Option
31/10/2025	\$0.30	22,050,371
31/01/2025	\$0.30	300,000
31/01/2025	\$0.30	2,500,000
30/03/2026	\$0.30	2,825,000
31/03/2026	\$0.50	1,500,000
30/03/2026	\$0.30	1,025,000
09/10/2026	\$0.30	900,000
Total		31,100,371

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

DIRECTORS' REPORT (CONTINUED)

NON-AUDIT SERVICES

There were no non-audit services during this or the previous year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 45.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of OD6 Metals Limited ("OD6 Metals Limited" or "the Company"), is responsible for the Corporate Governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for a Group of OD6 Metals Limited's size and nature.

Further details in respect to the Group's corporate governance practises and copies of the Group's corporate governance policies and the 2023 Corporate Governance Statement, approved by the Board and applicable as at 6 September 2023 are available on the Group's website:

Signed in accordance with a resolution of the Board of Directors.



Mr Brett Hazelden, Managing Director

Dated 6 September 2023

Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

HALL CHADWICK 

To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of OD6 Metals Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 6th day of September 2023

OD6 Metals Limited & Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Other income	2	125,731	459
Accounting & Audit		(193,013)	(134,525)
Consulting		(132,588)	-
Depreciation expense		(24,734)	(1,818)
Employees benefits expense	3	(420,496)	(68,164)
Exploration expense		(20,223)	(37,624)
Geological		-	(14,908)
Health & Safety		-	(5,365)
Legal Fees		(10,747)	(116,877)
Listing Fees		(39,160)	(99,937)
Recruitment		-	(120,850)
Share based payments expense	12	(300,013)	(626,993)
Other expenses	4	(341,557)	(112,597)
Loss before income tax expense		(1,356,800)	(1,339,199)
Income tax (expense)/benefit	5	-	-
Loss for the year		(1,356,800)	(1,339,199)
Loss Per Share		Cents	Cents
Basic and diluted loss per share	6	(1.32)	(3.37)

The accompanying notes form part of these financial statements.

OD6 Metals Limited & Controlled Entities

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,515,459	8,357,053
Other current assets		221,593	165,260
TOTAL CURRENT ASSETS		3,737,052	8,522,313
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	8	4,656,027	707,114
Plant and equipment		218,062	163,102
TOTAL NON-CURRENT ASSETS		4,874,089	870,216
TOTAL ASSETS		8,611,141	9,392,529
CURRENT LIABILITIES			
Trade and other payables	9	904,477	662,002
Provisions		41,117	8,193
TOTAL CURRENT LIABILITIES		945,594	670,195
TOTAL LIABILITIES		945,594	670,195
NET ASSETS		7,665,547	8,722,334
EQUITY			
Issued capital	10	9,224,855	9,224,855
Reserves	11	1,165,966	865,953
Accumulated losses		(2,725,274)	(1,368,474)
TOTAL EQUITY		7,665,547	8,722,334

The accompanying notes form part of these financial statements.

OD6 Metals Limited & Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Options & Rights Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	1	-	(29,275)	(29,274)
Loss for the year	-	-	(1,339,199)	(1,339,199)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,339,199)	(1,339,199)
<i>Transactions with owner directly recorded in equity</i>				
Issue of share capital	9,879,552	-	-	9,879,552
Share issue costs	12 (654,698)	238,960	-	(415,738)
Share based payments options	12 -	486,993	-	486,993
Share based payments performance rights	12 -	140,000	-	140,000
Balance at 30 June 2022	9,224,855	865,953	(1,368,474)	8,722,334
	Issued Capital	Options & Rights Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	9,224,855	865,953	(1,368,474)	8,722,334
Loss for the year	-	-	(1,356,800)	(1,356,800)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,356,800)	(1,356,800)
<i>Transactions with owner directly recorded in equity</i>				
Share based payments options	12 -	140,013	-	140,013
Share based payments performance rights	12 -	160,000	-	160,000
Balance at 30 June 2023	9,224,855	1,165,966	(2,725,274)	7,665,547

The accompanying notes form part of these financial statements.

OD6 Metals Limited & Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2023**

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		115,670	459
Payments to suppliers and employees		(1,087,813)	(490,610)
Net cash (used in) operating activities	16	(972,143)	(490,151)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation		(3,442,756)	(493,988)
Purchase of plant and equipment		(79,695)	(164,920)
Net cash (used in) investing activities		(3,522,451)	(658,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	9,879,554
Payment of transaction costs associated with capital raising		(347,000)	(68,738)
Loan repayment		-	(304,704)
Net cash provided by financing activities		(347,000)	9,506,112
Net (decrease)/increase in cash held		(4,841,594)	8,357,053
Cash at beginning of financial year		8,357,053	-
Cash at end of financial year	7	3,515,459	8,357,053

The accompanying notes form part of these financial statements.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of OD6 Metals Limited and controlled entities (the "Company"). OD6 Metals Limited is a listed public Company, incorporated and domiciled in Australia. The financial statements were authorised for issue on 6 September 2023 by the directors of the Company.

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. The financial report is presented in Australian dollars, which is the Company's functional currency.

Going concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2023, the Group incurred a loss from operations of \$1,336,800 (2022: \$1,339,199) and recorded cash outflows from operating activities of \$972,143 (30 June 2022: \$490,151). As at 30 June 2023, the Group had net working capital of \$2,791,458 with cash of \$3,515,459 (30 June 2022: \$8,357,053) available.

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Board believes that it has sufficient funding in place to meet its operating objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are satisfied of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by OD6 Metals Limited at the end of the reporting period. A controlled entity is any entity over which OD6 Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Where controlled entities have entered (left) the Consolidated Entity during the year, their operating results have been included (excluded) from the date control was obtained (ceased). A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

c) Critical Accounting Estimates and Judgments

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

d) Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 6.

e) Share based payment transactions

The Company measures the cost of equity-settled transactions with employees 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 Black-Scholes option pricing model, using the assumptions detailed in note 10. Incentive options issued in the prior period utilised the Black Scholes model.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using an appropriate option pricing model.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

f) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company during the financial year.

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

g) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The consolidated entity does not trade or hold derivatives.

Financial guarantees

The consolidated entity has no material financial guarantees.

h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased asset, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the consolidated entity where the consolidated entity is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the consolidated entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Operating lease payments, if they are short term leases or less than AUD\$5,000, are charged to profit or loss on a straight-line basis over the term of the lease.

NOTE 2: OTHER INCOME

	2023 \$	2022 \$
Interest revenue	125,731	459
	125,731	459

NOTE 3: EMPLOYEES BENEFITS EXPENSE

	2023 \$	2022 \$
Salaries and wages expenses	284,882	64,909
Director's benefit expenses (excluding executive directors)	135,614	3,255
	420,496	68,164

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: OTHER EXPENSES

	2023 \$	2022 \$
Investor relations	182,607	20,700
Insurance	47,608	23,271
Other	111,342	68,626
	<u>341,557</u>	<u>112,597</u>

NOTE 5: INCOME TAX EXPENSE

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2023	2022
	\$	\$
a. Income Tax Expense		
Loss before income tax	(1,356,800)	(1,339,199)
Current income tax:		
Income tax benefit calculated at 30%	(407,040)	(401,760)
Tax effects on amounts which are not tax deductible	71,153	157,220
Deferred tax asset not brought to account	336,247	244,540
Income tax benefit	-	-
b. Deferred tax assets not brought to account		
Unused tax losses	6,552,666	1,177,543
Timing differences	(4,507,968)	(65,402)
Amounts recognised through equity	249,443	(297,008)
Tax at 30%	688,242	244,540

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 6: LOSSES PER SHARE

	2023	2022
	\$	\$
	Cents per share	Cents per share
Basic and diluted loss per share	(1.32)	(3.37)

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

	2023	2022
	\$	\$
	Number	Number
Loss	(1,356,800)	(1,339,199)
Weighted average number of ordinary shares for the purposes of basic/diluted loss per share	102,450,745	39,698,995

As the Company is in a loss position, the options outstanding at 30 June 2023 have no dilutive effect on the earnings per share calculation.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	3,515,459	8,357,053

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward 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 an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

	2023	2022
	\$	\$
Exploration expenditure capitalised		
- Exploration and evaluation phase	4,656,027	707,114

A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:

- Carrying amount at the beginning of the year	707,114	142,117
- Costs capitalised during the year, net of refunds	3,948,913	564,997
- Costs impaired during the year	-	-
Carrying amount at the end of the year	4,656,027	707,114

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

NOTE 9: TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Current		
Trade creditors ⁽¹⁾	514,693	427,697
Accrued expenses and other payables	389,784	234,305
Trade and other payables	904,477	662,002

(1) Trade creditors are expected to be paid on 30-day terms.

NOTE 10: ISSUED CAPITAL

	Number	\$
Opening Balance – 1 July 2021	-	1
Founder Raise - 27 October 2021	44,100,745	44,552
Shares issued Seed Capital Raise	18,350,000	1,835,000
Issue of Placement shares - 22 June	40,000,000	8,000,000
Less: transaction costs	-	(654,598)
Balance – 30 June 2022	102,450,745	9,224,855
Opening Balance – 1 July 2022	102,450,745	9,224,855
	-	-
Closing Balance – 30 June 2023	102,450,745	9,224,855

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Company at 30 June 2023 is \$2,791,458 (2022: \$7,852,118).

NOTE 11: RESERVES	2023	2022
	\$	\$
Performance Rights reserve	300,000	140,000
Options reserve	865,966	725,953
	1,165,966	865,953

Performance Rights reserve

	Number of Rights	Value \$
Opening Balance - 1 July 2022	2,500,000	140,000
Performance Rights revalued during the year ^{(1) (2)}	-	160,000
Forfeited during the year	-	-
	2,500,000	300,000

- (1) 1,000,000 Class A Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX a JORC compliant inferred (or greater) Mineral Resource (as defined in the JORC Code) of not less than 250,000,000 tonnes (of which at least 100,000,000 tonnes must be an indicated Mineral Resource), grading a minimum of 800 ppm total rare earth oxides (TREO), expiring at 5pm (AWST) on the date that is 2 years from the date of the Company's admission to ASX.
- (2) 1,500,000 Class B Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX the results of a scoping study showing the potential to generate an internal rate of return (IRR) of more than 20% using consensus prices and Board approved assumptions, expiring at 5pm (AWST) on the date that is 3 years from the date of the Company's admission to ASX.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Options reserve

	Number of Options	Value \$
Opening Balance – 1 July 2022	30,200,371	725,953
Options issued to Operations Manager on 09 October 2022	900,000	97,236
Revaluation of Performance Options	-	42,777
Closing Balance – 30 June 2023	31,100,371	865,966

	Number of Options	Weighted Average Exercise Price (\$)
A summary of the movements of all unlisted options granted is as follows:		
Options outstanding as at 1 July 2022	30,200,371	0.29
Granted during the year	900,000	0.30
Exercised during the year	-	-
Expired during the year	-	-
Options outstanding as at 30 June 2023	31,100,371	0.29

Share Options on issue at 30 June 2023

At 30 June 2023, the Consolidated entity has the following share options on issue:

- 22,050,371 unlisted options with \$0.30 exercise price expiring on or before 31 October 2025
- 300,000 unlisted options with \$0.30 exercise price expiring on or before 13 April 2025
- 2,500,000 unlisted options with \$0.30 exercise price expiring on or before 31 January 2025
- 2,825,000 unlisted options with \$0.30 exercise price expiring on or before 30 March 2026
- 1,500,000 unlisted options with \$0.50 exercise price expiring on or before 31 March 2026
- 1,025,000 unlisted options with \$0.30 exercise price expiring on or before 30 March 2026
- 900,000 unlisted options with \$0.30 exercise price expiring on or before 09 October 2026

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 12: SHARE BASED PAYMENTS

Share based payments during the year ended 30 June 2023 are summarised below:

	2023	2022
	\$	\$
Options issued to Lead Manager (recognised in equity)	-	238,960
Options issued to Directors and Officers as incentive	-	430,199
Options issued to Recruiter	-	28,675
Performance Options ⁽¹⁾	42,778	28,119
Performance Rights	160,000	140,000
Options issued to Operations Manager on 09 October 2022	97,235	-
Total share based payment expense	300,013⁽⁴⁾	865,953^{(2) (3)}

- (1) Performance Milestone: Performance Options vest upon completion of a scoping study on a Project (prepared in accordance with the guidelines prescribed by the JORC Code and independently verified by an independent competent person under the JORC Code) that demonstrates an internal rate of return (IRR) of more than 20%.
- (2) Amount recorded as Share Based Payment in P&L \$626,993
- (3) Amount recorded as share issue cost \$238,960
- (4) Amount recorded as Share Based Payment in P&L \$300,013

Tranche	Grant Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
MD Options	22/06/22	0.9	2.6	31/03/26	0.20	0.112	167,646
NED	22/06/22	0.9	2.6	31/03/26	0.20	0.112	134,400
Officers	22/06/22	0.9	2.6	31/03/26	0.20	0.112	27,931
Performance Options⁽¹⁾	22/06/22	0.9	2.6	31/03/26	0.20	0.937	140,541
Lead Manager options	22/06/22	0.9	2.6	31/03/26	0.20	0.96	238,960
Recruiter Options	22/06/22	0.9	2.6	31/03/26	0.20	0.96	28,675
Officers	09/10/22	0.9	3.3	09/10/26	0.19	0.108	97,235

- (1) Probability 50%, with performance milestone: Performance Options vest upon completion of a scoping study on a Project (prepared in accordance with the guidelines prescribed by the JORC Code and independently verified by an independent competent person under the JORC Code) that demonstrates an internal rate of return (IRR) of more than 20%.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Performance Rights which convert into Shares on a 1:1 basis subject to the satisfaction of the Milestone as set out below. The Performance Rights have the following Milestones and Expiry Dates:

Performance Rights

	Number of Rights	Probability	Value \$
Performance Rights Class A issued to MD 01 April 2022 ⁽¹⁾	1,000,000	75%	150,000
Performance Rights Class B issued to MD 01 April 2022 ⁽²⁾	1,500,000	50%	150,000
Closing Balance 30 June 2023	2,500,000		300,000

- (1) 1,000,000 Class A Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX a JORC compliant inferred (or greater) Mineral Resource (as defined in the JORC Code) of not less than 250,000,000 tonnes (of which at least 100,000,000 tonnes must be an indicated Mineral Resource), grading a minimum of 800 ppm total rare earth oxides (TREO), expiring at 5pm (AWST) on the date that is 2 years from the date of the Company's admission to ASX.
- (2) 1,500,000 Class B Performance Rights converting to Shares (1:1 basis) upon the Company announcing to ASX the results of a scoping study showing the potential to generate an internal rate of return (IRR) of more than 20% using consensus prices and Board approved assumptions, expiring at 5pm (AWST) on the date that is 3 years from the date of the Company's admission to ASX.

Employee Options

During this year, the Company issued 900,000 unlisted incentive options to Bradley Cribb (Project manager). The option issue was completed to incentivise exploration success aligning the exploration team with value creation for shareholders.

All of the 900,000 of the options have no vesting conditions attached to them and vest immediately.

The employee options were valued using a Black Scholes model. The inputs have been detailed below:

	Employee incentive options
Date of issue	25-Oct-22
Number of options	900,000
Dividend yield (%)	0
Expected volatility (%)	90%
Risk free interest rate (%)	3.31%
Expected life of the option (years)	4
Option exercise price (\$)	0.30
Share price at grant date (\$)	0.19
Expected Vesting Date	25/10/2022
Fair value per option (\$)	0.11
Total value at grant date (\$)	97,235
Expiry Date	09/10/2026

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Remuneration of Key Management Personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2023.

	2023	2022
	\$	\$
The totals of remuneration paid to the KMP of the Company during the year are as follows:		
Short-term employee benefits	472,000	82,960
Post-employment benefits	40,100	8,294
Share based payments	202,777	470,775
	714,877	562,029

Other KMP Transactions:

There have been no transactions involving equity instruments other than those described in the tables above.

NOTE 14: RELATED PARTY TRANSACTIONS

a) Key management personnel

Disclosures relating to key management personnel are set out in Note 13.

b) Loans to Director and key management personnel

There were no loans to key management personnel during the year (2022: nil).

c) Other transactions with Director and key management personnel

The Company entered into a geological services agreement with GeoSpy Pty Ltd, an entity controlled by Dr Holden, pursuant to which GeoSpy Pty Ltd received a fee of \$5,000 (plus GST) per month in consideration of geological services to be provided by GeoSpy Pty Ltd. The Company has recorded \$40,000 (excl. GST and rechargeable expenses) during the year (2022: \$57,333).

NOTE 15: AUDITORS' REMUNERATION

	2023	2022
	\$	\$
Remuneration of the auditor of the parent entity for:		
auditing or reviewing the financial report	29,000	22,500
	29,000	22,500

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16: CASHFLOW INFORMATION	2023	2022
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(1,356,800)	(1,339,199)
Non-cash flows in loss:		
Depreciation expense for property, plant & equipment	24,734	1,818
Share based payments	300,013	626,993
Unrealised gain on financial assets	-	20
Payments for exploration expenditure classified as investing activities	20,223	53,897
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	11,978	(131,964)
Increase/(decrease) in provisions	(5,863)	8,193
Increase/(decrease) in trade payables and accruals	33,572	192,082
(Increase)/decrease in loans	-	98,009
Cash flow from operations	(972,143)	(490,151)

NOTE 17: LEASE ASSETS AND LEASE LIABILITIES

During the year the Group has not entered into any lease agreements.

NOTE 18: CONTROLLED ENTITIES

		Percentage Owned (%)	
		2023	2022
Country of Incorporation			
Subsidiaries of OD6 Metals Limited:			
Odette Six Pty Ltd	Australia	100%	100%
Grass Patch Metals Pty Ltd	Australia	100%	100%

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

The company confirms there were no subsequent events for disclosure after the reporting period.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 20: COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform exploration work to meet the minimum expenditure requirements specified by the relevant authorities. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report. The actual expenditures to date on tenements have exceeded the minimum expenditure requirements specified by the relevant authorities during the current tenement grant periods.

	2023	2022
	\$	\$
Not Longer than 12 months	1,482,000	1,482,000
Between 12 months and 5 years	3,755,359	5,237,359
Longer than 5 years	-	-
	5,237,359	6,237,359

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

The above exploration commitments do not include Grass Patch North West (E74/693) and Grass Patch North (E63/2153), leases which have not yet been granted as at 30 June 2023, nor the date of this report.

There are no other commitments at 30 June 2023.

NOTE 21: CONTINGENT LIABILITIES

There were no other contingent liabilities as at 30 June 2023, or since that date and the date of this report (2022: nil).

NOTE 22: OPERATING SEGMENTS

The Company 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 Company has one operating segment being mining exploration in Australia.

NOTE 23: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The credit risk for counterparties included in cash and cash equivalents at 30 June 2023 is detailed below:

	2023	2022
	\$	\$
Financial assets:		
Cash and cash equivalents	3,515,459	8,357,053

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Commodity price risk

Consolidated entity primary objective is to discover and extract minerals, which can then be sold to generate revenue. The price at which these minerals can be sold is subject to market forces and can be influenced by various factors such as global demand, supply, and geopolitical tensions. The company's share price is directly linked to the value of its mineral assets, which, in turn, depends on the price of the commodity. If the commodity price falls, the value of the company's assets will also decline, which could lead to a decrease in the company's share price.

Inflation Risk

Inflation risk is a significant concern of the Company, as it can significantly increase the cost of exploration. Inflation can erode the value of a company's assets, increase its operating costs, and reduce the purchasing power of the capital raised.

Interest rate risk

The Company is not exposed to interest rate risk as it has no interest bearing loans.

OD6 Metals Limited & Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24: PARENT ENTITY DISCLOSURES

Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and other comprehensive income	Period to 30 Jun 2023	Period to 30 Jun 2022
	\$	\$
Loss after income tax	1,356,800	1,368,472
Total comprehensive Loss	1,356,800	1,368,472
Statement of financial position	30 June 2023	30 June 2022
	\$	\$
TOTAL CURRENT ASSETS	3,590,775	8,931,773
TOTAL NON-CURRENT ASSETS	4,983,385	911,199
TOTAL ASSETS	8,574,160	9,302,972
TOTAL CURRENT LIABILITIES	908,613	580,638
TOTAL LIABILITIES	908,613	580,638
NET ASSETS	7,665,547	8,722,334
EQUITY		
Issued capital	9,879,551	9,879,551
Share issue costs	(654,698)	(654,698)
Reserves	1,165,966	865,953
Accumulated losses	(2,725,272)	(1,368,472)
TOTAL EQUITY	7,665,547	8,722,334

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the year ended on that date; and
 - c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr Brett Hazelden, Managing Director

Dated 6 September 2023

AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OD6 METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of OD6 Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 Consolidated Entity 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* (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.

AUDIT REPORT



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,356,800 during the year ended 30 June 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and evaluation expenditure</p> <p>As disclosed in note 8 to the financial statements, the Group has incurred significant exploration and evaluation expenditures which have been capitalised in accordance with the requirement of Exploration for and Evaluation of Mineral Resources (AASB 6). As at 30 June 2023, the Group's capitalised exploration and evaluation costs are carried at \$4,656,027.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6"); • Confirming rights to tenure for a sample of tenements held and confirming rights to tenure on tenements nearing expiry will be renewed; • Testing the Group's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6; • By testing the status of the Group's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> • The licenses for the rights to

AUDIT REPORT



Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>explore expiring in the near future or are not expected to be renewed;</p> <ul style="list-style-type: none"> • Substantive expenditure for further exploration in the area of interest is not budgeted or planned; • Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; • Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and • Assessing the appropriateness of the related disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity’s annual report for the year ended 30 June 2023, 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.

AUDIT REPORT



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 Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity 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 Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDIT REPORT



- 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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, related safeguards.

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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

AUDIT REPORT

HALL CHADWICK 

Auditor's Opinion

In our opinion, the Remuneration Report of OD6 Metals Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 6th day of September 2023

OD6 Metals Limited & Controlled Entities

ASX ADDITIONAL INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 21 August 2023.

1. Shareholdings

The issued capital of the Company as at 21 August 2023 is 102,450,745 ordinary fully paid shares.

a.	Distribution of Shareholders	Number of holders	Units	Percentage
	Category (size of holding)			
	1 – 1,000	69	39,613	0.04
	1,001 – 5,000	342	1,010,992	0.99
	5,001 – 10,000	173	1,426,406	1.39
	10,001 – 100,000	399	14,600,262	14.25
	100,001 – and over	117	85,373,472	83.33
		1,100	102,450,745	100.00%

b. The number of shareholdings held in less than marketable parcels is 189 with total value of \$50,993 and 242,824 shares held.

c. There are 47,435,249 shares subject to escrow until 22 June 2024 as at 21 August 2023.

d. There are three substantial shareholders listed in the Company's register as 21 August 2023.

e. Performance Rights Holders

f. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

- Options do not carry the right to vote.

OD6 Metals Limited & Controlled Entities

ASX ADDITIONAL INFORMATION (CONTINUED)

g. Top 20 Largest Fully Paid Ordinary Shareholders as at 21 August 2023.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital	
1	GEOBASE AUSTRALIA PTY LTD <CW LLOYD FAMILY A/C>	6,937,425	6.77%
1	MILFORD RESOURCES PTY LTD	6,937,425	6.77%
3	LEIGH SINCLAIR <HOLDEN SINCLAIR FAMILY A/C>	6,902,738	6.74%
4	ODETTE GEOSCIENCE PTY LTD	4,285,077	4.18%
5	BUPRESTID PTY LTD <HANLON FAMILY S/F A/C>	3,450,000	3.37%
6	UBS NOMINEES PTY LTD	3,326,798	3.25%
7	HEELMO HOLDINGS PTY LTD <DEEP BLUE A/C>	2,487,500	2.43%
8	MR PHILLIP STANLEY HOLTEN	2,336,564	2.28%
9	CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	2,187,487	2.14%
9	ZANE LEWIS <RLZ A/C>	2,187,487	2.14%
11	TRIZZLER INVESTMENTS PTY LTD <TRIZZLER INVESTMENT A/C>	1,977,780	1.93%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,892,268	1.85%
13	TE TOPHAM + AJ TOPHAM <TE & AJ TOPHAM S/FUND A/C>	1,500,750	1.46%
14	SPICEME CAPITAL PTY LTD	1,500,000	1.46%
15	BRADLEY TRISTAN JURGANAS VALIUKAS <B&K VALIUKAS FAMILY A/C>	1,492,508	1.46%
16	INTERDALE PTY LTD <MAPLE SUPER A/C>	1,387,784	1.35%
17	DR ROSAMUND JULIAN BANYARD + MR PHILLIP STANLEY HOLTEN <R BANYARD SUPER FUND A/C>	1,176,000	1.15%
18	PETER CAVANAGH <CAVANAGH INVESTMENT A/C>	1,119,375	1.09%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,073,957	1.05%
20	MRS SHELLEY RIDGWAY	1,005,820	0.98%
	Total top 20	55,164,743	53.85%
	Total all holders	102,450,745	100.00%

OD6 Metals Limited & Controlled Entities

ASX ADDITIONAL INFORMATION (CONTINUED)

2. Unquoted Securities

The Company has the following unquoted securities on issue as at the date of this report:

Expiry Date	Exercise Price	Number of Options	Escrow
31 October 2025	\$0.30	22,050,371	24 months
13 April 2025	\$0.30	300,000	n/a
20 June 2025	\$0.30	2,500,000	24 months
31 March 2026	\$0.30	2,825,000	24 months
31 March 2026	\$0.50	1,500,000	24 months
31 March 2026	\$0.30	1,025,000	n/a
09 October 2026	\$0.30	900,000	n/a
	Total	31,100,371	

The names of the unlisted options holders with more than 20% of security as at the date of this report are listed below:

Holder	Unlisted Options \$0.30	Unlisted Options \$0.30	Unlisted Options \$0.30	Unlisted Options \$0.30	Unlisted Options \$0.50	Unlisted Options \$0.30	Unlisted Options \$0.30
Expiry date	31-Oct-2025	13-Apr-2025	20-Jun-2025	31-Mar-2026	31-Mar-2026	31-Mar-2026	09-Oct-2026
AVR TEAM PTY LTD <AVR TEAM A/C>	-	195,000	-	-	-	-	-
MISS LAURA ELIZABETH GRIERSON <THE GRIERSON FAMILY A/C>	-	105,000	-	-	-	-	-
CG NOMINEES(AUST RALIA)PTY LTD	-	-	2,500,000	-	-	-	-
HAZELDEN CORPORATE PTY LTD <HAZELDEN INVESTMENT A/C>	-	-	-	1,500,000	-	-	-
SEBATU CAPITAL PTY LTD <MNM A/C>	-	-	-	350,000	1,500,000	-	-
TERRI HELEN MCDONALD	-	-	-	-	-	900,000	-
MR BRADLEY GEORGE CRIBB	-	-	-	-	-	-	900,000
Total number of holders	30	2	1	5	1	2	1
Total holdings over 20%	-	2	1	1	1	1	1
Other holders	30	-	-	4	-	1	-
Total	22,050,371	300,000	2,500,000	2,825,000	1,500,000	1,025,000	900,000

OD6 Metals Limited & Controlled Entities

ASX ADDITIONAL INFORMATION (CONTINUED)

The names of the performance rights holders:

Holder	Unlisted Performance Rights	% of Unlisted Performance Rights
Brett Hazelden	2,500,000	100%
Total holdings over 10%	2,500,000	100%
Other holders	-	%
Total	2,500,000	100%

3. Quoted Options over Unissued Shares

There are no quoted options on issue.

4. ASX Disclosure

In Line with ASX Listing Rule 4.10.19, the consolidated entity confirms it has used the cash and assets in a form readily convertible to cash that it had at the time of admission and to the end of the reporting period, consistently with its business objectives.

OD6 Metals Limited & Controlled Entities

ASX ADDITIONAL INFORMATION (CONTINUED)

Tenement holdings

In accordance with ASX listing rule 5.20 the Company provides the following summary of its tenements as at the date of this report:

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Splinter Rock	E69/3893	Granted	Grass Patch North West	100%
Splinter Rock	E69/3894	Granted	Grass Patch South East	100%
Splinter Rock	E69/3904	Granted	Grass Patch North East	100%
Splinter Rock	E69/3905	Granted	Grass Patch North	100%
Splinter Rock	E69/3907	Granted	Grass Patch South West	100%
Splinter Rock	E63/2115	Granted	Grass Patch West	100%
Grass Patch	E74/693	Application	Splinter Rock Main	100%
Grass Patch	E63/2151	Granted	Splinter Rock (Yeag. Rock)	100%
Grass Patch	E63/2152	Granted	Splinter Rock North	100%
Grass Patch	E63/2153	Application	Splinter Rock South	100%
Grass Patch	E63/2154	Granted	Splinter Rock East Ext	100%
Grass Patch	E63/2185	Granted	Splinter Rock West	100%

Contact us

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