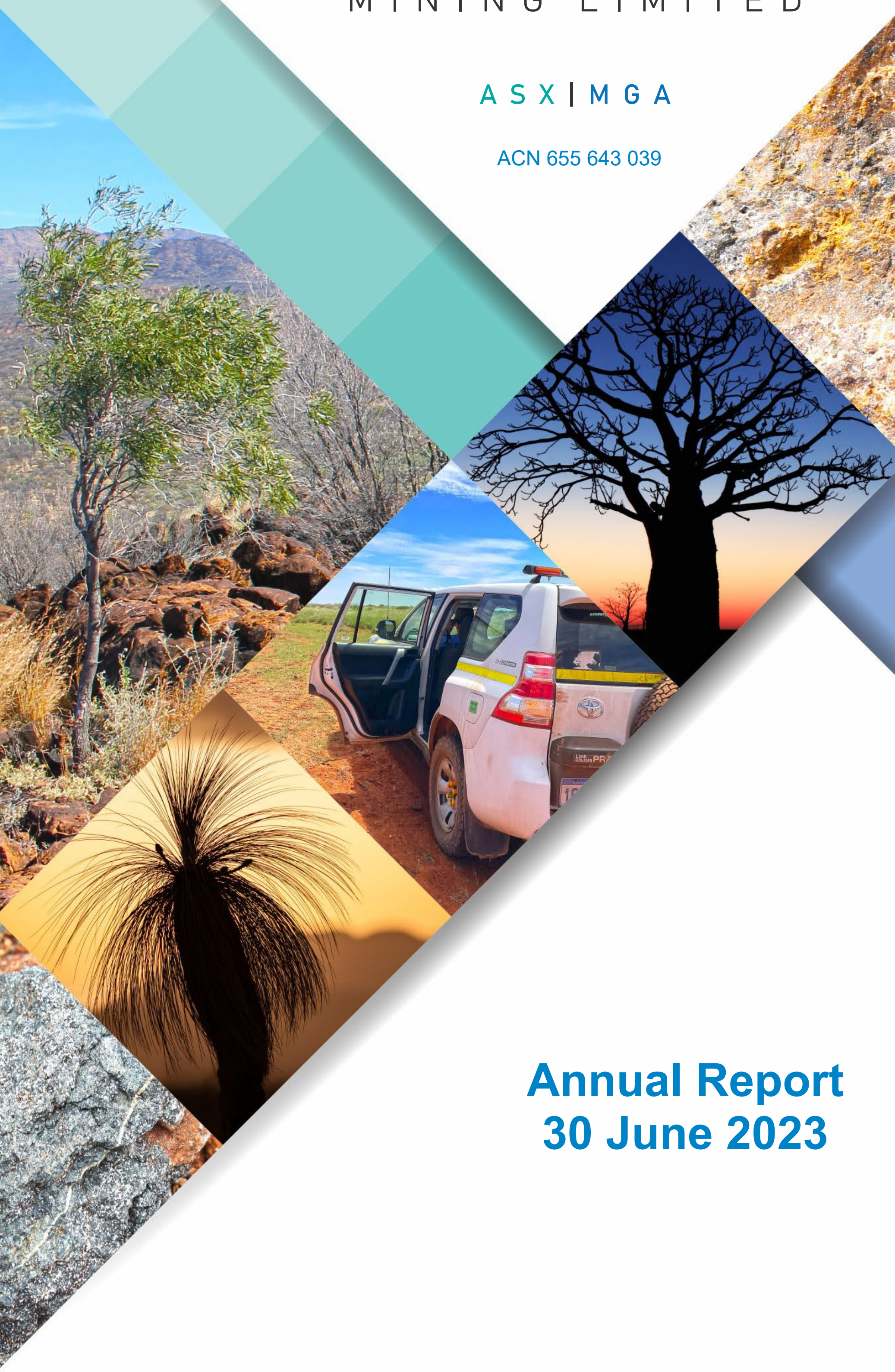
MetalsGrove

MINING LIMITED

ASX | MGA

ACN 655 643 039



Annual Report
30 June 2023

MetalsGrove Mining Limited
Annual Report - 30 June 2023

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Corporate Directory

Board of Directors

Richard Beazley	Independent Non-Executive Chair
Anbarasan (Sean) Sivasamy	Managing Director and CEO
Haidong Chi	Non-Executive Director

Company Secretary

Rebecca Broughton

Registered Office

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Website: www.metalsgrove.com.au

Share Registry

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Perth WA 6000
Telephone: 1300 288 664
Email: hello@automic.com.au
Website: www.automic.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Securities Exchange Listing

Shares in MetalsGrove Mining Limited are quoted on the Australian Securities Exchange under trading code MGA

Chairman's Report

Dear shareholders,

It is my pleasure to present the 2023 Annual Report for MetalsGrove Mining Limited.

MetalsGrove has assembled a high-quality portfolio of Australian critical metals assets in both WA and the Northern Territory which underpins the Company's strategy to systematically explore for 'green metals' to supply the rapidly growing battery and renewable energy markets globally.

The past 12 months has been a very active and productive period, with our team continuing to deliver considerable progress towards building a sustainable and successful critical metals exploration and development business.

A key operational focus for the business during FY23 was to rapidly advance and assess our core projects through targeted exploration. I am pleased to report that MetalsGrove was able to complete all planned exploration programs during the year both on time and on budget.

Our maiden 4,200m drilling program at the Upper Coondina Lithium Project in WA yielded interesting results, highlighted by the intersection of multiple stacked spodumene pegmatites. This initial round of drilling demonstrates the clear potential for a mineralised system and further work is planned to better delineate the main zone high grade mineralisation lithium bearing pegmatites before our next phase of drilling.

Perhaps our most encouraging exploration outcome for the year was completion of our initial phase of work at the Arunta Project in the Northern Territory which delivered some exceptional rare earth results from the Bruce Prospect. Early signs from the Bruce Prospect following the completion of an extensive soil sampling program were encouraging, as our team defined an outcropping strike of carbonatite and high grade REE mineralisation that extends more than 9km long. This work provided a suite of high-quality targets for our maiden RC drilling program which confirmed high-grade carbonatite REE grades of up to 7,000*ppm (0.70%) TREO, 35% MREO/TREO, 28% NdPr/TREO and 36% Y_2O_3/TREO with multiple zones of mineralisation.

The Bruce Prospect is located in a prime exploration region and in close proximity to several advanced world-class assets, so these initial drilling results are considered very favourable and reinforce the belief of our technical team that the Arunta Project area has the potential to host a large, economic mineralised system.

Looking ahead to the next 12 months, our team has a very clear focus on advancing this emerging REE opportunity in the Northern Territory, whilst simultaneously undertaken targeted work programs across our remaining core projects within the MGA portfolio.

MetalsGrove has a clear vision to provide its shareholders with direct exposure to the rapidly growing global battery energy market through high-quality critical metals assets. As part of this strategy, the Company will continue to assess and review new project opportunities that complement our existing portfolio and provide compelling value for our shareholders.

I would like to take this opportunity to thank our Board and management team for their hard work and commitment over the past year, and your efforts have the company well positioned to achieve further success over the coming year. I also extend thanks to our contractors and consultants for their contributions to the business over the past 12 months.

I would also like to acknowledge all our stakeholders, including the Traditional Owners of our exploration ground, in Western Australia; Palyku-Jartayi Aboriginal Corporation and Nyamal Aboriginal Corporation and in the Northern Territory; Aboriginal Area Protection Authority, Huckitta Aboriginal Corporation, Ingkekure Aboriginal Corporation, Central Land Council, for their support and we look forward to continuing to build these relationships well into the future.

Finally, I thank our shareholders for their continued support and our team looks forward to delivering further exciting updates as we work hard to unlock the true potential of our assets in support of a clean energy future.

Richard Beazley
Independent Non-Executive Chair

Perth, Western Australia
28 September 2023

DIRECTORS' REPORT

Your Directors' present their report on the Consolidated Entity comprising MetalsGrove Mining Limited (the "**Company"** or "MGA" or "**MetalsGrove"**) and its controlled entities (the "**Group"**) for the financial year ended 30 June 2023.

Directors

The following persons held office as Directors of MetalsGrove Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Name	Title	Appointment
Richard Beazley	Independent Non-Executive Chair	22 Dec 21
Anbarasan (Sean) Sivasamy	Managing Director and CEO	26 Nov 21
Haidong Chi	Non-Executive Director	7 Jan 22

Company Secretary

Ms Rebecca Broughton was appointed Company Secretary on 28 February 2023, following Mr Jack Rosagro's (appointed 6 January 2022) resignation on the same date.

Information on Directors

Richard Beazley	**Independent Non-Executive Chair**
Qualifications	B.Eng. (Mining), MBA, AusIMM, MAICD
Experience	Mr Beazley is an experienced mining engineer with 35 years of experience with a strong corporate, operational and technical background in the resources industry. Throughout Mr Beazley's career, he has worked on projects throughout Australia, Africa and South America. Mr Beazley's former roles include Chief Operating Officer of Sandfire Resources NL (ASX: SFR), Managing Director at Peak Resources Limited (ASX: PEK), General Manager Operations at Consolidated Minerals and General Manager – Southern Cross Operations at St Barbara Limited (ASX: SBM)
Interest in MGA Performance Rights and Options at the date of this report	400,000 Performance Rights 1,500,000 Unlisted Options at $0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Interim Managing Director and CEO of Troy Resources Limited (September 2021 to date)
Sean Sivasamy	**Managing Director and CEO**
Qualifications	Mast. Geo, AusIMM, MAICD
Experience	Mr Sivasamy is a mining professional with more than 25 years global experience. He is the founder Director of the Company and has had previous director roles with Tambourah Metals (ASX: TMB) and Pilgangoora Minerals. Mr Sivasamy is a skilled geologist. His professional contribution includes improving the efficiency of mining operations and optimising processing methods. During his working life prior to becoming an entrepreneur, he has identified a gold resource concession in Victoria, which eventually had an estimated gold deposits of circa 1m ounces and discovered a copper sulphide deposit in Western Australia. He has also identified four copper deposits in Queensland for further exploration and mining.
Interest in MGA Shares, Performance Rights and Options at the date of this report	6,410,000 fully paid ordinary shares 2,520,000 Performance Rights 1,100,000 Unlisted Options at $0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Nil

Haidong Chi	**Non-Executive Director**
Qualifications	B.BA, MBA, Mast.Fin
Experience	Mr Chi is one of the early co-founders of Kimberly Metals Group and KMG Mining Pty Ltd. Mr Chi has been the Managing Director of the company's business operations, liaising with key relevant stakeholders, driving strategic company growth, and responsible for the overall performance of the business for more than 20 years. Mr Chi has strong experience in market insights, strategic advice, business operations, financial performance, investments and ventures. He has delivered valued outcomes and maintained positive relations with business partners, shareholders and relevant authorities. Most recently Mr Chi, was a Vice President of US Capital Holdings Group, a US based private equity investment company that specialises in assisting Chinese companies gain access to international markets.
Interest in MGA Shares, Performance Rights and Options at the date of this report	5,330,000 fully paid ordinary shares 1,350,000 Performance Rights 1,500,000 Unlisted Options at $0.30, expiry 22 Dec 2024
Directorships held in other ASX listed entities in the last three years	Nil
Rebecca Broughton	**Company Secretary (appointed 28 February 2023)**
Qualifications	B.Com, MAICD
Experience	Ms Broughton is a finance professional with 20 years experience in both financial accounting and governance. Ms Broughton has worked for a number of listed companies in both financial and company secretarial roles.
Jack Rosagro	**Company Secretary (resigned 28 February 2023)**
Qualifications	B. Com, CS, FGIA
Experience	Mr Rosagro has 16 years experience in capital markets, share registry and governance. Mr Rosagro is currently company secretary for a number of ASX listed entities.

Meeting of Directors

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the financial year ended 30 June 2023, and the numbers of meetings attended by each Director were:

	Board	
	A	B
Mr Richard Beazley	12	12
Mr Haidong Chi	12	10
Mr Anbarasan (Sean) Sivasamy	12	12

A = Number of meetings held during the time the Director held office or was a member of the committee during the year.
B = Number of meetings attended.

Principal Activities

The Group's principal activities for the period ended 30 June 2023 focussed on lithium, rare earth and base metal exploration.

Dividends

No dividends have been declared or paid for the year ended 30 June 2023 (2022: Nil).

Operating Results and Financial Position

The net result of operations for the period to the 30 June 2023 was a loss of $871,210 (2022: $566,202).

Review of Operations

Corporate

Ms Rebecca Broughton was appointed on 28 February 2023 replacing Mr Jack Rosagro whom resigned on the same date.

EXPLORATION

BRUCE – ARUNTA NT

SURFACE MAPPING AND ROCK CHIP SAMPLING

The Bruce Prospect (EL31225) is located within the Central Desert Region of the Northern Territory and covers an area of approximately 17,722 ha. The nearest historical mine is the inactive Harts Range garnet mine (approximately 80 km to the west-southwest) while the Molyhil tungsten-molybdenum project (Thor Mining PLC) is approximately 10 km and copper-silver project (KGL Resources) 75 km to the northeast.

The rock chip sampling programs commenced in September 2022 and were completed by month end. The samples from the rock chips were transported to Alice Springs Intertek lab for sample preparation and assayed in Perth Intertek and the results being published in late October 2022.

The surface field mapping commenced in late September and was completed in October 2022.

The surface field mapping and the rock chip sampling programs have highlighted and confirmed multiple zones of mineralised pegmatites within the Bruce Prospect area. The pegmatites range in size from less than a metre to four metres wide and have a strike length ranging from a few metres to over 200 metres. Quartz veins which form an east-west trending complex are associated with gold and copper mineralisation.

Figure 1: The mine at 'Hogsback' is the largest in the project area, pegmatite up to 3m wide, striking east-west for about 200m.

The surface sampling assays has shown a significantly high proportion of yttrium (258ppm, 45% of total REO). There is also a high proportion of NdPr (21% of total REO) which is similar to the other NdPr projects including Mount Weld (Lynas ASX: LYC), Ngualla (Peak ASX: PEK) and Nolan's Bore (Arafura ASX: AUR).

Table 1 illustrates the sampling assay comparisons of the rare earth distributions with other key projects. Of particular note are the projects in the Arunta region - namely Brown's Range and Nolan's Bore. The two highest grade rock chip assays from Bruce have been added to the base of Table 1 as a comparison with these other project types. Sample BS02 has a significantly high proportion of yttrium (258ppm, 45% of total REO) and dysprosium is also elevated (44ppm). These proportions are comparable to Brown's Range.

Company	Project Name	Cut-off REO %	REO %	LREO ppm	HREO ppm	MREO ppm	NdPr ppm	HREO /REO	MREO /REO	NdPr /REO	Y_2O_3 /REO
Pensana	Longonjo	0.1% NdPr (~0.5% REO)	1.60	14,720	1,250	4,200	2,710	8%	26%	17%	2.6%
Peak Resources	Ngualla	3.0	4.75	46,140	1,380	11,220	10,110	3%	24%	21%	0.2%
Lynas	Mount Weld	4.0	8.60				19,500			23%	
Arafura	Nolan's Bore	1.0	2.60	24,544	2,506	8,861	6,864	10%	34%	26%	1.4%
Hastings	Yangibana	0.2% NdPr	1.17	10,263	920	5,167	3,900	8%	44%	33%	1.4%
Northern Minerals	Browns Range	0.15	0.76		6,688			88%			57%
Norwest	Drilling 2023	0	0.11			369			33%	25%	
MetalsGrove	BS02	0	0.06	197	398	160	59	69%	28%	10%	45%
MetalsGrove	B08	0	0.05	426	85	145	106	17%	29%	21%	7%

Table 1: Rare earth grades and ratios for select rare earth projects and the grades and ratios in the Metals Grove rock chips and Norwest drilling for comparison.

AEROMAGNETIC AND RADIOMETRIC SURVEY

During Q3 CY2022 the Northern Territory Geological Survey (NTGS) completed an airborne electromagnetics survey at the Bruce Prospect. The survey data was accessed and re-processed by the Company. Following a detailed review, a broad conductor was identified along strike from the Plenty River mine.

In August 2022 the Company contracted Thomson Airborne Pty Ltd to conduct a modern airborne magnetic, radiometric and digital elevation survey across the entire Bruce tenement as an initial follow-up investigation to test the broad conductor. Over 3,954-line km of high-density airborne data was collected along 50m spaced flight lines in a N-S direction at a nominal terrain clearance of approximately 35m.

The geophysics data interpretation suggests there is a potential for late-stage intrusions that have not generally been seen in the outcrop. The REE potential in an intrusion-related mineral systems have analogues at the Mount Weld (Y, Nb, Ta, P, Zr, Ti and REE) carbonatite deposit in Western Australia and at the Toongi (Zr-Nb-REE) trachyte deposit in New South Wales.

The aeromagnetic and surface geochemistry work identified a 1,000m X 600m intrusive system at Plenty River considered highly prospective for rare earth element (REE) mineralisation. This work confirmed and has given higher resolution to the broad conductor that was identified by the NTGS survey now termed the Plenty River Project Area.

TARGET GENERATION

In January 2023 a targeting exercise was undertaken by Intrepid Geoscience to reprocess and identify prospective areas and targets in the context of the geological model to ensure prospective areas / targets were geologically and geophysically reliable.

The proposed drilling programme will focus on the magnetic intrusive body and an associated high K/REE pegmatite and will test to a maximum of 200m depth.

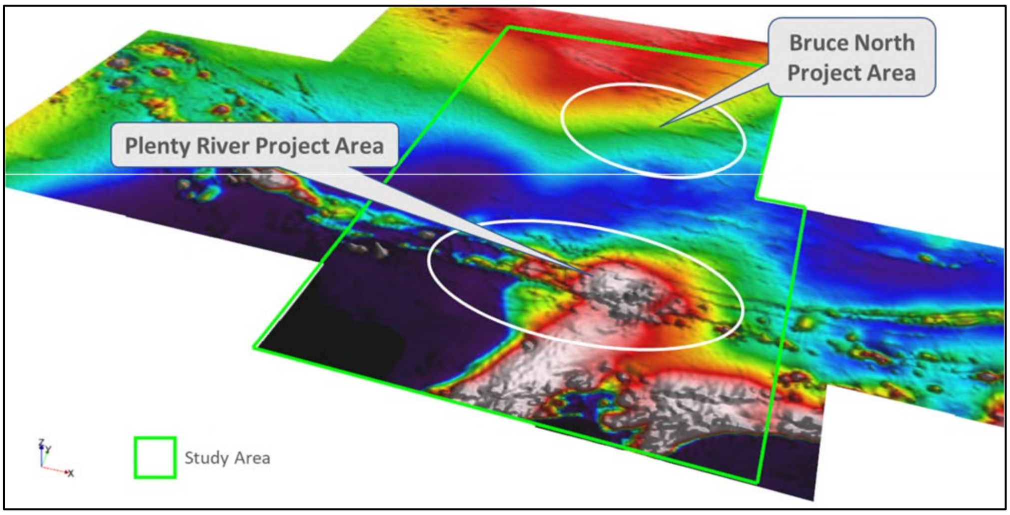

Figure 2: Image of TMI-RTP draped over TMI-RTP-1VD across the Bruce tenement.

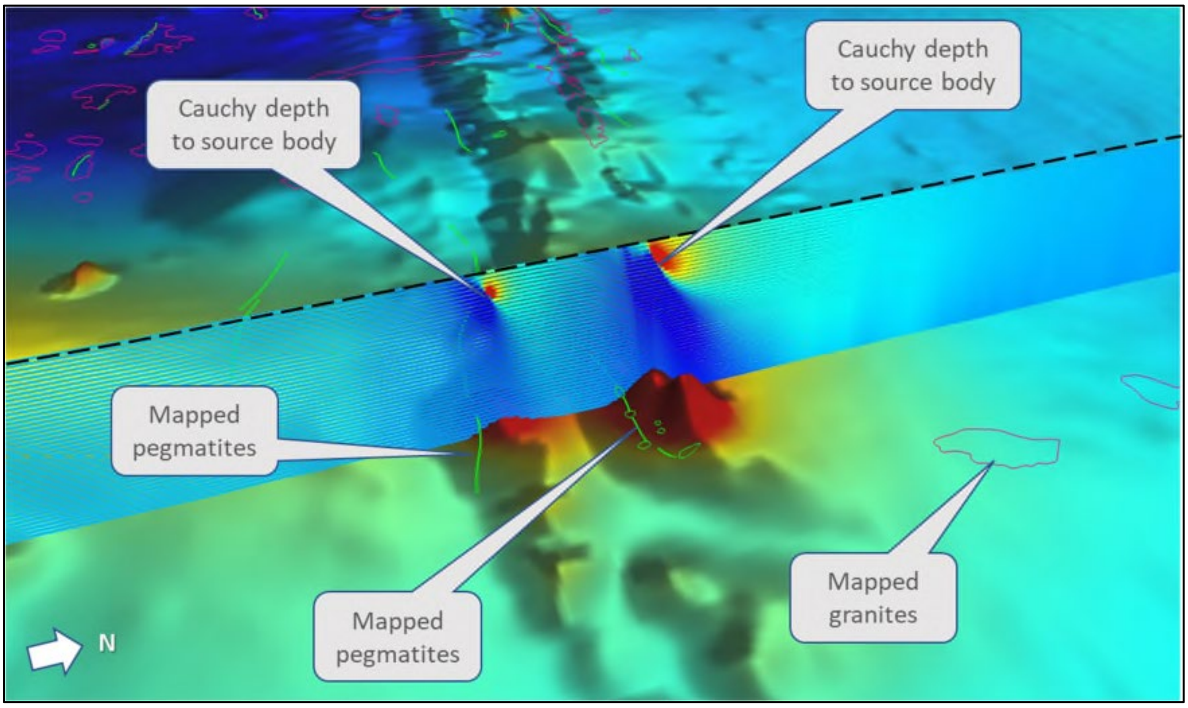

Figure 3: Plenty River-Cauchy downward continuation depths shown along a N-S profile. The Cauchy depth solution is likely responding to the contact of the interpreted intrusion with that of the metamorphic basement.

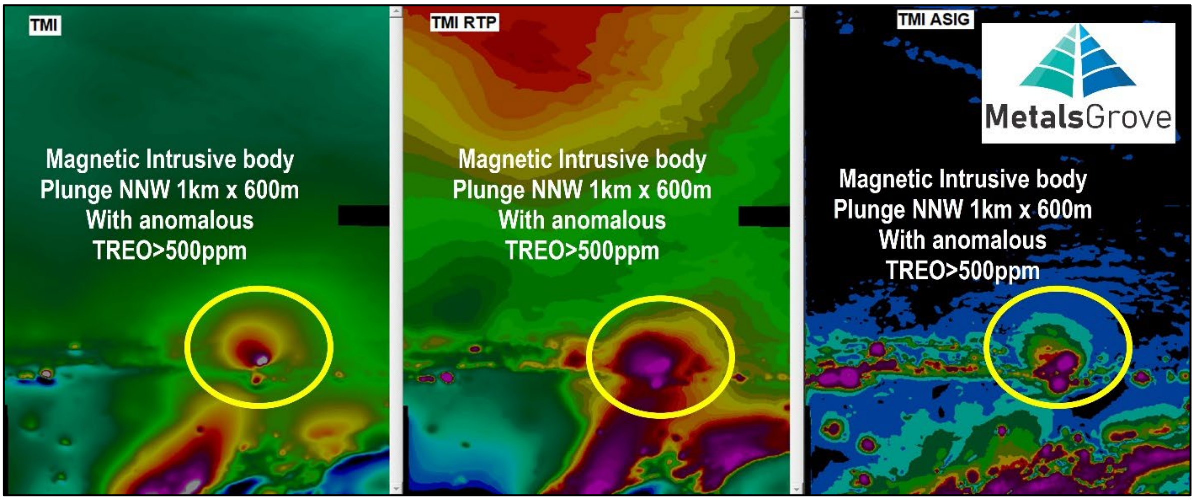

Figure 4: Comparison of TMI, TMI Reduced to Pole & TMI Analytic Signal Highlights Areas of Magnetic Remanence-Plenty River.

Figures 2, 3, 4 and 5 show the results of the aerial survey work on the Planty River Project Area. The TMI Analytic Signal and Cauchy products were used to constrain the 1km diameter elliptical shaped intrusive body plunging NNW in the mid lower right. Inside the constrained ellipse the magnetic comparison of TMI, TMI Reduced to Pole and TMI Analytic Signal Highlights areas of magnetic remanence in the southern half. This indicates a zone of interest for further testing initially utilising the geochemistry program of targeted soil sampling and then followed up with a first pass RC drilling program.

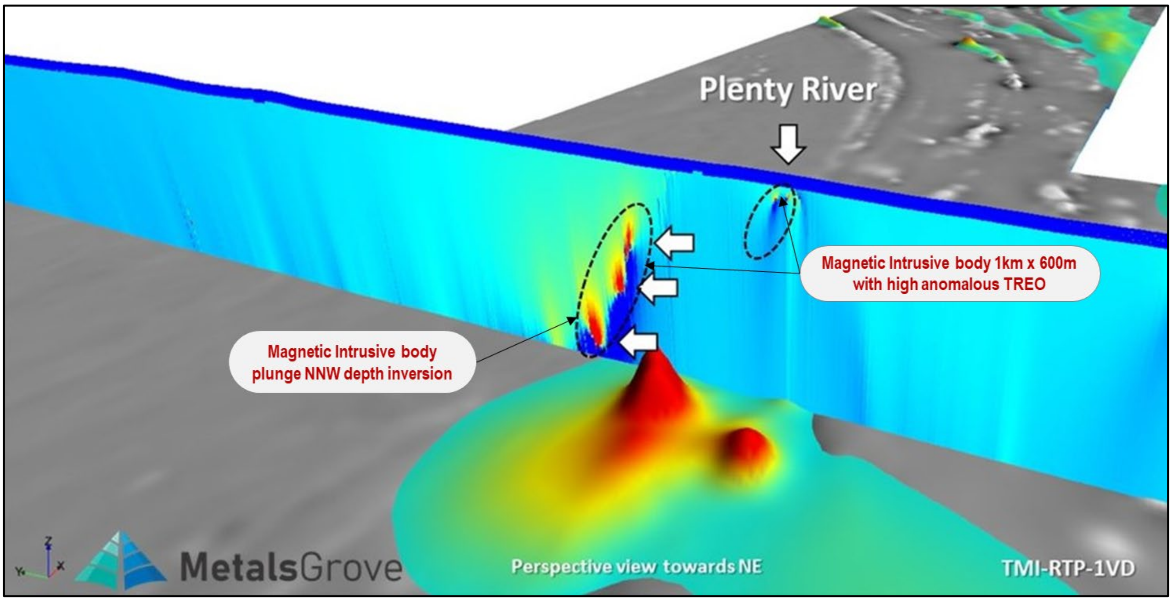

Figure 5: TMI Reduced to Pole & TMI Analytic Signal Highlights Areas of Magnetic Remanence Depth solution inversion.

SURFACE SOIL SAMPLING

In May 2023 a total of 1,140 soil samples were sent to Intertek Laboratory, with a peak result of 1,800ppm TREO, 38% HREO/TREO, 31% MREO/TREO, 23% NdPr/TREO, 23% Y_2O_3/TREO.

Surface sampling identified multiple high priority carbonatite and REE bearing drill targets for the maiden drill programme. A high percentage of valuable magnetic and heavy rare earth elements including up to 1,800ppm TREO, 38% HREO/TREO, 31% MREO/TREO, 23% NdPr/TREO, 23% Y_2O_3/TREO and significant copper-gold and base metals anomaly was also confirmed.

The outcropping strike of carbonatite and high-grade REE mineralisation now extends over 9 km with multiple mineralised targets identified. The rare earth elements neodymium and praseodymium, with NdPr oxide values up to 408 ppm and 23% of total REO, have been analysed as being distributed in the soils. These are comparable levels with those reported by other NdPr projects including Mount Weld (Lynas ASX: LYC), Ngualla (Peak ASX: PEK) and Nolan's Bore (Arafura ASX: AUR).

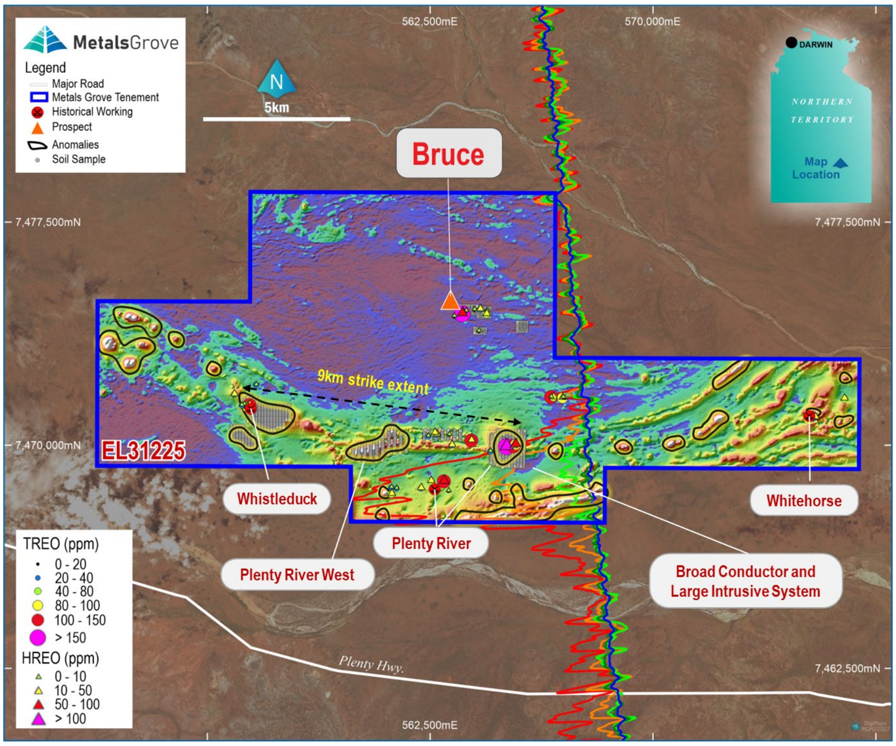

Figure 6: Bruce soil sampling location plan.

The results in Table 1 are from the soil sampling geochemistry confirming an outcropping strike length of carbonatite and high-grade Rare-Earth Elements (REE) mineralisation is now more than 9 km with multiple mineralised zones identified.

The high-grade soil results to date are from four areas Bruce, Plenty River, Plenty River West and Whistleduck. The Company's eastern and western parts of the tenement have never been explored for rare earth mineralisation but is also considered highly prospective for further REE soil anomalies (Figure 7 to 9).

SAMPLEID	TREO	LREO	HREO	MREO	NdPr	HREO/TREO	MREO/TREO	NdPr/TREO	Y_2O_3/TREO
	ppm	ppm	ppm	ppm	ppm	ratio	ratio	ratio	ratio
BS300	634	543	112	198	148	18%	31%	23%	8%
BS321	340	226	122	86	55	36%	25%	16%	21%
BS324	407	325	92	109	78	23%	27%	19%	12%
BS401	424	342	92	114	83	22%	27%	20%	11%
BS410	850	706	165	230	173	19%	27%	20%	10%
BS418	430	323	117	111	78	27%	26%	18%	15%
BS429	427	372	67	121	91	16%	28%	21%	7%
BS431	1800	1607	241	519	408	13%	29%	23%	6%
BS452	253	166	92	62	40	37%	24%	16%	22%
BS542	200	134	72	53	33	36%	26%	17%	21%
BS573	220	141	85	57	35	38%	26%	16%	23%
BS587	201	137	70	55	35	35%	27%	17%	19%
BS610	221	144	82	58	36	37%	26%	16%	22%
BS678	214	140	81	62	38	38%	29%	18%	21%
BS679	201	130	77	60	36	38%	30%	18%	21%
BS680	201	137	70	58	36	35%	29%	18%	19%
BS703	215	164	58	64	41	27%	30%	19%	13%
S0048	410	368	53	114	90	13%	28%	22%	6%
S0055	508	457	65	142	110	13%	28%	22%	5%

Table 2 ***Soil Sampling Geochemistry Results from Bruce.***

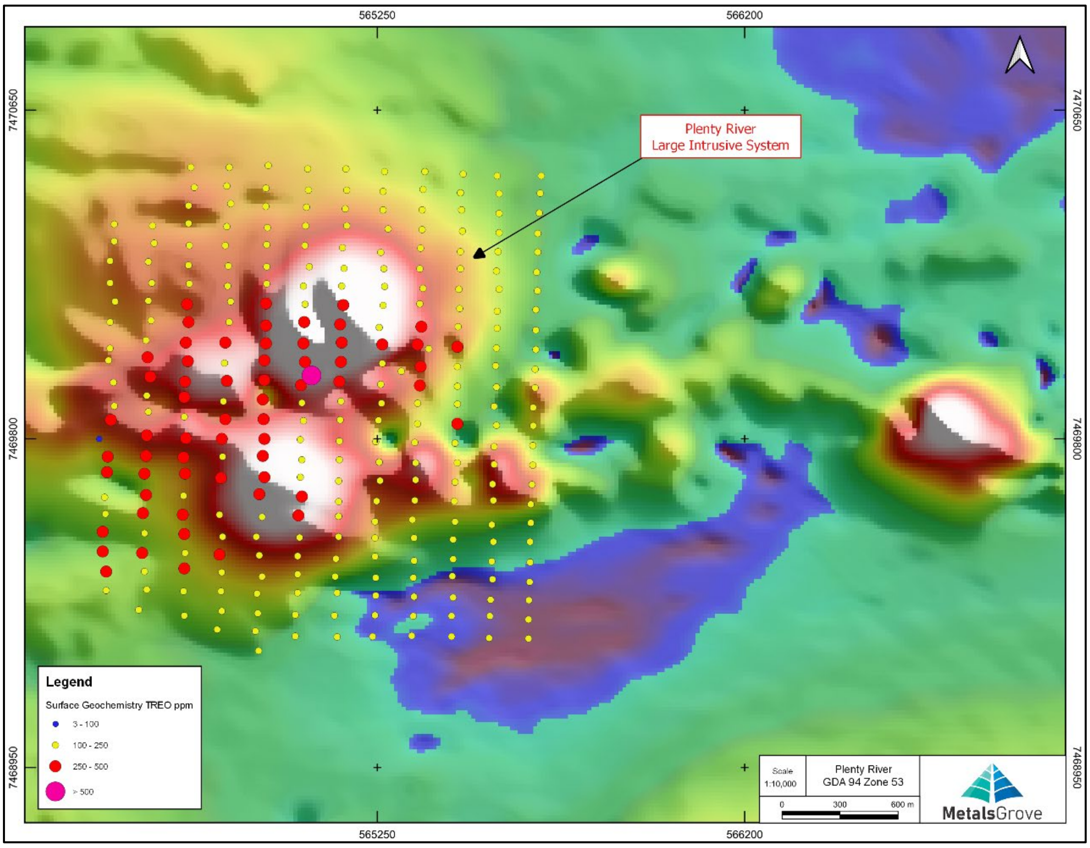

Figure 7: Total Rare Earth Oxides (TREO) soil anomaly is associated with Plenty River large intrusion system, Background TMI Analytic Signal Highlights Areas of Magnetic Remanence.

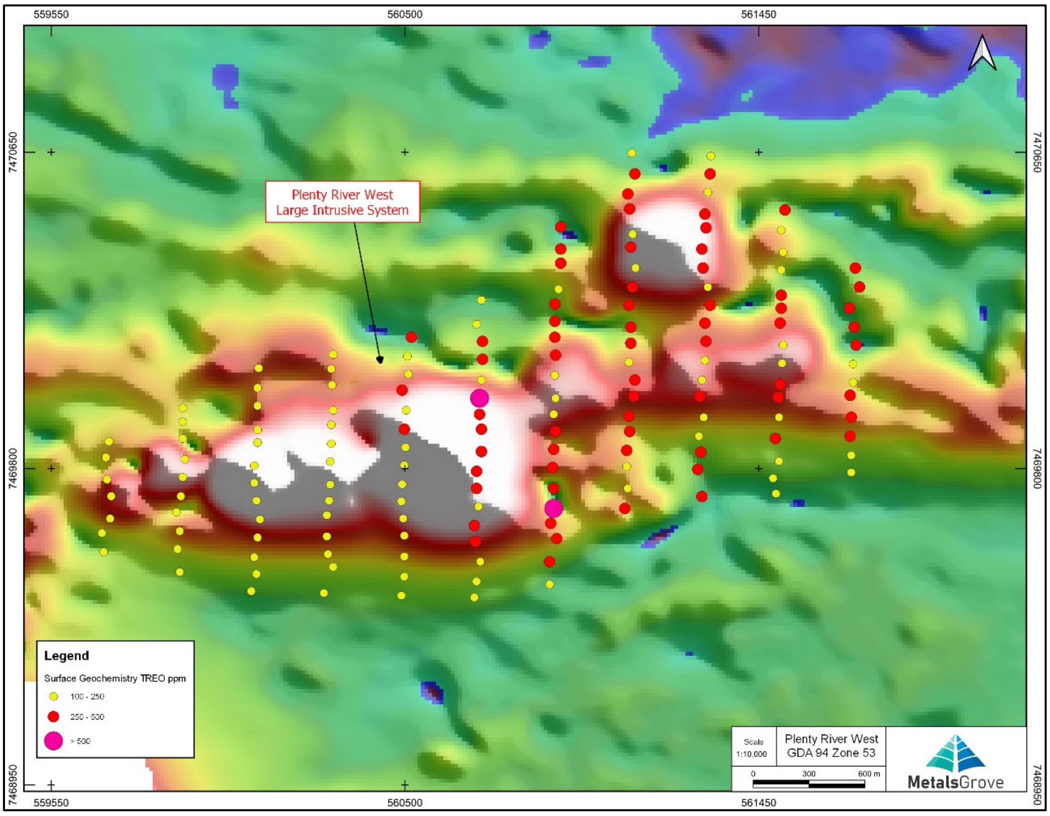

Figure 8: Total Rare Earth Oxides (TREO) soil anomaly is associated with Plenty River West intrusion system, Background TMI Analytic Signal Highlights Areas of Magnetic Remanence.

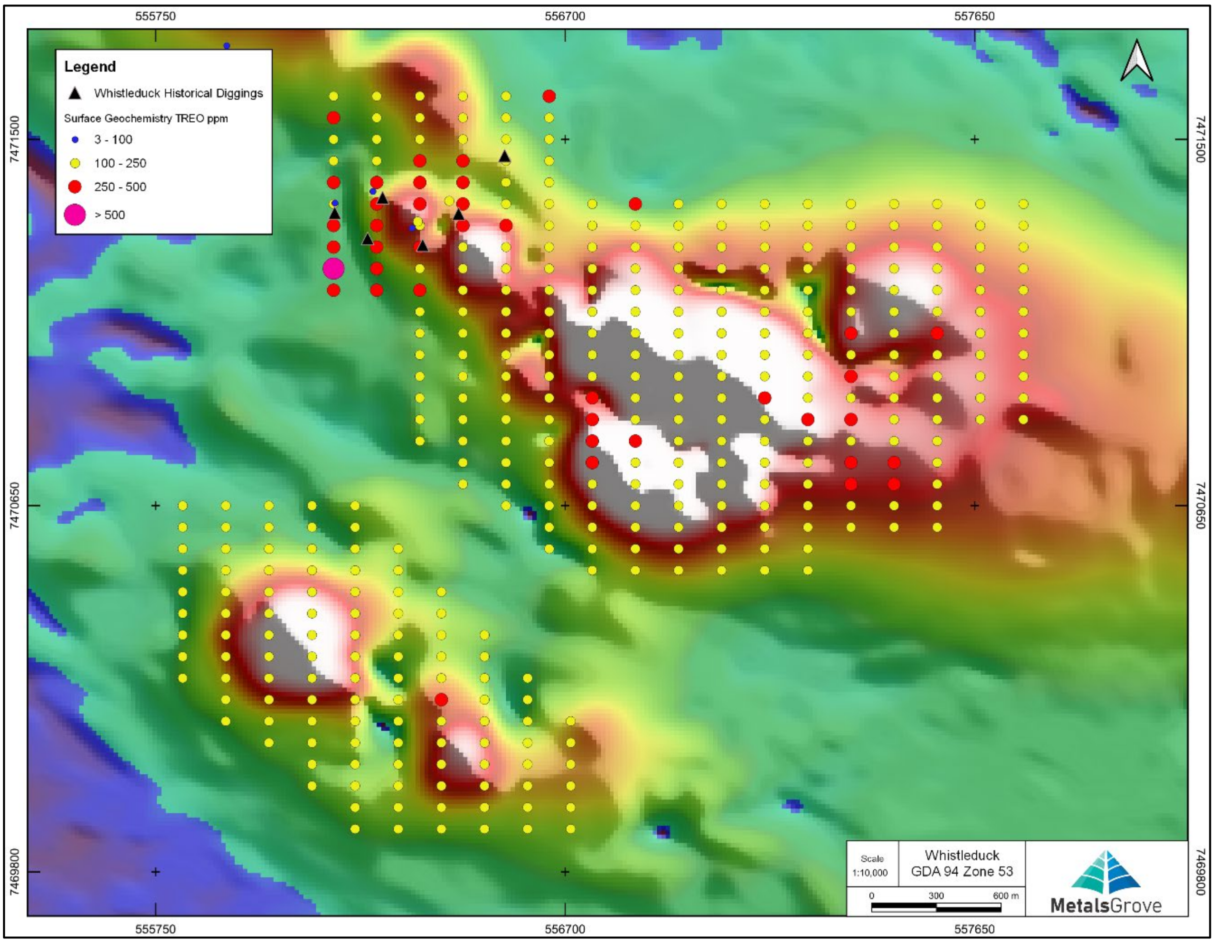

Figure 9: Total Rare Earth Oxides (TREO) soil anomaly is associated with Whistleduck MAG anomaly, Background TMI Analytic Signal Highlights Areas of Magnetic Remanence.

In addition to the high-grade rare earth soil anomalism spread across large areas of the Plenty River and Whistleduck Projects, the tenure covers significant sections of the historical pegmatite mica mine. This includes Bruce, Plenty River, Whistleduck and Whitehorse. In addition to the rare earth targets, significant untested and highly prospective targets exist for gold-copper and base metals.

This work had further defined the targets for the maiden RC drilling programme will focus on shallow, high-grade hard rock rare earth mineralisation as well as testing for other mineral occurrences.

Interestingly, the NTGS had previously completed a geological study within the Arunta region and identified numerous pegmatites hosting rare earth occurrences, including the Plenty River mica mine area.

Both the earlier NTGS and MetalsGrove work to uncovered a broad conductor near the Plenty River mine, backed up by the more recent work of the aeromagnetics and soil geochemistry indicates the magnetic features are likely to be part of a pegmatite intrusion. The recent exploration at the Arunta project has confirmed strong rare earth mineralisation and gold-copper and base metal mineralisation in this area.

NTGS GOVERNMENT EXPLORATION GRANT

In June 2023, MGA was awarded $69,393.40 towards the upcoming exploration at the Bruce Prospect via the Resourcing the Territory program. The grant is to fund a 2,300m program testing high priority targets including the broad conductor and large intrusive system (1600m X 600m) at the Bruce REE Prospect.

MAIDEN RC DRILLING

In June 2023, the 2,342m maiden RC drilling programme commenced the work to test several high priority targets including multiple high priority carbonatite and REE bearing drill targets as defined by the results of the aeromagnetic and soil sampling completed to date.

It is noted that the aeromagnetic and surface geochemistry programs had defined a 1,000m X 600m intrusive system considered highly prospective for REE mineralisation at the Bruce Prospect.

The maiden drilling programme at Bruce as completed on the ground in July 2023 with first assays to be reported in the next quarter Q3 CY2023. A total of 2,342 metres were drilled at an average hole depth of 145 metres.

The drill program was targeted at three areas within Bruce, namely Bruce Prospect, Plenty River Prospect and Plenty River East. Bruce Prospect had 5 holes drilled, Plenty River had 3 holes drilled and Plenty River East had 8 holes drilled.

Figure 10: Maiden RC drill rig underway at the Bruce REE Prospect.

EDWARDS CREEK - ARUNTA NT

As discussed above in reference to Bruce Prospect, the Company contracted Thomson Airborne Pty Ltd to complete an airborne magnetic, radiometric, and digital elevation survey in August 2022 across the entire Edwards Creek tenement to assist with drill targeting.

The Edwards Creek Project geophysical survey was completed at 100m line spacings and 1,000m tie line spacings, with a total of 873 km flown. The mean terrain clearance of the survey was 35m. The geophysical survey lines and extent of the survey is shown in Figure 11 and 12.

Navigation of the survey was provided using a mobile Novatel OEMV-1 VBS receiver. Differential GPS data was obtained in real time using static GPS data obtained from the Omnistar wide area GPS service.

Equipment used in the survey included:

- a Geometrics G822A Magnetometer
- Radiations Solutions Inc. RS 400 Spectrometer

Following the geophysical survey in August 2022, Southern Geoscience Consultants (SGC) processed the raw data and delivered the output in GeoTIFF and ECW image files.

The survey delineated several magnetic anomalies within the tenement which assisted in the structural and geological interpretation of the Project.

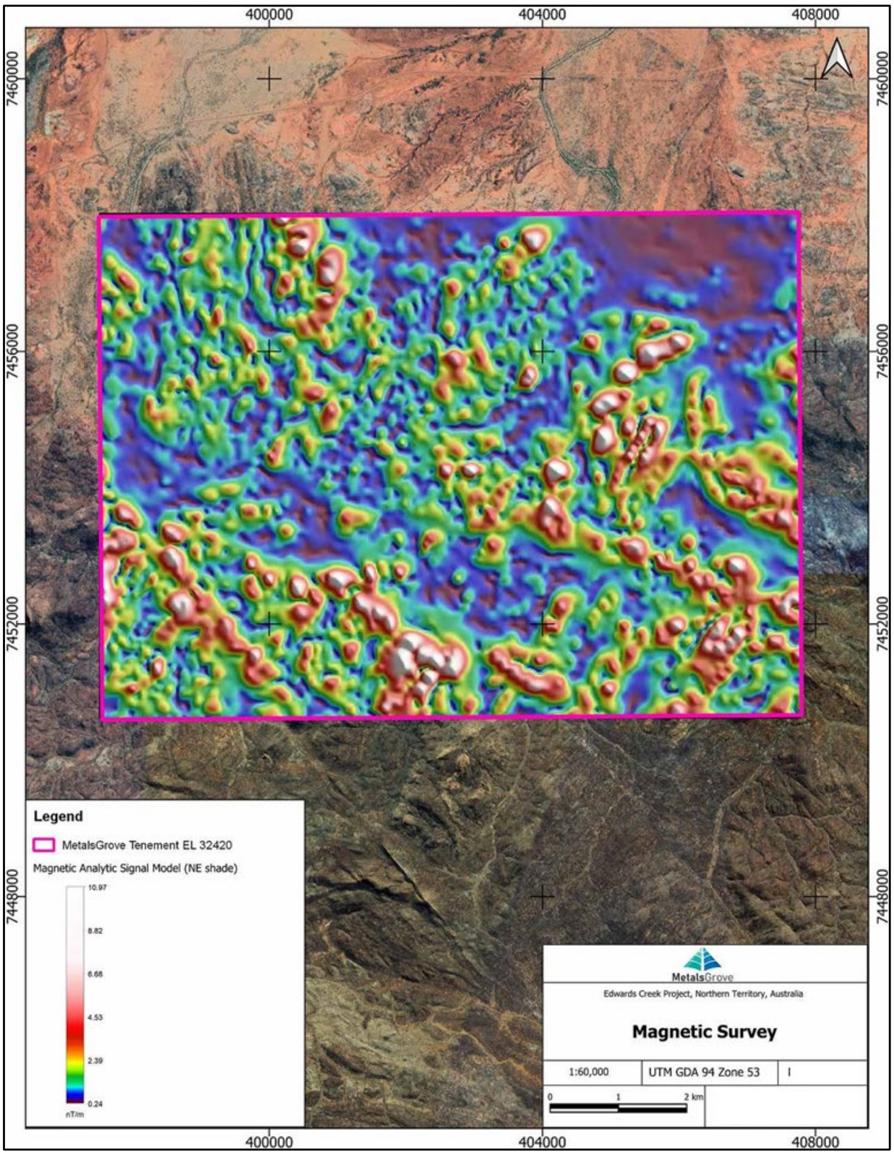

Figure 11: Magnetic Analytic Signal Model with North-East Shade

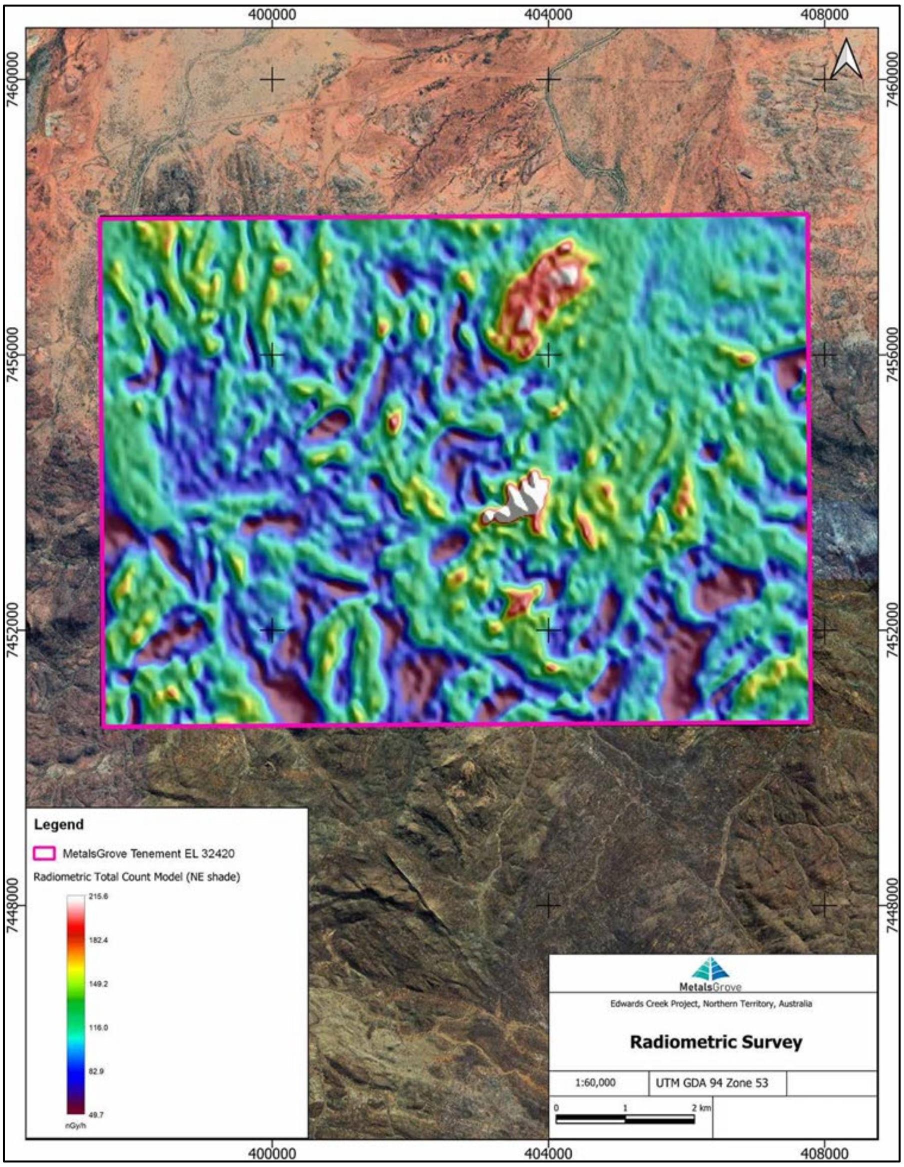

Figure 12 : Radiometric Total Count Model with North-East Shade.

3D GEOLOGICAL MODELLING AND TARGET GENERATION

A 3D geological model was built to unravel the structural setting of the mineral occurrences down dip (at depth) to assist in identifying additional prospectivity for further investigations. Edwards Creek has already defined mineralisation at surface and near surface from previous work completed on the Prospect.

A targeting exercise was undertaken to identify prospective areas and targets in the context of the geological model to ensure prospective areas/targets were geologically and geophysically reliable.

Previous drilling by past explorers was limited in depth and as such, reduced detail in the ability to model in the third dimension adequately. Interpreted drilling sections from reports displayed different stratigraphic units and were not consistent across neighbouring sections. Most imaged sections displayed descriptive mineralogy rather than a specific lithological unit, making it difficult to correlate with the modelled stratigraphy.

Petrophysical rock properties (susceptibilities) were difficult to relate back to the lithology type. In this case, a standard value for the associated lithology was used in the modelling. Geological maps were utilised from the various reports and then geo-referenced using the QGIS software. The vectorised geological maps were then imported into Geomodeller software for further digitization of the surface geology.

Magnetic data was also used to identify lineaments using Intrepid's WormE tool. The application provided additional geological structures and lineaments in detail, which were later used in the interpretation of fault planes, contact boundaries and their inferred orientations.

The high magnetic anomalies are centred over the syncline and anticline, which is separated by a fault. The anomaly indicates the mafic granulite is magnetic and is exposed in the anticline as well as in the syncline.

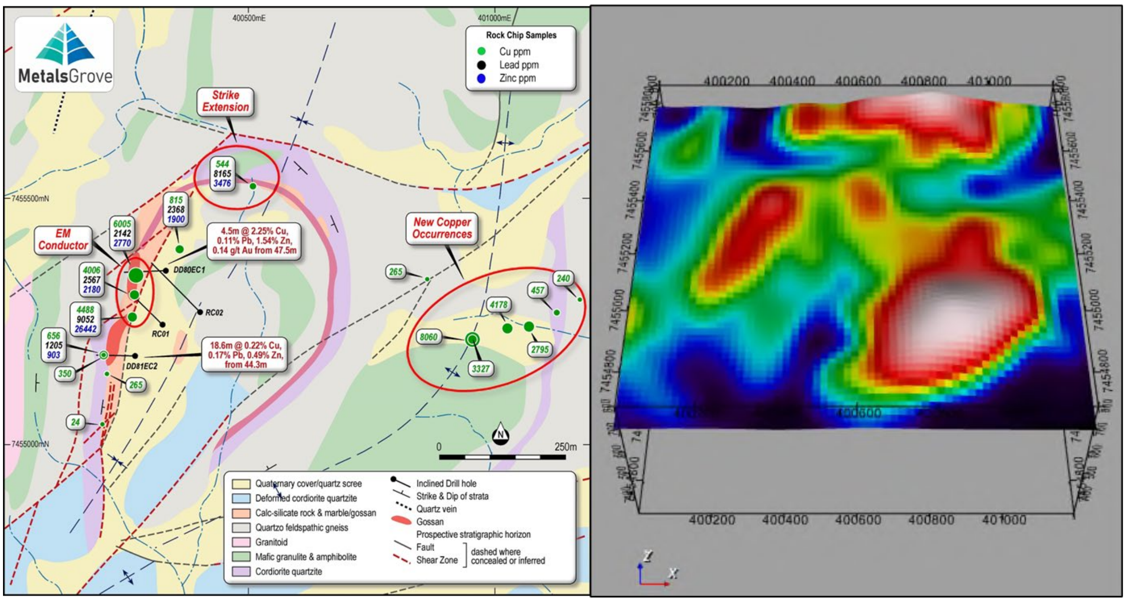

Figure 13: Edwards Creek GeoModeller interpretation.

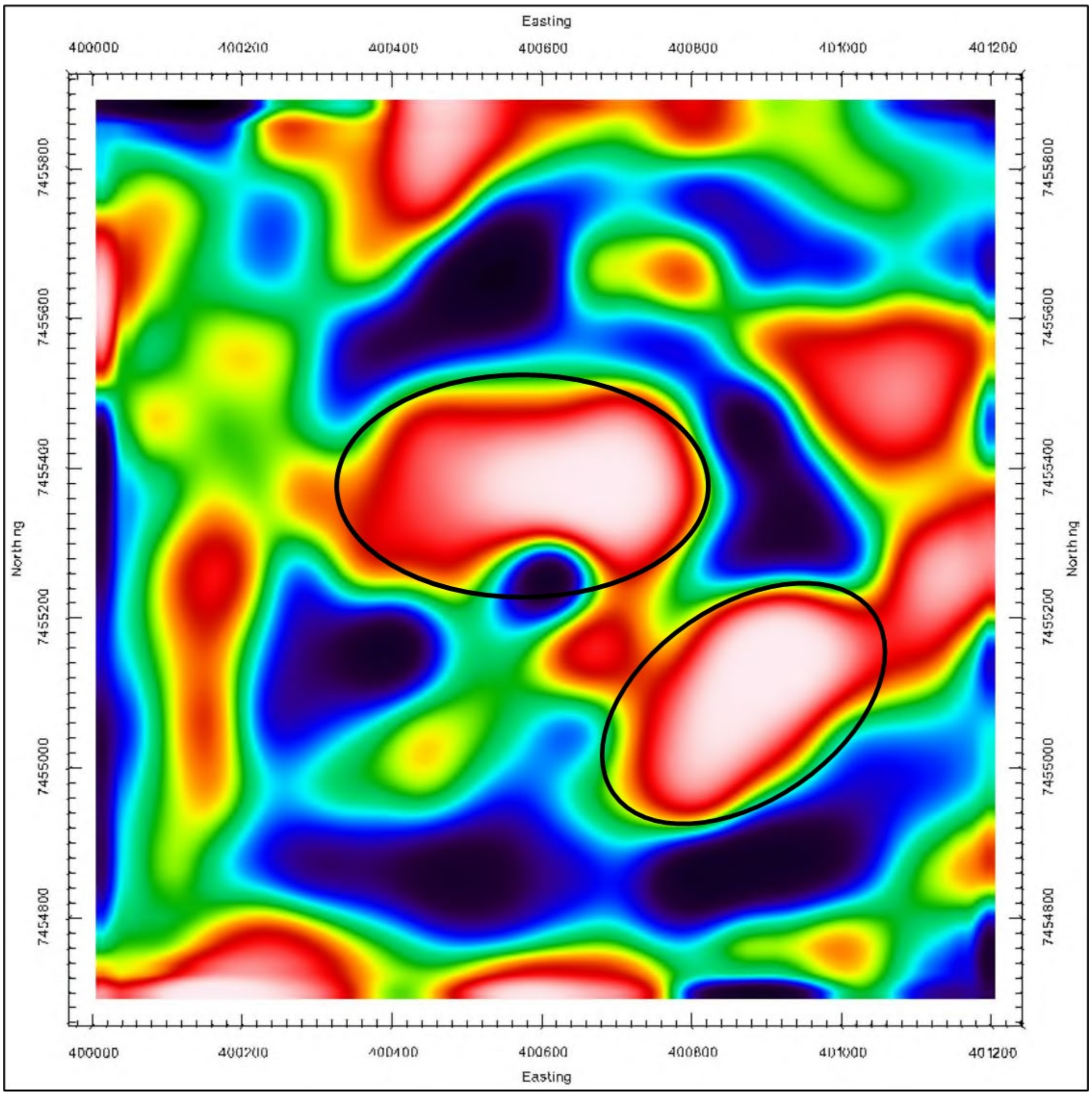

Figure 14: Image of TMI-1VD at Edwards Creek Tenement.

IMPLICIT 3D VOLUMETRIC MODELLING

An implicit 3D volumetric geological model across the target Anomaly of Interest (AOI) is shown below in Figure: 15. This study examined the surface geology and the results from previous exploration surface sampling, electromagnetics survey and drilling results within a 3D environment for modelling and interrogation of exploration data.

The 2016 SkyTEM survey was reimaged using Intrepid's 2.5D AEM inversion software and the advanced data processing of the recent MetalsGrove aeromagnetic and radiometric survey which was carried out to assist with the construction of a three-dimensional geological model to assist in identifying appropriate mineralisation targets.

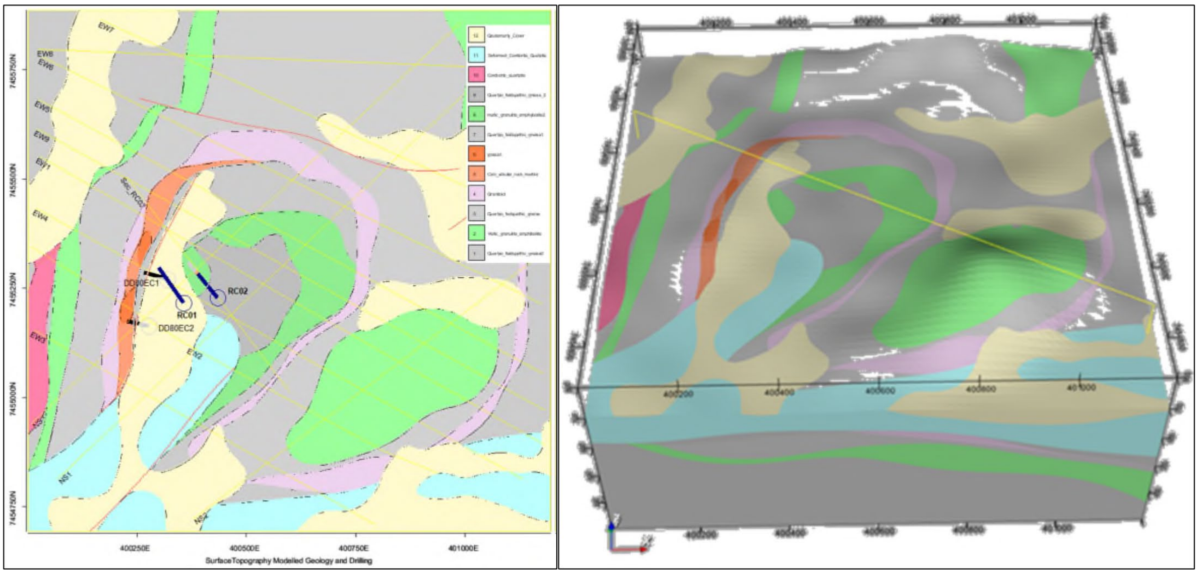

Figure 15: Implicit 3D Volumetric Geological Model.

BOX HOLE – ARUNTA NT

GEOPHYSICAL SURVEYS

The Box Hole prospect lies within the upper Ordovician Arrinthrunga Formation containing brown and massive dolomite, limestone and intra bedded siltstone and sandstone. The maps clearly explain the broad geological structure where the geology is slightly dipping towards the west with folded syncline structures at the centre. The syncline is exposed to the surface and dense metasedimentary rocks minor mineral signature.

At Box Hole, anomalous lead and zinc is associated with stratabound, stromatolitic dolostone of the late Cambrian Arrinthrunga Formation, and is considered to be related to Mississippi Valley-type (MVT) mineralization.

The mineralization largely extends along a NNW strike for 7km and is overlain by a stromatolitic unit several meters thick, with the Eurowie Sandstone Member directly below.

The Company contracted Thomson Airborne Pty Ltd to complete an airborne magnetic, radiometric, and digital elevation survey in August 2022 for the whole Bruce tenement to assist with drill targeting. The geophysical survey covered the Box Hole Project.

The Box Hole Project geophysical survey was completed at 50 m line spacings, 500 m tie line spacings, with a total of 1,149 km flown. The mean terrain clearance of the survey was 35 m. The geophysical survey extent is shown in Figure 16.

The geophysical survey was flown in August 2022 to allow for detailed lithological and structural mapping.

Navigation of the survey was provided using a mobile Novatel OEMV-1 VBS receiver. Differential GPS data was obtained in real time using static GPS data obtained from the Omnistar wide area GPS service.

Equipment used in the survey included:

- a Geometrics G822A Magnetometer
- Radiations Solutions Inc. RS 400 Spectrometer

Following the geophysical survey in August 2022, Southern Geoscience Consultants (SGC) processed the raw data and delivered the output as GeoTIFF and ECW image files (Figures 16 and 17).

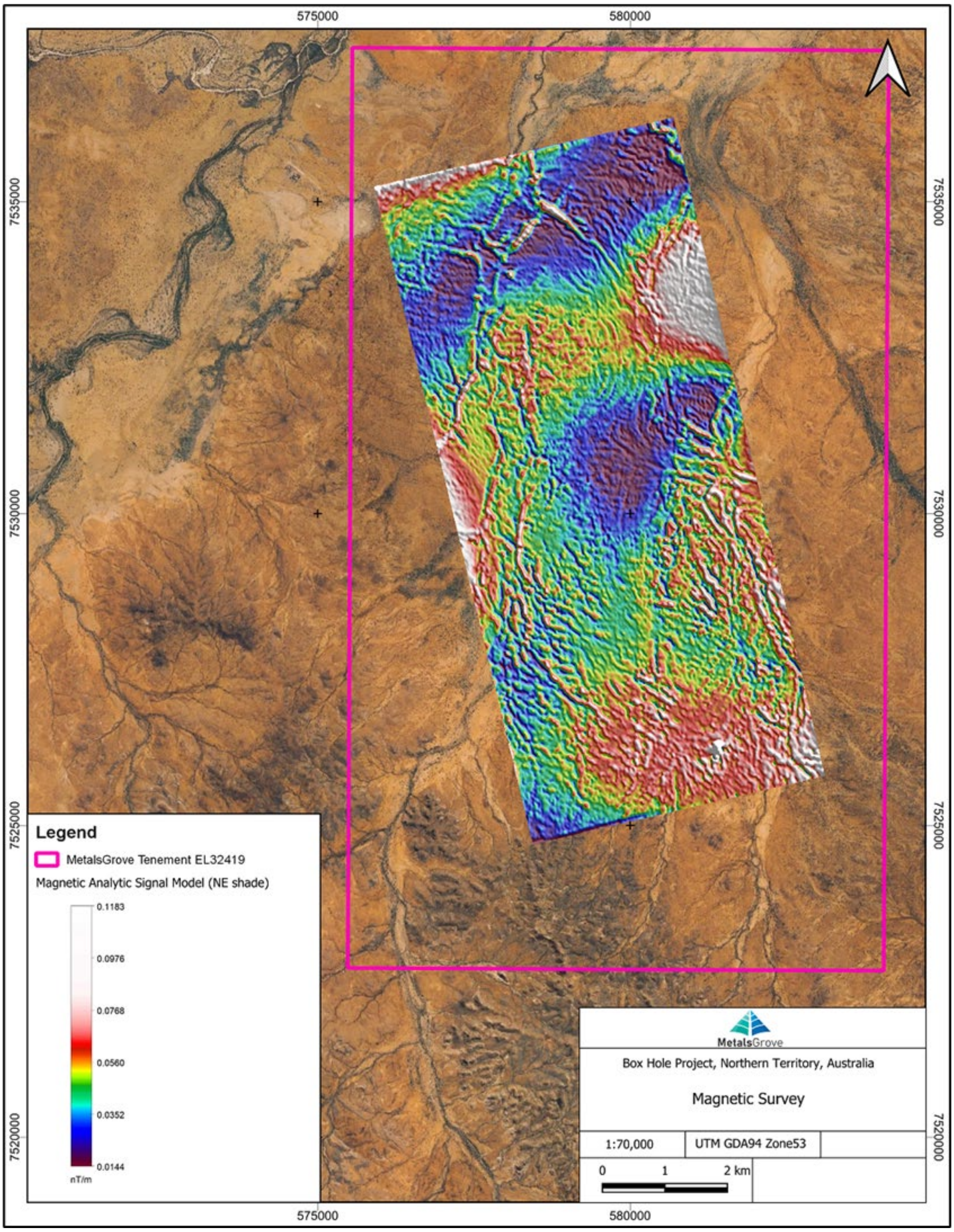

Figure 16: Box Hole - Magnetic Analytic Signal Model with North-East shade.

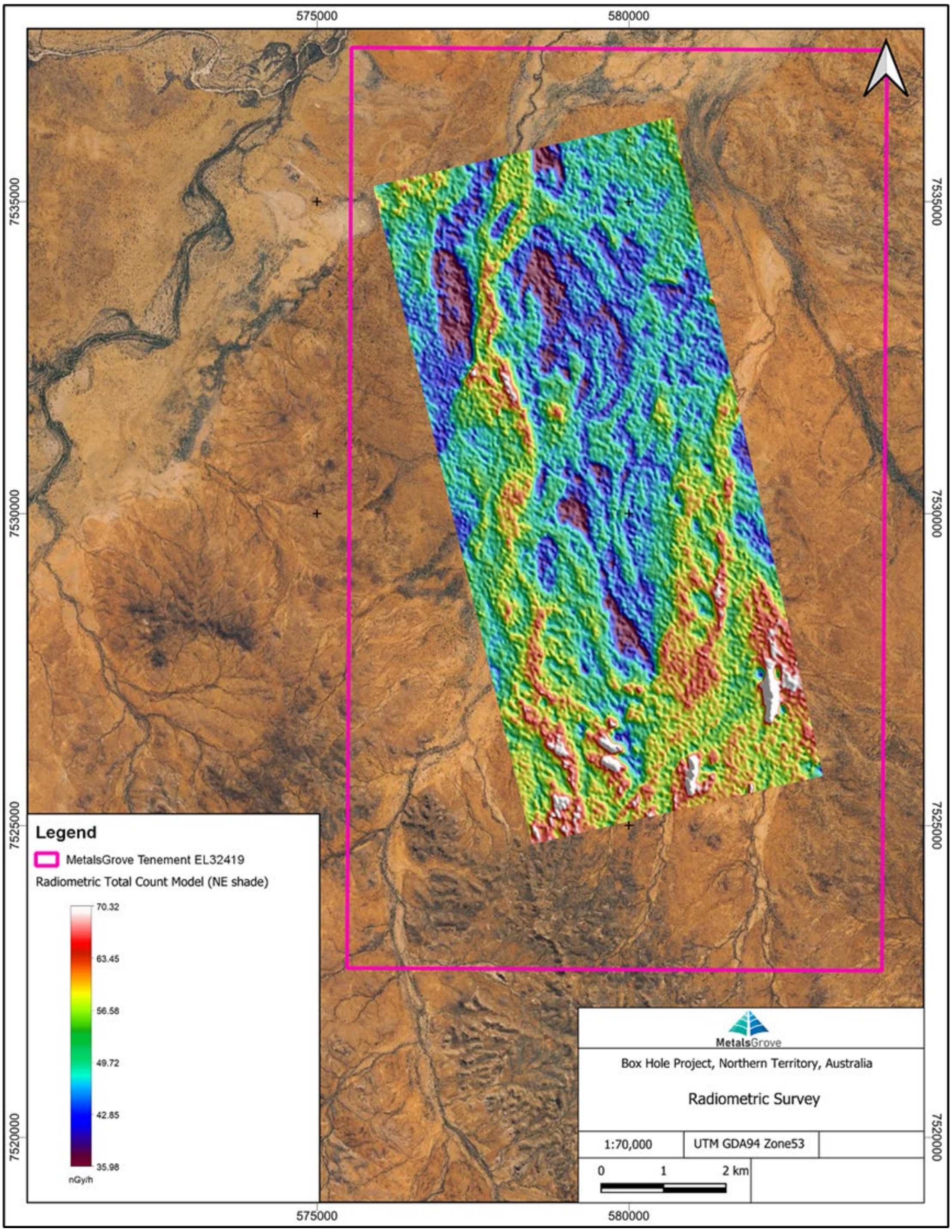

Figure 17: Box Hole - Radiometric Total Count Model with North-East shade.

GEOLOGICAL MODELLING AND TARGET GENERATION

Implicit modelling has been carried out using the 3D Geomodeller software by integrating all available information with an objective to achieve the most probable geological model which can be visualised in 3D space to assist in better understanding of the subsurface to further exploration.

The starting maps provided helpful details of the subsurface geology, including fault planes, axial traces etc. and structural orientation of bedding sequences. Bedding trend lines were initially used for modelling. The outcrop map was used as the starting model. The magnetic and gravity grids, WormE results and radiometrics grid were also utilised in the model building to refine the initial model.

The modelling results are providing improved geological and structural detail. The anomalous conductive zones defined beneath cover are interpreted to be related to the sandstone/shale members while the more resistive zones are associated with dolomite. This is confirmed by the correlation between the gravity highs (dolomitic formations) and the gravity lows (sandstone and shales) (Figure 19).

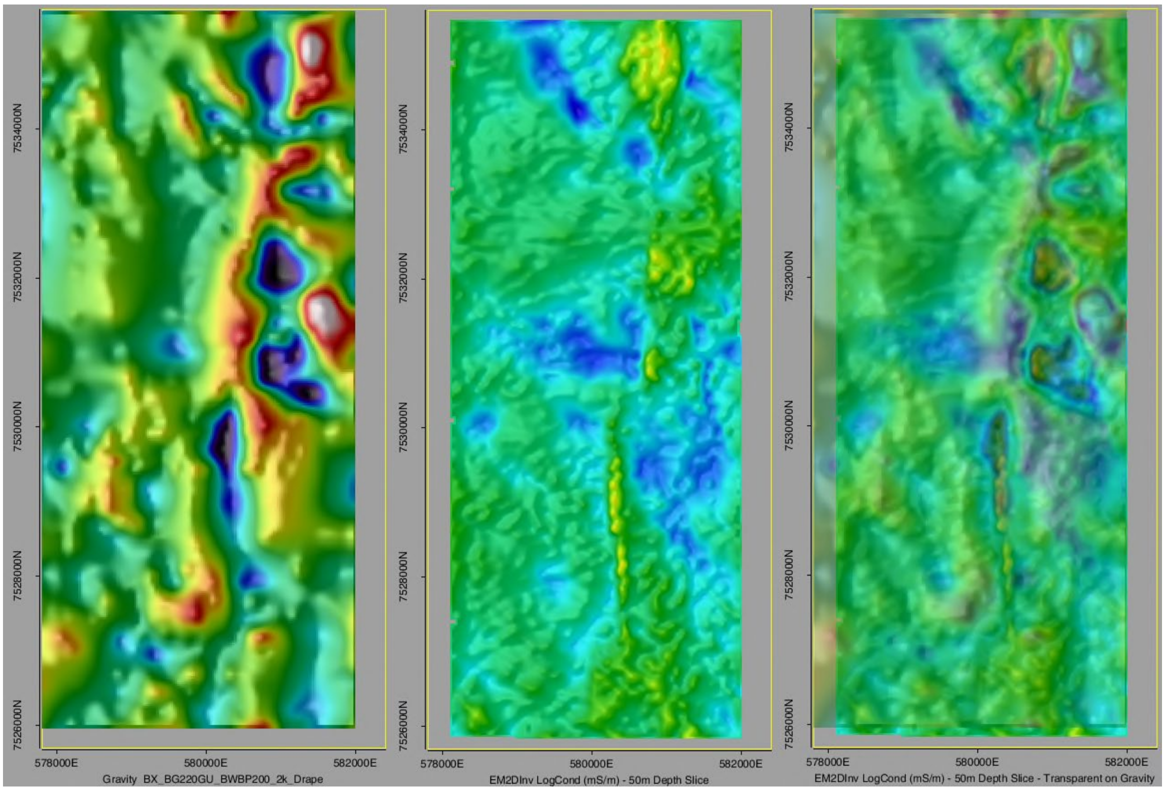

Figure 18: Bouguer TC 2.2 Gravity, EM2DInv Log Conductivity 50m depth slices and transparent combination showing correlation of gravity lows with conductivity highs.

The gravity image (bouguer first vertical derivative) is interpreted to reflect shallow features and is influenced by cover and weathering. The images are set at surface, 50m and 100m below surface.

A northern anomaly is centred almost on the syncline in that area, with mineralisation along on its western margins. A southern gravity high has a similar relationship to the northern anomaly although in detail the relationship is less obvious than the northern gravity high.

There is clear offset between the two gravity highs that coincided with the structural discontinuity between the two synclines and the southern edge of a gravity low in the east of the tenement.

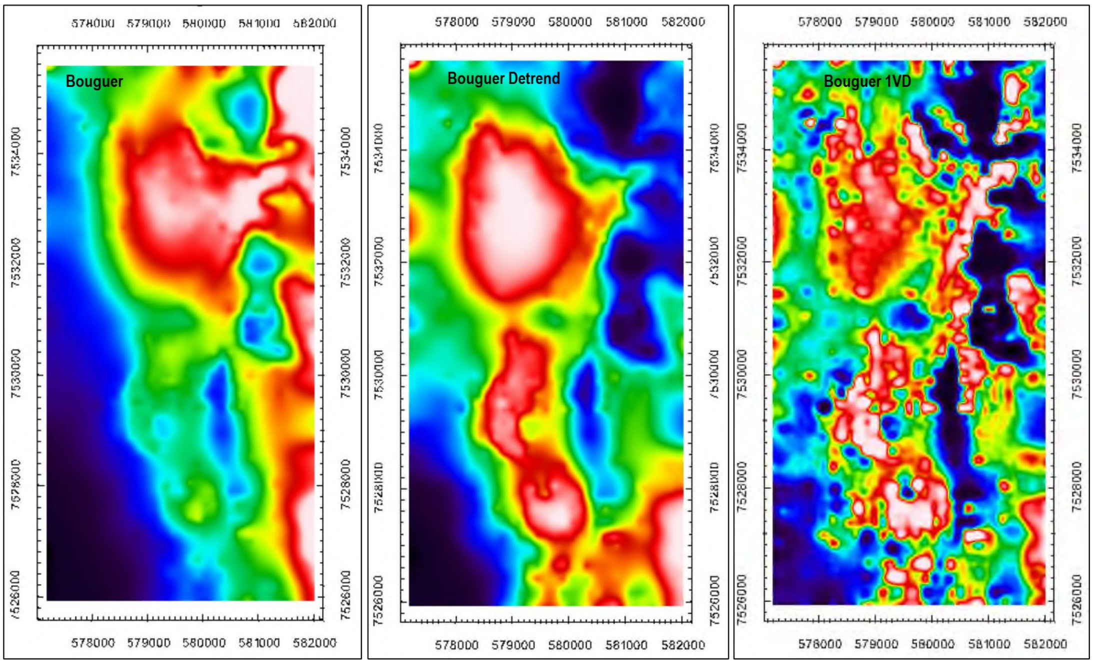

Figure 19: Gravity Image Bouguer, Bouguer Detrend, Bouguer 1VD.

3D INVERSION MODEL

The Arrinthrunga formation reflects slightly higher densities due to the presence of dolomite and intraformational MVT mineralisation. Typical rock type values for the densities were used in the forward and inverse modelling. A constrained inversion was undertaken (over 1,440,000 iterations) to recover the 3D density distribution from the geological model.

Inverse modelling results provided a most probable geological discretised model with optimised physical rock property distributions.

Mineralisation is most likely present at the near surface and observed to be concentrated in the upper synclinal formations/structures. The gravity anomaly correlates with the geological structure yet does not positively correlate with known mineralisation. Gravity modelling suggest the continuation of the syncline towards the SE as the gravity response is similiar/consistent in this area.

The Eurowie Sandstone and Lower Arrinthrunga formation comparatively are both low density compared to the upper Arrinthrunga formation. Gravity lows east of the syncline may be buried channels filled with lower density Eurowie sandstones. The magnetic data is likely indicative of the deeper magnetic basement below the prospective horizons. Worms from gravity reveal new structures in the centre and eastern parts of the block.

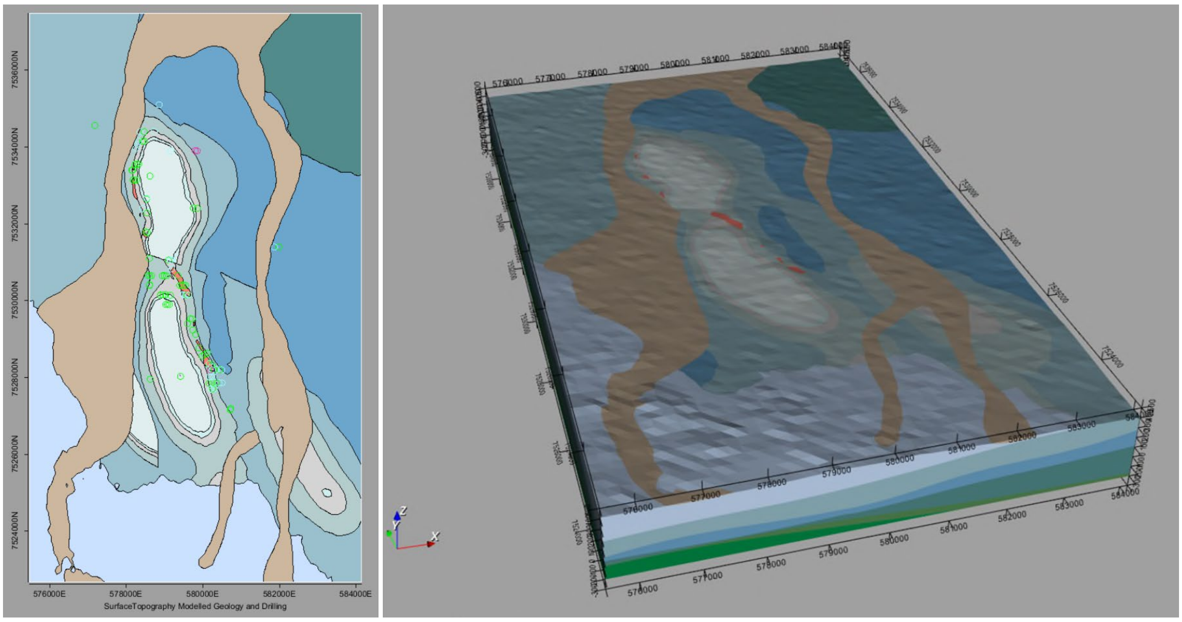

Figure 20: Box Hole 3D Inversion Model.

UPPER COONDINA - WA

The Upper Coondina Project (E45/5952) is located 85 km south-west of Marble Bar in the East Pilbara district of WA. The Project is located approximately halfway between the major mining regional service centres of Port Hedland and Newman, located approximately 200 km northwest and 180 km south-southeast of the project, respectively.

The Project comprises a single granted Exploration Licence. The tenement covers an area of approximately 6,363 ha and the maximum distance across the project is about 11 km east–west and 8 km north–south. Nearby lithium projects include the Pilbara Minerals Wodgina operation and recent lithium developer Global Lithium.

SURFACE GEOCHEMISTRY

In August 2022, six grab samples were collected during a site visit and shipped to Intertek Labs in Perth, WA, for analysis using the 4A/MS48 method. The sample that came back with the highest results for Li, Rb, Cs and Ta was UC0003 with 247.81 Li_2O, 986.47 ppm Rb, 112.91 ppm Cs and 67.33 ppm Ta (Table 3).

Sample ID	Easting	Northing	Li_2O ppm	Rb ppm	Cs ppm	Ta ppm
UC0001	751189	7581256	13.56	235.36	4.57	0.08
UC0002	751167	7580398	173.10	1496.01	78.64	0.54
UC0003	751093	7580635	247.81	986.47	112.91	67.33
UC0004	749702	7579380	78.58	125.84	10.08	1.07
UC0005	748926	7579189	56.41	317.61	7.47	2.37
UC006	748779	7579415	136.28	237.80	5.41	0.19

Table 3. Significant results of rock samples collected in August 2022.

MetalsGrove conducted a soil sampling program in August 2022on the southern portion of the tenement with a total of 2,545 soil samples collected along a 200 m E x 50 m N grid (Figure 21). The soils were collected below the surface organics layer at an approximate depth of 20 cm and sieved at a 5 mm fraction. Samples were sent to the Nagrom Labs for multi-elemental analysis of 21 elements by Peroxide Fusion in Zirconium Crucibles (PH01). High grade soil sampling results were returned from MG0892 at 670 ppm LiO_2, and MG0773 with 103 ppm Ta and 1,480 ppm Sn.

The soil samples were taken from the southern part of the Upper Coondina Chola Prospect. The geochemical responses and surface field mapping identified strong LCT-pegmatite anomalies, which is in an 8 km by 4 km multiple pegmatite corridor.

The first pass soil sampling assay results confirmed lithium mineralisation and assisted in defining the drilling target within the Chola Prospect pegmatite corridor measuring approximately 4.0 km x 2.0 km.

A total of 45 rock chip samples were collected during the geological mapping program in September 2022. The samples were collected based on where pegmatites exceeded 3m in width, the pegmatite swarms were estimated to exceed about 20% of the outcrop area and where the pegmatites were discoloured with green, blue, or pink minerals or where the crystals were abnormally large. Forty-three of the forty-five rock chip samples were sent for analysis to the Nagrom Labs in Perth, Western Australia. Of the rock chips collected, two samples returned Li_2O values greater than 600 ppm. Those samples are LiS14 and LiS34 with 610 ppm and 640 ppm LiO_2, respectively. Sample LiS14 had the highest tin value at 205 ppm.

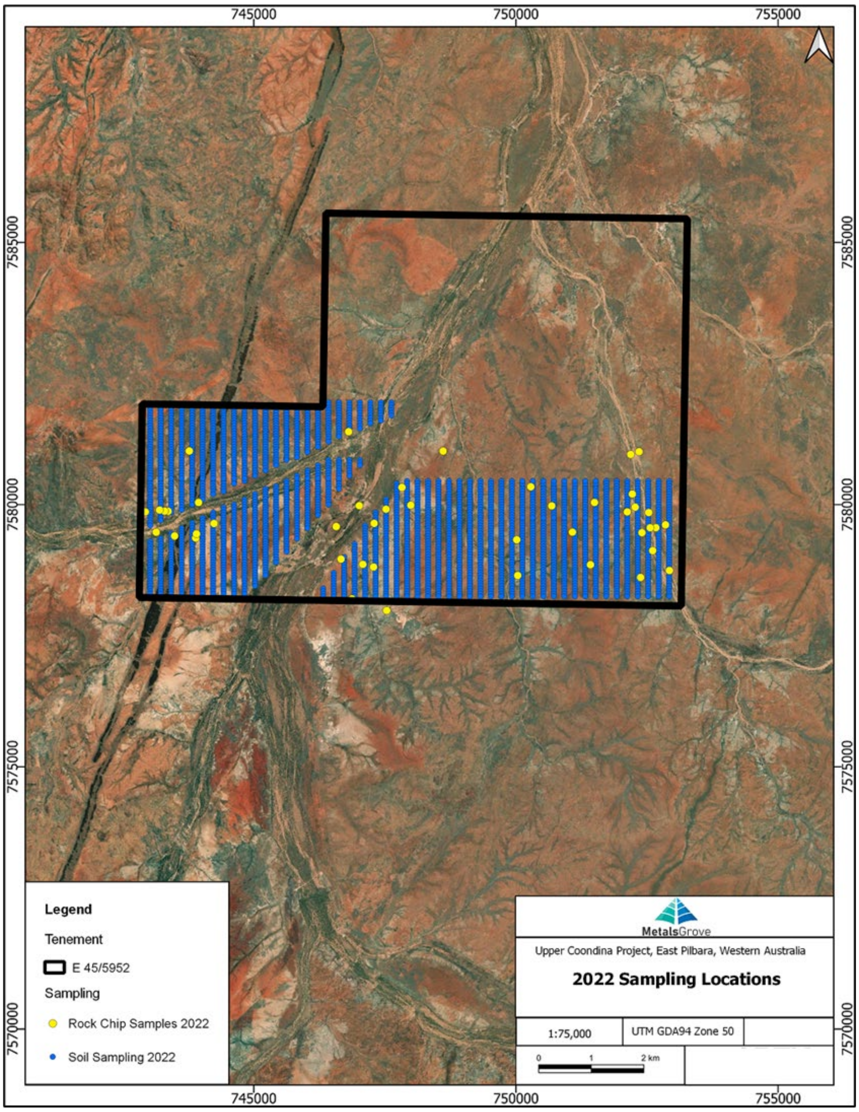

Figure 21: Upper Coondina - Rock chip and soil sampling locations.

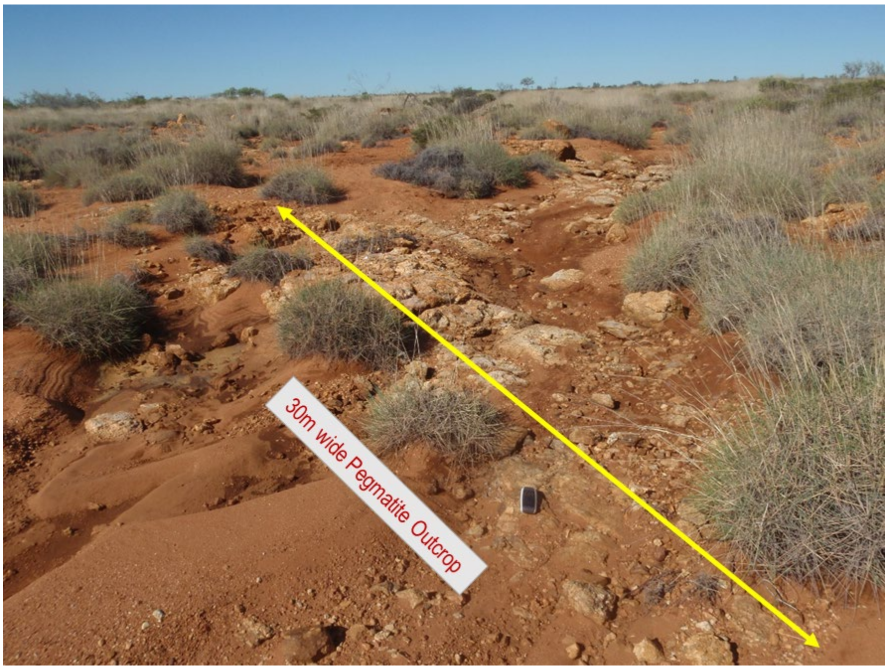

Figure 22: 30m wide Pegmatite Outcrop Centre of the Tenement

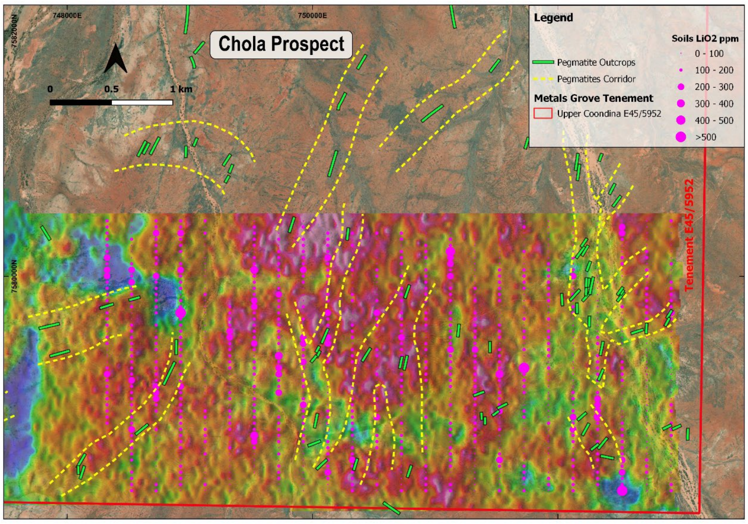

Figure 23: Showing soil sampling lithium assay results against radiometric-potassium analysis, pegmatite outcrop and pegmatite corridor – Chola Prospect.

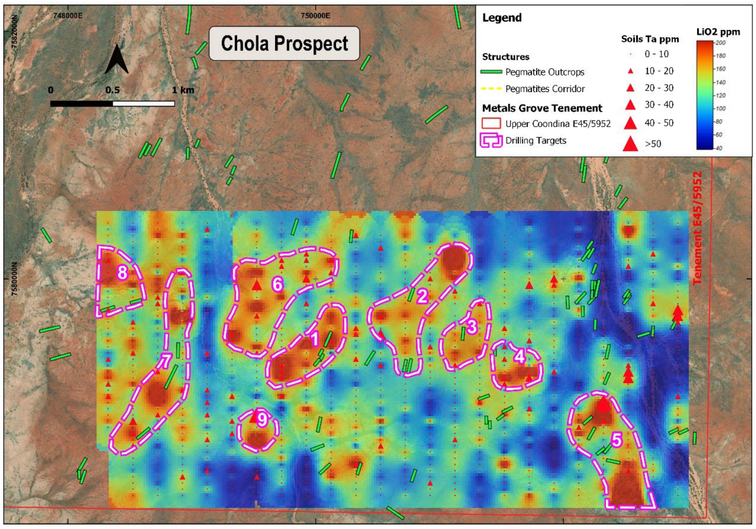

Figure 24: Showing lithium assay heat map and tantalum assays results against pegmatite outcrop and pegmatite corridor – Chola Prospect.

GEOPHYSICAL SURVEYS

In September 2022, MetalsGrove commissioned Thomson Airborne Pty Ltd to complete an airborne magnetic, radiometric, and digital elevation survey. The survey covered the southern portion of the Upper Coondina Project, with a total of 591 km of lines flown. The survey was completed at 50 m spacing with 500 m tie lines and an average of 45 m ground clearance. Figure 25 shows the survey lines and the extent of the survey.

Navigation for the geophysical survey was provided using a mobile Novatel OEMV-1 VBS receiver. Differential GPS data was obtained in real time using static GPS data obtained from the Omnistar wide area GPS service. The survey was completed using a fixed wing VH-JEI aircraft with a Geometric G822A Magnetometer and a Radiations Solutions Inc RS 400 Spectrometer.

The raw data was processed by Southern Geoscience Consultants (SGC) and delivered as GeoTIFF and ECW image files (Figures 25 and 26). The interpreted geophysical data, along with geological mapping and surface sampling was utilised in the identification of new drilling targets to define the strategy of the maiden drilling program.

In addition, in December 2022, Ultramag Geophysics was commissioned to undertake a Deep Ground Penetrating Radar (DGPR) geophysical survey to identify additional pegmatites and to map the subsurface potential of known lithium-rich pegmatites within the tenement. A total of 28.5 km of line-data at 50 to 150 m spacing was completed, with excellent signal depths recorded from 30 to 100 m.

The DGPR survey identified thirty-one new potential pegmatite structures coupled with existing known mineralised pegmatites. The newly identified pegmatites appear to be much wider than the mapped and sampled pegmatites and extend slightly deeper; orientation is correlated with the known surface outcropping pegmatites. The DGPR interpreted pegmatites are shown in Figures 27 to 29.

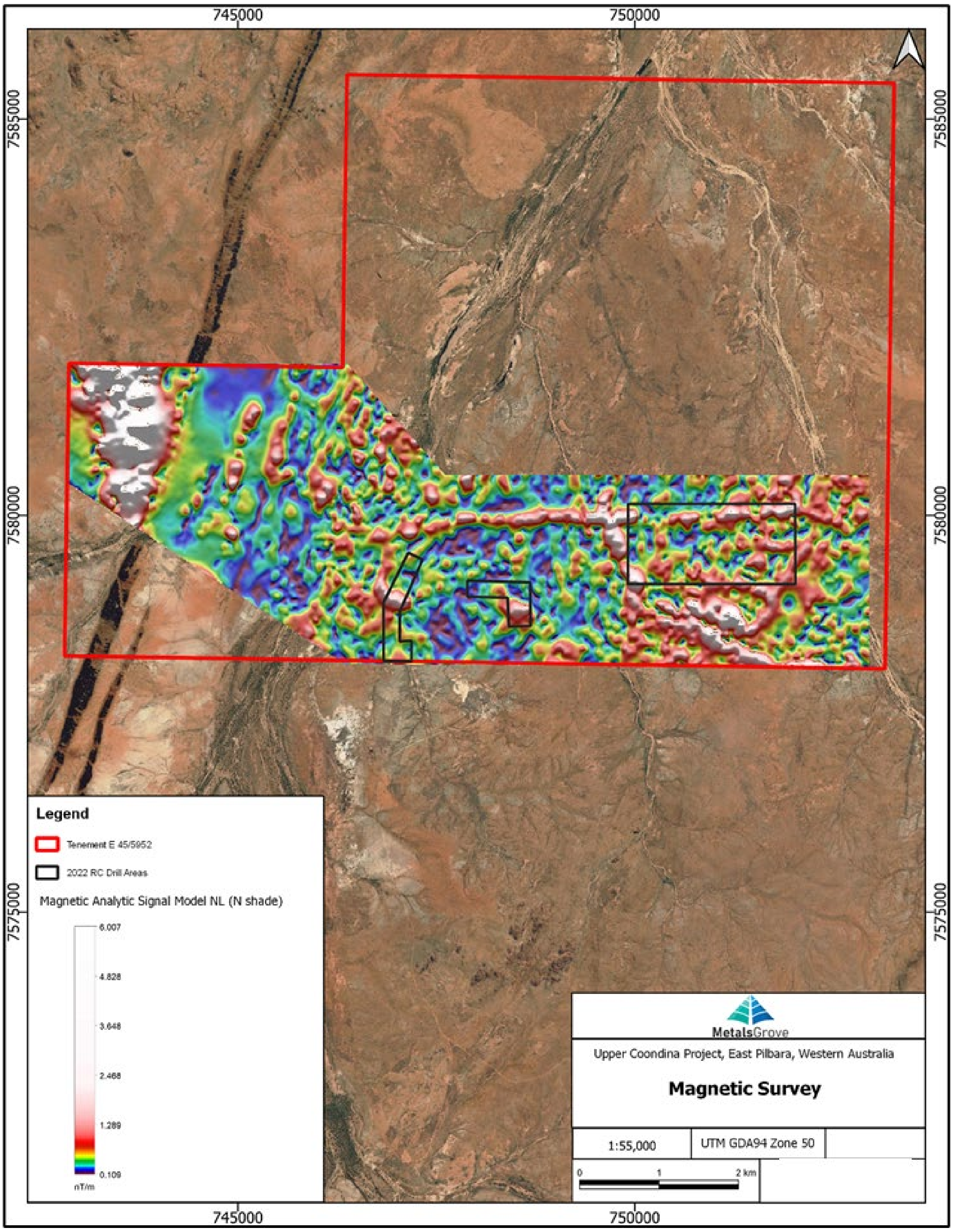

Figure 25: Magnetic analytic signal model with north shade.

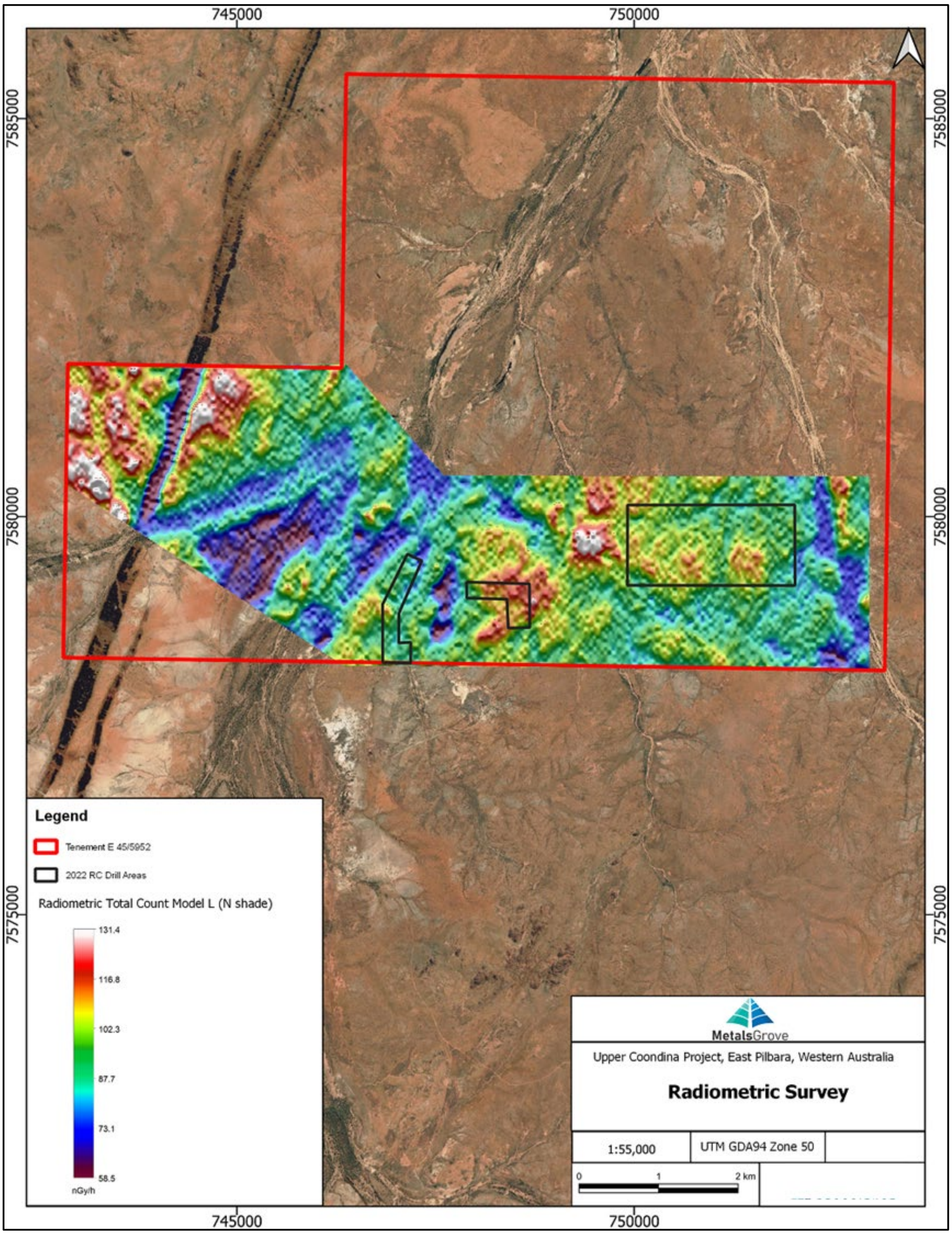

Figure 26: Radiometric total count model with north shade.

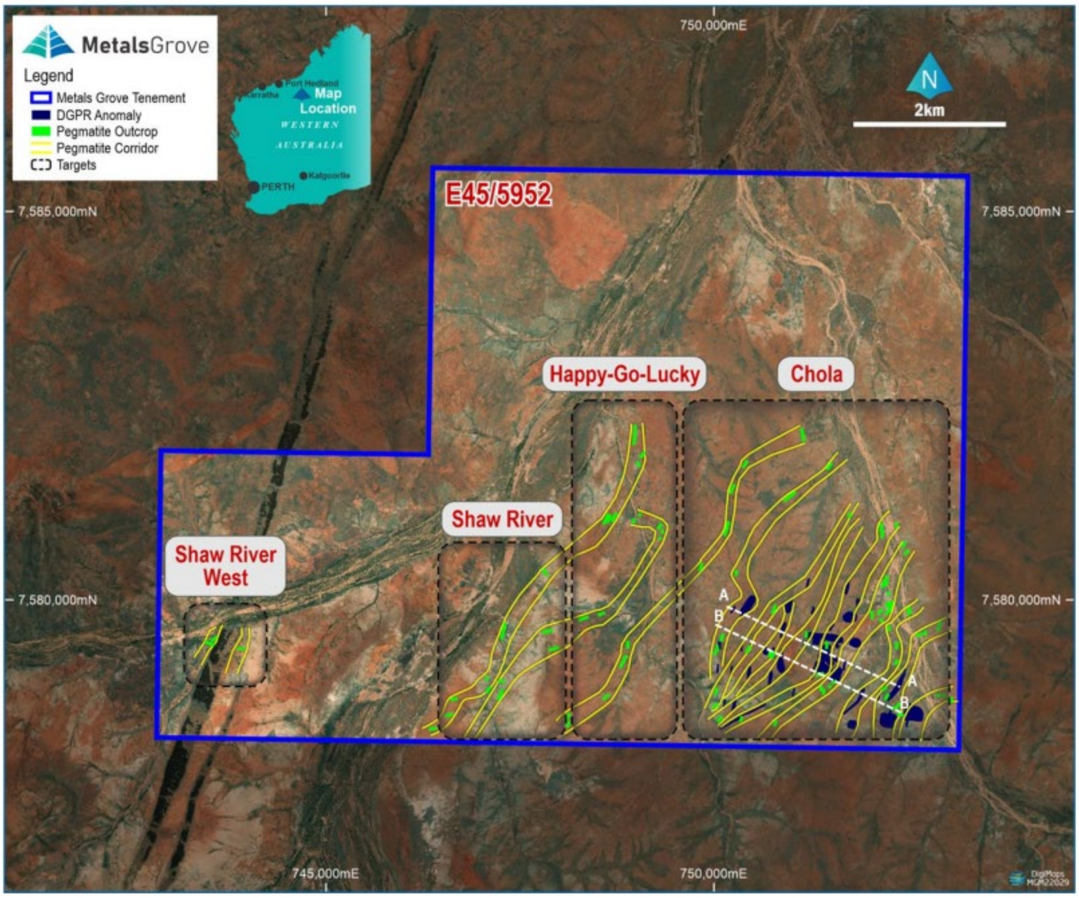

Figure 27: DGPR interpretated pegmatites.

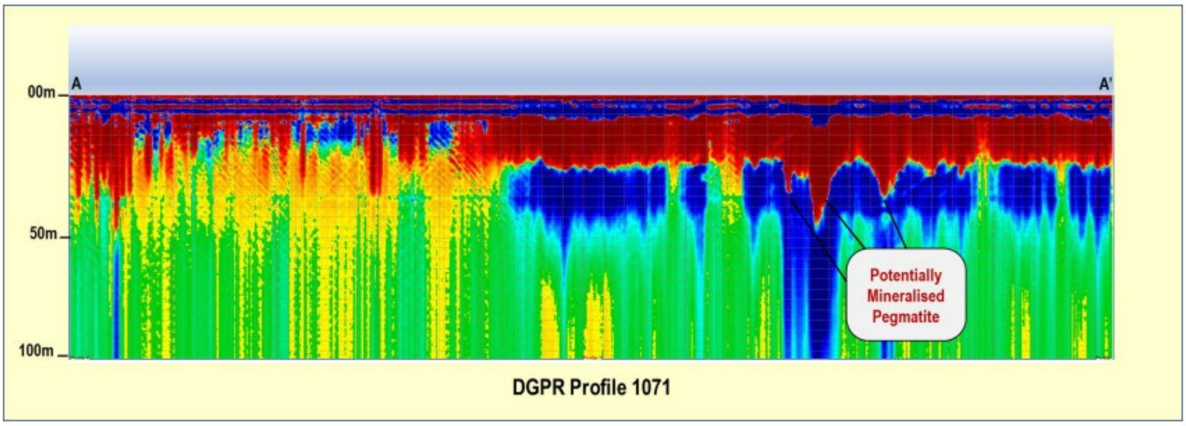

Figure 28: Section through A-A' from Figure 27.

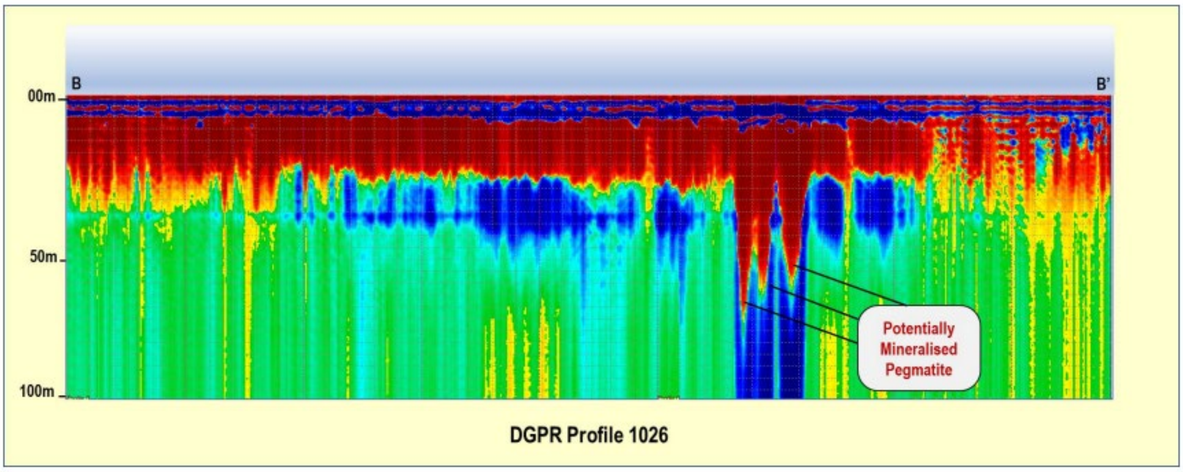

Figure 29: Section through B-B' from Figure 27.

MAIDEN RC DRILLING

An RC drill program was completed at Upper Coondina from November to December 2022. Fifty-six holes, totalling 4,170 m were completed at spacings of 100 to 150 m (Figures 30 and 31). The target of the drilling was mineralised pegmatites with the potential to hold lithium, tin, and tantalum. Where possible, the drillholes were angled 135º to the southeast, except one hole which angled east (90º).

Samples were collected in one-meter intervals from a rig-mounted cone splitter. Quality control for the samples included the insertion of duplicates and standards every 25 samples. The samples were sent to the Nagrom Labs in Perth, Western Australia for sample preparation and analysis. The drill samples were analysed via Peroxide Fusion Digest with ICP assay (PF01, ICP005_MS and ICP005_OES).

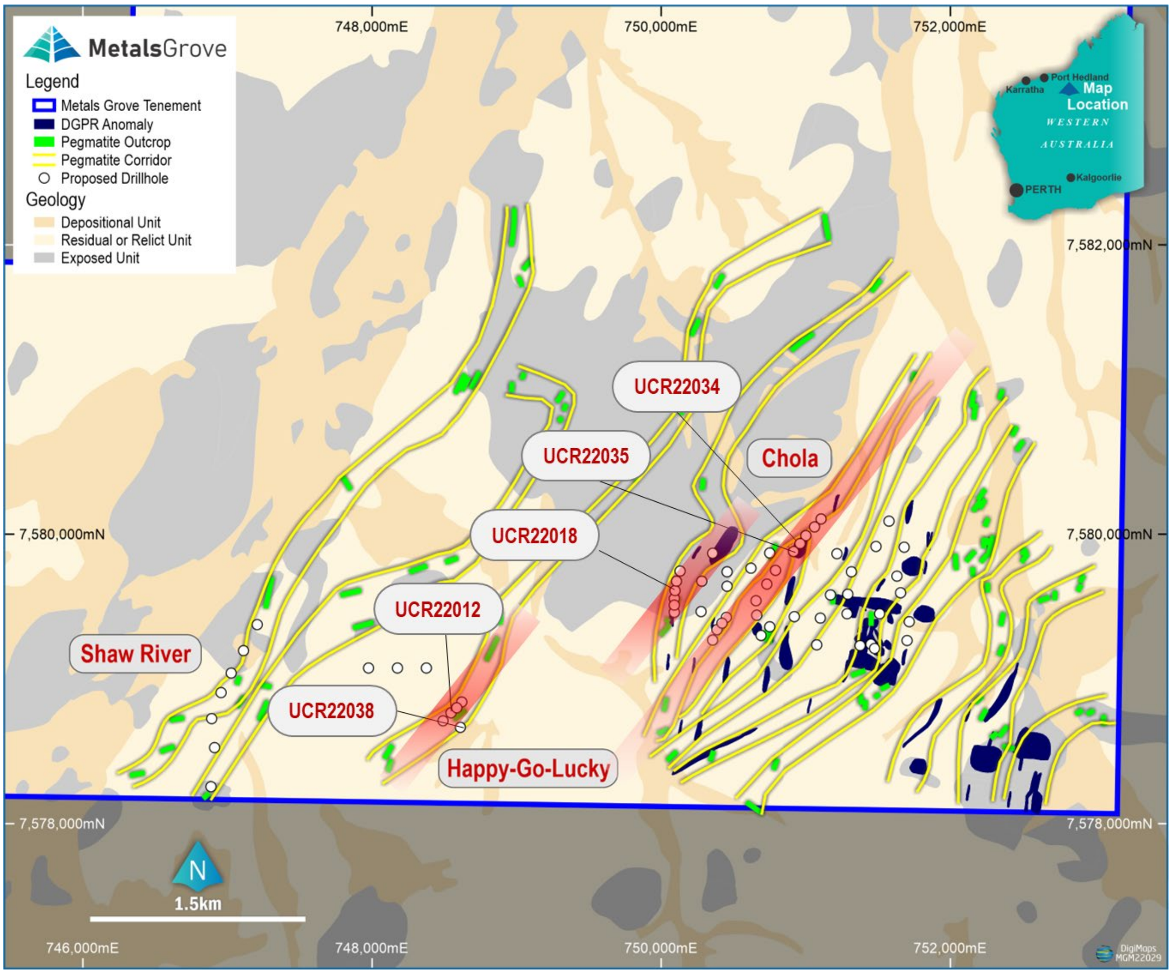

Figure 30: Phase 1 drilling programme completed drill hole location plan.

This first phase of drilling was designed to test several vertical and low angle pegmatites at the Chola Prospect (see Figure 30) with shallow wide-spaced RC holes to obtain an understanding of zonation and lithium mineralisation.

Drilling has confirmed multiple stacked spodumene pegmatites with anomalous lithium, tantalum and rubidium mineralisation as highlighted by drill hole UCR22034 which returned 38m @ 0.10% Li_2O from 1m (surface) and 5m @ 20ppm Ta_2O_5 from 7m, 3m @ 47ppm Ta_2O_5 from 16m and 3m @ 24ppm Ta_2O_5 from 24m and 7m @ 685 ppm Rb_2O incl: 2m @ 1,140ppm Rb_2O from 24m.

The widest zone intersected by the RC drilling was a 40m wide mineralised zone assaying up to 0.20% Li_2O, 0.6% Rb_2O and 118ppm Ta_2O_5.

Best spodumene-pegmatite mineralisation intersections include:

- UCR22034: 38m @ 0.10%[3] Li_2O from 1m (surface) and 5m @ 20ppm Ta_2O_5 from 7m, 3m @ 47ppm Ta_2O_5 from 16m and 3m @ 24ppm from 24m and 7m @ 685 ppm Rb_2O incl: 2m @ 1140ppm from 24m.
- UCR22035: 13m @ 0.10% Li_2O from 27m and 7m @ 0.10% Li_2O from 50m and 11m @ 16ppm Ta_2O_5 from 31m and 17m @ 524ppm Rb_2O from 31m incl: 1m @ 1285ppm Rb_2O from 40m.
- UCR22012: 10m @ 0.10% Li_2O from 19m and 1m @ 27ppm Ta_2O_5 from 20m and 2m @ 31ppm Ta_2O_5 from 46m and 2m @ 831ppm Rb_2O from 19m.
- UCR22018: 10m @ 0.10% Li_2O from 5m and 9m @ 0.10% Li_2O from 38m and 9m @ 20ppm Ta_2O_5 from 1m and 9m @ 20ppm Ta_2O_5 from 35m and 12m @ 628ppm Rb_2O from surface incl: 1m @ 1296ppm Rb_2O from 1m.
- UCR22038: 9m @ 0.10% Li_2O from 5m and 12m @ 0.10% Li_2O from 42m and 1m @ 29ppm Ta_2O_5 from 3m.

Figure 31: Phase 1 drilling programme Spodumene Pegmatite intersection RC sample.

WOODIE WOODIE NORTH - WA

Tenement E 45/5945 comprises 43 blocks and encompasses 137 square kilometres. The tenement is located 100 km east of Marble Bar in the East Pilbara region of Western Australia. The Project area lies mainly over vacant crown land, with small portions in the north situated on the Warragine Pastoral Lease.

Access to the project is via the Ripon Hills Road and north along station tracks to the west of the Nullagine River for 23 km, then east across the river to an old fence line. Continue along this track for approximately 4.5 km east until the intersection with the 'Old Western Track' that extends southward into the tenement.

The Woodie Woodie North project location and access is presented in Figure 31.

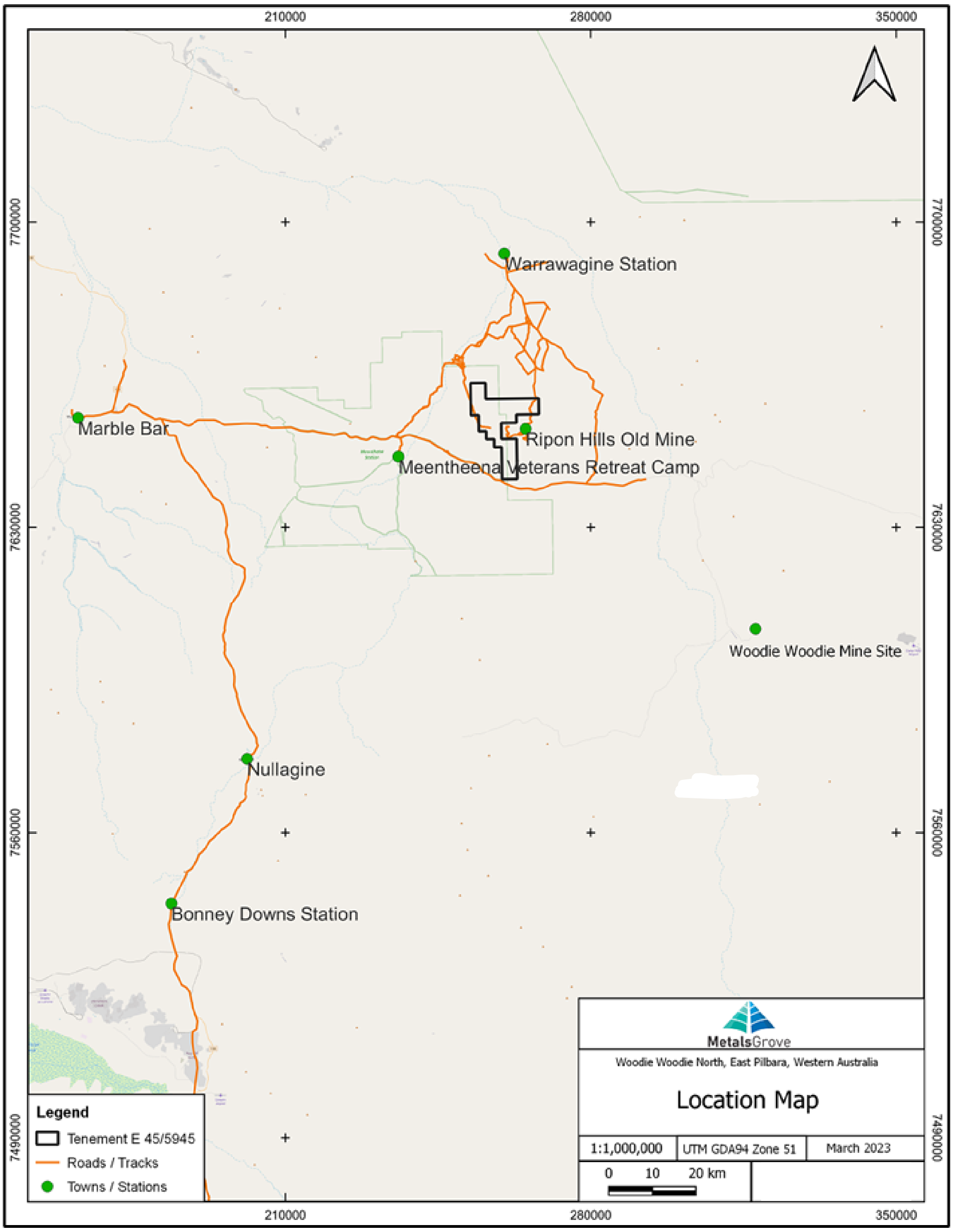

Figure 32: Woodie Woodie North project location and access.

GEOPHYSICAL SURVEYS

MetalsGrove commissioned Thomson Airborne Surveys Pty Ltd in August 2022 to complete an airborne magnetic and radiometric survey of the Woodie Woodie North project.

A 1,596-line kilometre of airborne magnetic and radiometric survey was planned at 50m spacings on a north-south traverse line to allow for detailed lithological, structural and surface mapping.

The surveys were accomplished by using a fixed wing Cessna 210 aircraft with the magnetometer calibrated on a daily basis. Survey lines were done at 50m and 100m apart with an average sensor height of 45m above ground level. Lines were flown east – west. The survey was completed in four separate blocks over the project.

Following the geophysical survey, MetalsGrove commissioned Southern Geoscience Consultants (SGC) to merge the dataset into a single block and analyse and interpret the geophysical data. The interpretation was primarily focused on the structural content of the aeromagnetic data to assist in manganese target definition.

The magnetic intensities were noted as high for sedimentary packages (~735 nT), with the highest intensities occurring on the western side of the survey area. SGC interpreted this area to be the flank of an anomaly generated by igneous rocks of the Baramine Member, which obscures more subtle features in the data.

SGC completed a structural interpretation over the magnetic images. The aeromagnetic imagery of the survey is presented in Figure 33.

A number of anomalies of potential manganese exploration interests have been highlighted by the survey (Figure 33), with a particular eastern magnetic trend delineated, that has manganese mineralisation on the southern extremity. Further ground truthing is required to confirm the presence of mineralisation.

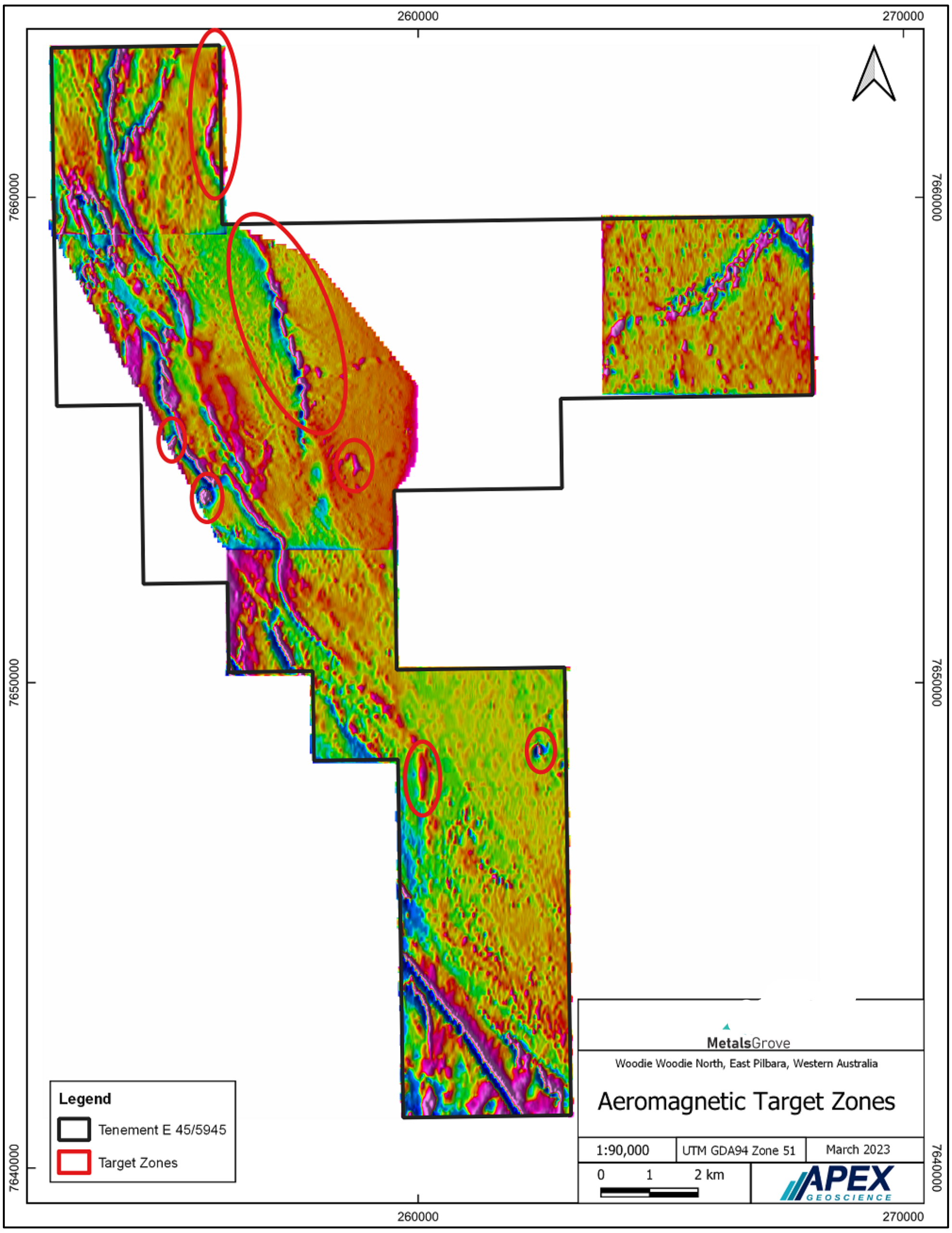

Figure 33: Targets identified by Aeromagnetic Survey.

Material Business Risks

The Board of Directors review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key materials risks faced by the Group include:

Exploration

The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

Tenure, Access and Grant of Applications

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the Northern Territory and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.

Native Title & Aboriginal Heritage

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

The land under the Projects are subject to Native Title Determinations that native title exists in relation to parts of the land subject of those Tenements. In addition, several of the Tenements that comprise the Bruce Project contain Aboriginal heritage sites of significance which have been registered with the Department of Indigenous Affairs. The existence of the Aboriginal heritage sites within these Tenements may lead to restrictions on the areas that the Company will be able to explore and mine. As noted above, the Company has confirmed that the native title and heritage agreements that it (through its wholly owned subsidiaries) has entered into, to the best of its knowledge, permits the Company to undertake its proposed exploration activities on the areas of the Tenements that overlap with the recorded Aboriginal Heritage Sites.

The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.

Future Funding Risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

Unforeseen Expenditure Risks

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Group and its proposed business plans.

Environmental, Weather & Climate Change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

Cyber Security and IT

The Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

Likely Developments and Business Strategies

The likely developments of the Group and the expected results of those developments are to continue exploration activities on the Company's exploration projects.

The Company will continue to assess any other opportunities that are available that have strategic fit for the Company.

Events Subsequent to the End of the Reporting Period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to the discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Group on any of its tenements. Subject to ongoing rehabilitation, the Group believes it has complied with all environmental obligations.

Heritage and Community Relations

The Company recognises the importance of establishing relationships with the Traditional Owners that are based on trust and mutual advantage and are respectful of the needs and concerns of the communities located within the regions in which it operates. The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

AUDITED REMUNERATION REPORT

This report sets out the remuneration arrangements in place for Directors and senior management of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of the report, Key Management Personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Key Management Personnel Covered in this Report

The names and positions of the KMP of the Company and the Group for the period to 30 June 2023 were:

Richard Beazley	Independent Non-Executive Chair
Sean Sivasamy	Managing Director & Chief Executive Officer
Haidong Chi	Non-Executive Director

Overview

Remuneration levels for key management personnel are competitively set to attract the most qualified and experienced candidates. Details of the Company's remuneration strategy are set out below.

This remuneration report:

- explains the Board's policies relating to remuneration of key management personnel;
- discusses the relationship between these policies and the Company's performance; and
- sets out remuneration details for each of the key management personnel.

Remuneration philosophy

The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable KMP remuneration.

Non-Executive Directors Remuneration Policy

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct. The Company's policy is to remunerate Non-Executive Directors a fixed fee reflecting their time commitment and responsibilities.

Fees provided to Non-Executive Directors are inclusive of superannuation and salary sacrifice, if applicable.

Non-Executive Directors fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $350,000 per rolling 12-month period and is included in the Company's Constitution adopted on 26 November 2021, with shareholder amendments adopted on 14 February 2022. The Board may apportion any amount up to this maximum amount amongst the Non-Executive Directors as it determines. Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in performing their duties as Directors.

From time to time, the Company may grant options, performance rights or other equity-based incentives to Non-Executive Directors, subject to obtaining the relevant shareholder approvals. The grant of options, performance rights or other equity-based incentives is designed to attract and retain suitably qualified Non-Executive Directors. Options, performance rights or other equity-based incentives issued to Non-Executive Directors will not have any performance hurdles in accordance with the ASX Corporate Governance Principles and Recommendations, recognising that this may lead to bias in their decision-making and compromise their objectivity.

Remuneration of Key Management Personnel

In adopting a remuneration strategy for KMP's, at all times the Company strives to seek a balance between preservation of cash proceeds and an equitable remuneration structure. To align KMP interests with that of shareholders, KMP have agreed to sacrifice a portion of their cash remuneration in lieu of performance rights and/or options, subject to market disclosure requirements upon appointment and the approval of shareholders on an annual basis.

In addition to the award of performance rights and/or options, the remuneration strategy comprises a fixed cash salary component, statutory superannuation contributions and where appropriate a potential merit-based performance bonus or other share based incentives in the Company.

Performance milestones are carefully nominated and weighted according to the management role and its connection with the relevant performance milestone. This structure is intended to provide competitive rewards (subject to performance) to attract and retain high calibre executives.

Performance rights and/or options are offered to KMP's at the discretion of the Board. Length of service with the Company, past and potential contribution of the person to the Company are also factors considered when awarding performance rights to employees. The aware of discretionary performance bonuses are aligned with the ongoing performance assessment of the incumbent management team, following review and assessment by the Board of Directors.

Criteria used to determine potential merit based performance bonuses for the Managing Director and other KMP's during the exploration phase, is the setting of key objectives for each KMP and measuring performance against these objectives. Key objectives will normally include specific criteria where performance will be measured against progress indicators. These key objectives will largely be determinable by the objective assessment of performance by the Managing Director.

Company Performance

The table below sets out summary information about the movements in shareholder wealth for the financial year ended 30 June 2023.

	30 June 2023 $	30 June 2022 $
Revenue	76,359	3,000
Net loss before tax	(871,210)	(566,202)
Net loss after tax	(871,210)	(566,202)

Terms of Employment

The terms of employment of the Managing Director and Chief Executive Officer have been formalised in an Executive Services Agreement and contain the following material terms:

Name	Fixed Remuneration	Variable Remuneration	Notice Period
Sean Sivasamy	$270,000 pa exclusive of superannuation	Performance Rights	Requires a period of 6 months-notice by Company and Employee.

Details of Remuneration

The below table shows the fixed and variable remuneration for key management personnel:

2023	Short Term Benefit	Long Term Benefit	Share-based Payment		Total	Proportion of remuneration performance related
	Salary & Fees $	Superannuation $	Options $	Performance Rights $	$	%
Richard Beazley	58,000	6,090	-	16,705	**80,795**	21%
Haidong Chi	48,000	5,040	-	55,291	**108,331**	51%
Sean Sivasamy	270,000	28,350	-	137,079	**435,429**	31%
Total	**376,000**	**39,480**	**-**	**209,075**	**624,555**	**33%**

2022	Short Term Benefit	Long Term Benefit	Share-based Payment		Total	Proportion of remuneration performance related
	Salary & Fees $	Superannuation $	Options $	Performance Rights $	$	%
Richard Beazley	-	-	38,553	137	**38,690**	100%
Haidong Chi	-	-	38,553	454	**39,007**	100%
Sean Sivasamy	-	-	38,553	1,127	**39,680**	100%
Ayshwariya Anbarasan	-	-	-	-	-	-
Hemalatha Anbarasan	-	-	-	-	-	-
Total	**-**	**-**	**115,659**	**1,718**	**117,378**	

Share holdings

The relevant interest of each of the key management personnel in the share capital of the Company as at 30 June 2023 was:

Name	1 July 2022	Granted as compensation	On exercise of options/rights	Other Changes[1]	Held at 30 June 2023
Richard Beazley	-	-	-	-	-
Haidong Chi	5,000,000	-	-	330,000	5,330,000
Sean Sivasamy	6,310,000	-	-	100,000	6,410,000

[1] Other changes represent shares purchased on market during the year.

Long Term Incentives

Both Non-Executive and Executive Directors are entitled to participate in the Employee Securities Incentive Plan, which was included in the Company's Prospectus dated 13 May 2022 and announced on the Australian Securities Exchange 4 July 2022.

The granting of such incentives is subject to Board determination and discretion as to the timing of the grant and the number of shares, options or performance rights which may be granted. As such the long-term incentives are therefore now available to motivate and compensate executives as the Board determines.

Performance Rights

There were no performance rights granted, lapsed or exercised in the year ended 30 June 2023.

During the period from incorporation to 30 June 2022, the Board granted long-term incentives as renumeration, in the form of performance rights, to the Managing Director and CEO, Mr Sivasamy and Non-Executive Directors Mr Beazley and Mr Chi.

Under the terms and conditions of the performance rights issued to the Directors, each performance right is converted to one fully paid ordinary share upon meeting the vesting criteria.

The performance rights vesting criteria is shown in the table below:

Tranche	Number of Performance Rights	Vesting Criteria
Class A	1,650,000	The Shares trade at a volume weighted average price of at least \$0.40 over a 20 day period (20 Day VWAP) within two years from the date of issue of the Class A Performance Rights.
Class B	1,450,000	The Shares trade at a 20 Day VWAP of at least \$0.50 within two years from the date of issue of the Class B Performance Rights.
Class C	1,170,000	The Company announcing any one of the following downhole drilling intercepts: a) at least 10m @ 1.25% Cu; or b) at least 10M @ 36% Mn; or c) at least 10m @ 1% Li, within two years from the date of issue of the Class C Performance Rights.

The following table details the amount of Performance Rights issued to each Director by Class:

Director	Class A	Class B	Class C	Total
Richard Beazley	250,000	150,000	-	400,000
Haidong Chi	700,000	650,000	-	1,350,000
Sean Sivasamy	700,000	650,000	1,170,000	2,520,000
Total	1,650,000	1,450,000	1,170,000	4,270,000

The following table details the valuation of the Performance Rights:

Director	Balance at 1 July 2022	Granted as Remuneration	Value Granted $	Number Lapsed or Forfeited	Lapsed or Forfeited %	Converted to Shares on Vesting	Held at 30 June 2023	Maximum Value yet to Vest $
R Beazley	400,000	-	-	-	-	-	400,000	16,614
H Chi	1,350,000	-	-	-	-	-	1,350,000	54,988
S Sivasamy	2,520,000	-	-	-	-	-	2,520,000	136,328

There are no participating rights or entitlements inherent in the performance rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the performance rights. All shares allotted upon the vesting of performance rights will rank pari passu in all respect with other shares.

Performance rights have been valued using a Monte Carlo Share Price Simulation Model. The following table lists the inputs to the model for Director Performance Rights outstanding during the period:

	Class A	Class B	Class C
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	80%	80%	80%
Risk free frate (%)	2.90%	2.90%	2.90%
Expected life (years)	2	2	2
Exercise price ($)	$0	$0	$0
Grant date share price ($)	$0.20	$0.20	$0.20
Grant date ($)	27 June 2022	27 June 2022	27 June 2022
Expiry date	27 June 2024	27 June 2024	27 June 2024
Number	1,650,000	1,450,000	1,170,000
Fair value at grant date ($)	$0.09	$0.07	$0.20

Options

There were no options granted, lapsed or exercised in the year ended 30 June 2023.

During the period from incorporation to 30 June 2022, the Board granted long-term incentives as renumeration, in the form of options, to the Managing Director and CEO, Mr Sivasamy and Non-Executive Directors Mr Beazley and Mr Chi.

Under the terms and conditions of the options issued to employees, each option gives the holder the right to subscribe to one fully paid ordinary share. Any option not exercised before the expiry date will lapse on the expiry date.

The below tables shows a reconciliation of options held by each Director during the year:

	Balance at 1 July 2022		Granted as Remunerat ion Value Granted	Vested		Held at 30 June 2023	
	Vested and exercisable	Unvested		No.	%	Vested and exercisable	Unvested
R Beazley	1,500,000	-	-	-	-	1,500,000	-
H Chi	1,500,000	-	-	-	-	1,500,000	-
S Sivasamy	1,500,000	-	-	-	-	1,500,000	-

There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in all respect with other shares.

Options have been valued using the Black Scholes option valuation method. The following table lists the inputs to the model for Directors options outstanding during the period:

	Options
Dividend yield (%)	0%
Expected volatility (%)	80%
Risk free frate (%)	0.47%
Expected life (years)	3.0
Exercise price ($)	$0.30
Grant date share price ($)	$0.10
Grant date	22 Dec 21
Expiry date	21 Dec 24
Number	4,500,000
Fair value at grant date ($)	$0.026

Other Transactions with KMP and their Related Parties

There were no related party transactions in the year ended 30 June 2023.

On 12 January 2022, the Company entered into a binding heads of agreement with OreMin Consultancy Pty Ltd (OreMin), a company of which Mr Sivasamy is the controller of, for the purchase of two tenements E45/5952 Upper Coondina and E45/5945 Woodie Woodie North. In consideration, OreMin received 5,000,000 shares in the Company on completion of its Initial Public Offer (IPO). This IPO completed on 27 June 2022 and the shares were issued to OreMin on this date.

There were no other transactions with KMPs or related parties during the year.

END OF AUDITED REMUNERATION REPORT

Options Granted over Unissued Shares

As at the date of this report, the following options over ordinary shares are on issue:

Issue Date	Exercise Price $	Expiry	Amount
22 Dec 2021	$0.30	21 Dec 2024	4,500,000
27 Jun 2022	$0.30	27 Jun 2025	1,000,000
Total			**5,500,000**

Performance Rights

As at the date of this report, the following performance rights are on issue:

Issue Date	Exercise Price $	Expiry	Amount
27 Jun 2022	-	21 Dec 2024	4,270,000
Total			**4,270,000**

Non- Audit Services

The auditor of the Company and the Consolidated Entity is Hall Chadwick WA Audit Pty Ltd (Hall Chadwick).

For the year ended 30 June 2023, Hall Chadwick provided no non-audit services.

For the period of incorporation to the year ended 30 June 2022, Hall Chadwick, provided an Independent Limited Assurance Report required for the Company's Initial Public Offering. The total cost of these services was $12,500.

The Board of Directors are satisfied that the provision of non-audit services by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of non-audit services provided do not compromise the independence of the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Indemnification of Auditors

The Company has not indemnified its auditors, Hall Chadwick WA Audit Pty Ltd.

Indemnification and Insurance of Officers

The Company has taken out an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim bought by a third party against the Company or its current or former Directors or Officers and against liabilities for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company indemnifies each of the Directors and Officers of the Company. Under its Constitution, the Company will indemnify those Directors or Officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as Directors or Officers of the Company or any related entities.

This report is made in accordance with a resolution of Directors.

Richard Beazley
Chairman

Perth, Western Australia
28 September 2023

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 Metalsgrove Mining 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

D Bell

D M BELL CA
Director

Dated this 28th day of September 2023
Perth, Western Australia

	Notes	2023 $	2022[1] $
Other income		76,359	3,000
Share-based payments	13	(209,075)	(204,714)
Administrative & other expenses	5	(738,494)	(364,488)
Loss before income tax		**(871,210)**	**(566,202)**
Income tax expense	6	-	-
Loss for the year		**(871,210)**	**(566,202)**
Items that may be reclassified to profit or loss:			
Other comprehensive income		-	-
Other comprehensive loss for the year attributable to owners of the Company		**(871,210)**	**(566,202)**
Loss per share attributable to ordinary equity holders:			
Basic and diluted loss per share (cents)		(1.653)	(8.182)

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

(1) From incorporation on 26 November 2021 to 30 June 2022.

	Notes	2023 $	2022[1] $
Current assets			
Cash and cash equivalents	8	3,105,001	6,688,149
Other current assets	9	108,324	40,545
Total current assets		3,213,325	**6,728,694**
Non-current assets			
Exploration and evaluation	10	5,078,059	2,254,481
Property, plant and equipment		7,189	2,511
Other financial asset		77,892	-
Total non-current assets		5,163,140	**2,256,992**
Total assets		8,376,465	**8,985,686**
Current liabilities			
Trade and other payables	11	698,511	645,597
Total current liabilities		698,511	**645,597**
Total liabilities		698,511	**645,597**
Net assets		7,677,954	**8,340,089**
Equity			
Contributed equity	12	8,701,577	8,701,577
Reserves	13	413,789	204,714
Accumulated losses		(1,437,412)	(566,202)
Total equity		**7,677,954**	**8,340,089**

The above statement should be read in conjunction with the accompanying notes.
(1) From incorporation on 26 November 2021 to 30 June 2022.

	Contributed equity $	Share-based payment Reserve $	Accumulated losses $	Total equity $
Balance as at date of incorporation	-	-	-	-
Loss for the year	-	-	(566,202)	(566,202)
Total comprehensive loss for the year	-	-	(566,202)	(566,202)
Transactions with owners in their capacity as owners:				
Share-based payments issue	-	204,714	-	204,714
Issue of shares	8,701,577	-	-	8,701,577
Balance as at 30 June 2022[1]	**8,701,577**	**204,714**	**(566,202)**	**8,340,089**
Loss for the year	-	-	(871,210)	(871,210)
Total comprehensive loss for the year	-	-	(871,210)	(871,210)
Transactions with owners in their capacity as owners:				
Share-based payments issue	-	209,075	-	209,075
Balance as at 30 June 2023	**8,701,577**	**413,789**	**(1,437,412)**	**7,677,954**

The above statement should be read in conjunction with the accompanying notes.
(1) From incorporation on 26 November 2021 to 30 June 2022.

	Notes	2023 $	2022[1] $
Cash flows from operating activities			
Payments to suppliers and employees		(715,804)	(36,284)
Interest received		76,359	-
Net cash outflow from operating activities	8	**(639,445)**	**(36,284)**
Cash flows from investing activities			
Payments for property, plant and equipment		(7,502)	(2,511)
Payments for exploration activities		(2,325,948)	(90,991)
Payments for security deposits		(74,892)	-
Net cash outflow from investing activities		**(2,408,342)**	**(93,502)**
Cash flows from financing activities			
Proceeds from issues shares		-	7,207,490
Transaction costs from issue of shares		(535,361)	(389,555)
Net cash inflow from financing activities		**(535,361)**	**6,817,935**
Net increase in cash and cash equivalents		(3,583,148)	6,688,149
Cash and cash equivalents at the beginning of the period		6,688,149	-
Cash and cash equivalents at the end of the year [1]	8	**3,105,001**	**6,688,149**

The above statement should be read in conjunction with the accompanying notes.
(1) From incorporation on 26 November 2021 to 30 June 2022.

1 Corporate information

The consolidated financial report of MetalsGrove Mining Limited for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 28 September 2023. The Board of Directors has the power to amend the consolidated financial statements after issue.

MetalsGrove Mining Limited (the 'Company' or 'MetalsGrove') is a for-profit company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company and its subsidiaries were incorporated and domiciled in Australia. The registered office and principal place of business of the Company is 6/123A Colin Street, West Perth, WA 6005.

2 Reporting entity

The Consolidated Financial Statements comprise of the Company and its subsidiaries, (together referred to as the 'Consolidated Entity' or the 'Group').

3 Basis of preparation

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Consolidated Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are required to be measured at fair value.

Comparatives are from the date of incorporation 15 November 2021 to 30 June 2022.

a) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

4 Segment information

Identification of reportable segments

The Group is organised into one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

The Company operates in one reportable segment, being exploration in Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

5 Expenses

	2023 $	2022 $
Administrative expenses		
Investor and corporate costs	135,278	34,894
Insurance	60,275	7,500
Consultants	144,508	123,439
Administration costs	110,896	13,906
Occupancy costs	43,033	21,205
Personnel costs	218,272	-
IPO listing costs expensed	26,232	163,544
	738,494	364,488

6 Income tax expense

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

	2023 $	2022 $
Loss from continuing operations before income tax	871,210	566,202
Tax at the Australian tax rate of 25% (2022: 25%)	(217,803)	(141,551)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-assessable items	13,812	27,928
Temporary differences not bought to account	203,991	113,623
Tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian Tax Law. There has been no change in this tax rate since the previous reporting period.

Accounting Policy

A deferred tax asset ('DTA') on the timing differences has not been recognised as they do not meet the recognition criteria as outlined in below. A DTA has not been recognised in respect of tax losses either as realisation of the benefit is not regarded as probable.

The taxation benefits will only be obtained if:

a) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
b) the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
c) no changes in tax legislation adversely affect the consolidated entity in realising the benefits from the deductions for the loss.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences or losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

6 Income tax expense (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

7 Loss per share

	2023 $	2022 $
Loss used in calculating basic and diluted loss per share	(871,210)	(566,202)
Loss used in calculating basic and diluted loss per share from continuing operations	(871,210)	(566,202)

	2023 Number	2022 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	6,920,185	6,920,185

Basic earnings/loss per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares by the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

8 Cash and cash equivalents

	2023 $	2022 $
Cash at bank and in hand	105,001	6,688,149
Short term deposits	3,000,000	-
	3,105,001	**6,688,149**

Accounting Policy

Cash and short-term deposits comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Reconciliation of loss for the year to net cash flows from operations:

	2023 $	2022 $
Loss for the year	**(871,210)**	**(566,202)**
Share-based payment expense	209,075	204,714
Depreciation expense	2,823	-
IPO costs expensed	26,232	163,544
Other	-	3,000
Changes in operating assets and liabilities		
Decrease/(increase) in other assets	(42,492)	(23,045)
(Decrease)/increase in trade and other payables	36,127	187,705
Net cash flows from operating activities	**(639,445)**	**(36,284)**

Non-cash financing and investing activities:

Refer Note 12.

9 Other current assets

	2023 $	2022 $
Other current assets[1]	108,324	40,545
	108,324	**40,545**

[1] Other current assets represent the prepaid portion of the Group's corporate insurances and GST receivable.

10 Exploration and evaluation expenditure

	2023 $	2022 $
Opening balance	**2,254,481**	**-**
Acquisition of WA projects [1]	-	1,000,000
Acquisition of NT projects [2]	-	1,140,000
Expenditure incurred	2,823,578	114,481
Closing balance	**5,078,059**	**2,254,481**

[1] On 27 June 2022, the Company issued 5.0 million fully paid ordinary shares at an issue price of $0.20 per share to OreMin Consultants Pty Ltd for the purchase of E45/5945 and E45/5952 (WA projects).

[2] On 27 June 2022, the Company issued 0.950 million fully paid ordinary shares to Territory Lithium Pty Ltd, at an issue price $0.20 per share, for the acquisition of the tenements EL 32420, EL32419 and EL31225 (NT projects). A further 4.75 million fully paid ordinary shares were issued to Shree Minerals Limited (Shree), at an issue price of $0.20 per share, for the contractual rights that Shree had with third parties in relation to the NT projects.

Accounting Policy

The ultimate recoupment of costs carried forward for areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation, or sale, of the respective areas of interest. For areas which do not meet the criteria of the accounting policy, those amounts are charged to the Consolidated Statement of Comprehensive Income.

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the consolidated statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

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

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

11 Trade and other payables

	2023 $	2022 $
Trade and other payables	698,511	645,597
	698,511	**645,597**

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

Accounting Policy

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

12 Contributed equity

Issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received.

	Number of shares	$
Issue of Incorporation Shares	10,000	100
Issue of Shares @ $0.003	1,500,000	4,390
Issue of Shares @ $0.10	5,000,000	500,000
Issue of Shares @ $0.10	3,000,000	300,000
Issue of Shares through IPO @ $0.20 [1]	32,000,000	6,400,000
Issue of Shares to OreMin [2]	5,000,000	1,000,000
Issue of Shares to TLPL [3]	950,000	190,000
Issue of Shares to Shree [3]	4,750,000	950,000
Issue of Shares to Ventnor [4]	500,000	100,000
Transaction costs	-	(742,913)
As at 30 June 2022	**52,710,000**	**8,701,577**
As at 30 June 2023	**52,710,000**	**8,701,577**

[1] On 13 May 2022, the Company issued a Prospectus for an Initial Public Offering for the purpose of supporting an application for listing on the Australian Securities Exchange. On 27 June 2022, the Initial Public Offering (IPO) was completed, with the Company being admitted to the Official List of the Australian Securities Exchange on 4 July 2022. As a result of the Initial Public Offering completing, 32 million fully paid ordinary shares were issued at an issue price of $0.20 per share.

[2] On 27 June 2022, the Company issued 5.0 million fully paid ordinary shares at an issue price of $0.20 per share to OreMin Consultants Pty Ltd for the purchase of E45/5945 and E45/5952 (WA projects). Refer note 10.

[3] On 27 June 2022, the Company issued 0.950 million fully paid ordinary shares to Territory Lithium Pty Ltd (TLPL), at an issue price $0.20 per share, for the acquisition of the tenements EL 32420, EL32419 and EL31225 (NT projects). A further 4.75 million fully paid ordinary shares were issued to Shree Minerals Limited (Shree), at an issue price of $0.20 per share, for the contractual rights that Shree had with third parties in relation to the NT projects. Refer note 10.

[4] On 27 June 2022, the Company issued 0.500 million fully paid ordinary shares to Ventnor Securities Pty Ltd at an issue price of $0.20 per share, for services provider as Lead Manager of the Company's IPO.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management

The Group's debt and capital includes ordinary share capital and debt. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group is able to fund its future activities.

13 Share-based Payments

The Company provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The Company currently provides benefits under an Employee Incentive Scheme. This Scheme was provided in the Company's Prospectus dated 13 May 2022.

Options

Each option entitles the holder, on exercise to one fully paid ordinary share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after the option has vested and any other conditions imposed by the Board on exercise are satisfied. The board may determine the vesting period, if any.

13 Share-based Payments (continued)

There are no voting or dividend rights attached the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary share when the options have been exercised.

The number and weighted average exercise prices of share options outstanding at 30 June 2023 is as follows:

	2023		2022	
	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options
Outstanding at the beginning of the year	$0.30	5,500,000	-	-
Granted during the year	-	-	$0.30	5,500,000
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	$0.30	5,500,000	$0.30	5,500,000
Exercisable at the end of the year	$0.30	5,500,000	$0.30	5,500,000

The weighted average contractual life remaining as at 30 June 2023 is 1.57 years (2022: 2.57 years).

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The total value of the options recognised is $202,996.

The fair value of the options is estimated at the grant date using a Black Scholes option-pricing model. The following table lists the weighted average inputs to the model for the options outstanding during the period:

	2023	2022
Dividend yield (%) (weighted average)	0%	0%
Expected volatility (%) (weighted average)	80%	80%
Risk free frate (%) (weighted average)	0.99%	0.99%
Expected life (years) (weighted average)	3.0	3.0
Exercise price ($) (weighted average)	$0.30	$0.30
Grant date share price ($)(weighted average)	$0.12	$0.12
Number	5,500,000	5,500,000
Fair value at grant date ($) (weighted average)	$0.04	$0.04

Refer to the Remuneration Report for details of the 4,500,000 options granted to the Directors during the year. The remaining 1,000,000 options were granted to the lead manager for the capital raising services undertaken for the Company's Initial Public Offering.

Performance Rights

There are no participating rights or entitlements inherent in the performance rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the performance rights. All shares allotted upon the vesting of performance rights will rank pari passu in all respect with other shares.

Under the terms and conditions of the performance rights granted, each performance right is converted to one fully paid ordinary share upon meeting the vesting criteria.

The performance rights vesting criteria is shown in the table below:

Class	Number of Performance Rights	Vesting Criteria
Class A	1,650,000	The Shares trade at a volume weighted average price of at least $0.40 over a 20 day period (20 Day VWAP) within two years from the date of issue of the Class A Performance Rights.
Class B	1,450,000	The Shares trade at a 20 Day VWAP of at least $0.50 within two years from the date of issue of the Class B Performance Rights.
Class C	1,170,000	The Company announcing any one of the following downhole drilling intercepts: a) at least 10m @ 1.25% Cu; or b) at least 10M @ 36% Mn; or c) at least 10m @ 1% Li, within two years from the date of issue of the Class C Performance Rights.

13 Share-based Payments (continued)

Performance rights have been valued using a Monte Carlo Share Price Simulation Model. The following table lists the inputs to the model for Performance Rights outstanding during the period:

	Class A	Class B	Class C
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	80%	80%	80%
Risk free frate (%)	2.90%	2.90%	2.90%
Expected life (years)	2	2	2
Exercise price ($)	$0.00	$0.00	$0.00
Grant date share price ($)	$0.20	$0.20	$0.20
Grant date	27 June 2022	27 June 2022	27 June 2022
Expiry date	27 June 2024	27 June 2024	27 June 2024
Number	1,650,000	1,450,000	1,170,000
Fair value at grant date ($)	$0.09	$0.07	$0.20

The weighted average contractual life remaining as at 30 June 2023 is 0.99 years (2022: 1.99 years.)

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The total expenditure recognised in the statement of comprehensive income is $209,075.

Accounting Policy

The cost of share-based payments is recognised in employee benefits expense, together with a corresponding increase in Share-Based Payments Reserve in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the number of awards that, in the opinion of the Directors, will ultimately vest. Not adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled aware is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

The Group measures the cost of equity-settled share-based payments at fair value at the grant using a Black Scholes option-pricing model by taking into account the terms and conditions upon which the instruments were granted.

14 Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk; credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and use of financial instruments and investment of excess liquidity where appropriate.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to related parties.

14 Financial risk management (continued)

Interest rate risk

The Group's exposure to market risk for changes in interest rates arise from variable interest rate exposure on cash, fixed deposits and interest-bearing liabilities.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short-term, fixed rate and variable rate deposits with reputable high credit quality financial institutions. With interest bearing liabilities, consideration is also given to the potential renewal of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following table summarises the financial assets and liabilities of the Group, together with the effective interest rates as at the balance date.

2023	Fixed interest maturing in:					Average interest rates	
	Floating interest rate	< 1 year	1 – 5 years	> 5 years	Non-interest bearing	Floating	Fixed
	$	$	$	$	$	%	%
Cash and cash equivalents	-	3,000,000	-	-	105,001	-	3.30%
Other current assets	-	-	-	-	108,324	-	-
Other financial asset	-	-	-	-	77,892	-	-
Trade and other payables	-	-	-	-	698,511	-	-

2022	Fixed interest maturing in:					Average interest rates	
	Floating interest rate	< 1 year	1 – 5 years	> 5 years	Non-interest bearing	Floating	Fixed
	$	$	$	$	$	%	%
Cash and cash equivalents	-	-	-	-	6,688,149	-	-
Other current assets	-	-	-	-	40,545	-	-
Trade and other payables	-	-	-	-	645,597	-	-

As at 30 June 2023, a movement of 1% in interest rates, with all other variables being held constant, results in an immaterial movement in post-tax loss and equity.

The movements in loss after income tax are due to higher/lower interest costs from fixed and variable rate debt and cash balances during the relevant year. Reasonably possible movements in interest rates were determined based on observations of historical movements in the past two years.

The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

Credit risk

Credit risk arises from the financial assets of the Group, and its exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the instruments. The Group's exposure to credit risk is minimal and results only from its exposure in cash and cash equivalents and trade receivables.

Liquidity risk

The Group's objective is to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner.

The Group's treasury function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

14 Financial risk management (continued)

2023	< 1 year	1 – 5 years	Total
	$'000	$'000	$'000
Cash and cash equivalents	3,105,001	-	3,105,001
Other current assets	108,324	-	108,324
Trade and other payables	(698,511)	-	(698,511)
Net outflow	**2,514,814**	**-**	**2,514,814**

2022	< 1 year	1 – 5 years	Total
	$'000	$'000	$'000
Cash and cash equivalents	6,688,149	-	6,688,149
Other current assets	40,545	-	40,545
Trade and other payables	(645,597)	-	(645,597)
Net outflow	**6,083,097**	**-**	**6,083,097**

15 Subsidiaries

The Consolidated Financial Statements include the financial statements of MetalsGrove Mines Limited and the subsidiaries listed in the following table:

Name of Entity	Country Incorporated	Class of Shares	2023	2022
			Equity Holding	
Territory Lithium Pty Ltd	Australia	Ordinary	100%	100%

16 Parent entity information

	2023 $	2022 $
Current assets	3,213,122	6,728,695
Non-current assets	5,157,140	2,250,991
Current liabilities	698,511	639,597
Issued capital	8,701,577	8,701,577
Reserves	413,789	202,996
Accumulated losses	(1,443,412)	(564,484)
Total equity	**7,671,954**	**8,340,089**
Loss for the year	(877,209)	(564,484)
Total comprehensive loss for the year	(877,209)	(564,484)

The Company has no material contingent liabilities.

17 Contingent assets and liabilities

The Group had no contingent assets or liabilities at 30 June 2023 (2022: nil).

18 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023	2022 $
Auditing and reviewing of financial reports	23,165	6,577
Independent limited advisory services	-	13,500
	23,165	**20,077**

The auditor of the parent entity for the period ended 30 June 2023 and 30 June 2022 is Hall Chadwick WA Audit Pty Ltd.

19 Commitments

Exploration and evaluation expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet the minimum expenditure requirements specified by various State and Territory Governments. 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 this financial report.

The minimum level of exploration commitment expected in the year ending 30 June 2023 for the Group is approximately $315,000 (2022: $122,375). These obligations are expected to be fulfilled in the normal course of operations.

20 Related party transactions

Other transactions with related parties

There were no transactions with related parties for the year ended 30 June 2023.

On 12 January 2022, the Company entered into a binding heads of agreement with OreMin Consultancy Pty Ltd (OreMin), a company of which Mr Sivasamy is the controller of, for the purchase of two tenements E45/5952 Upper Coondina and E45/5945 Woodie Woodie. In consideration, OreMin received 5,000,000 shares in the Company on completion of its Initial Public Offer (IPO). This IPO completed on 27 June 2022 and the shares were issued to OreMin on this date. This transaction was entered into at arm's length terms.

Refer to note 13 for the details of share-based payments granted to the Directors during the period.

There were no other transactions with KMPs or related parties during the year.

21 Key management personnel disclosures

Details of key management personnel

The names and positions of the KMP of the Company and the Group during the financial year were:

Richard Beazley	Independent Non-Executive Chair
Sean Sivasamy	Managing Director and CEO
Haidong Chi	Non-Executive Director

Compensation of key management personnel

	2023 $	2022 $
Short-term employee benefits	376,000	-
Post-employment benefits	39,480	-
Share-based payments	209,075	117,377
	624,555	**117,377**

22 Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

23 Critical accounting estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Exploration and evaluation

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if rights to tenure of the area of interest are current and activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverab le reserves. To the extent that is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

24 Changes in accounting policy

In the year ended 30 June 2023, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

25 New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2023 but have not been applied in preparing this financial report. Except where noted, the Group has evaluated the impact of the new standards and interpretations listed below and determined that the changes are not likely to have a material impact on its financial statements.

AASB2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendments require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period.

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

Application date of Standard:	1 January 2023	**Application date for Group:**	1 July 2023

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

The amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.

Application date of Standard:	1 January 2023	**Application date for Group:**	1 July 2023

In the Directors' opinion:

(a) the Consolidated Financial Statements and notes and Remuneration Report are in accordance with the *Corporations Act 2001*, including:

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

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations as required by section 295A of the *Corporations Act 2001*.

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

Richard Beazley
Chairman

Perth, Western Australia
28 September 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF METALSGROVE MINING LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MetalsGrove Mining 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 3.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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.

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
Exploration and Evaluation

At balance date, the carrying amount of exploration and evaluation assets was $5,078,059.

The recognition and recoverability of exploration and evaluation assets was considered a key audit matter due to:

The carrying value of the assets represents a significant asset of the Consolidated Entity, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount;
Determining whether impairment indicators exist involves significant judgement by management; and
The exploration and evaluation balance has a material effect on the Consolidated Entity’s financial position.

</td><td>
Our audit procedures included but were not limited to:

Assessing management’s determination of its areas of interest for consistency with the definition in AASB 6 Exploration and Evaluation of Mineral Resources (“AASB 6”);
For each area of interest, we assessed the Consolidated Entity’s rights to tenure on a sample basis by corroborating to government registries;
Testing the Consolidated Entity’s exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the requirements of the Consolidated Entity’s accounting policy and the requirements of AASB 6;
By testing the status of the Consolidated Entity’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:

The licenses for the rights to explore expiring in the near future or are not expected to be renewed;
Substantive expenditure for further exploration in the area of interest is not budgeted or planned;

</td></tr>
</table>

Key Audit Matter	How our audit addressed the Key Audit Matter
	○ Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ 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.

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 3, 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 responsibility is to express an opinion on the financial report based on our audit. 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.
- 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

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.

Auditor's Opinion

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

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Director

Dated this 28th day of September 2023
Perth, Western Australia

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 August 2023.

Issued Equity Capital

	Ordinary Shares	Options	Performance Rights
Number of holders	460	9	3
Number on issue	52,710,000	5,500,000	4,270,000

Voting Rights

Voting rights, on a show of hands, are one vote for every registered holder of Ordinary Shares and on a poll, are one vote for each share held by registered holders of Ordinary Shares. Options and Performance Rights do not carry any voting rights.

Distribution of Holdings of Equity Securities

Holding ranges	Number of Equity Security Holders	
	Ordinary Shares	Units
1 – 1,000	11	1,776
1,001 – 5,000	84	290,592
5,001 – 10,000	120	1,088,500
10,001 – 100,000	189	6,748,812
100,001 and over	56	44,580,320
Total	**460**	**52,710,000**
Holding ranges	**Number of Option Holders**	
	Options	**Units**
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	2	200,000
100,001 and over	7	5,300,000
Total	9	5,500,000
Holding ranges	**Number of Performance Rights Holders**	
	Performance Rights	**Units**
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	3	4,270,000
Total	**3**	**4,270,000**

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel (being 222,025 shares based on a share price of $0.11 at 31 August 2023) was 80.

Substantial Shareholders

	Number of Ordinary Shares	Percentage (%)
Anbarasan (Sean) Sivasamy [1]	6,410,000	12.16%
Haidong Chi [2]	5,330,000	10.11%
Shree Minerals Limited [3]	4,750,000	9.01%
Bright Element Pty Ltd [4]	6,000,000	11.38%

1. As lodged on ASX on 13 Jul 2022.
2. As lodged on ASX on 14 Jul 2022.
3. As lodged on ASX on 25 Jul 2022.
4. As lodged on ASX on 26 Jul 2022.

On Market Buy Back

There is no current on-market buy-back.

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	BRIGHT ELEMENT PTY LTD <YUANLIU FAMILY A/C>	6,140,000	11.65%
2	OREMIN CONSULTANTS PTY LTD <SIVASAMY FAMILY A/C>	6,110,000	11.59%
3	MRS HUI AN	5,500,000	10.43%
4	FOUNTAIN STREAM PTY LTD <FOUNTAIN RIVER A/C>	5,000,000	9.49%
5	CATALINA RESOURCES LTD	4,750,000	9.01%
6	MR BO JI	2,420,744	4.59%
7	GOLDEN HOPE PTY LTD <THE WILLIAM FAMILY A/C>	1,500,000	2.85%
8	MR YONGCHUN WANG	901,180	1.71%
9	CENTENNIAL FOUNDA MANAGEMENT PTY LTD	750,000	1.42%
10	HAFA SUPER PTY LTD <HAFA SF A/C>	702,828	1.33%
11	VENTNOR SECURITIES PTY LTD	500,000	0.95%
11	MRS HUI AN	500,000	0.95%
12	YUANS RARE METALS RESOURCES PTY LTD	439,766	0.83%
13	TAMBOURAH METALS LIMITED	400,000	0.76%
13	MR DAVID HATHWAY	400,000	0.76%
14	AUSTRALIAN INSTITUTE OF TRANSLATION AND INTERPRETATION PTY LTD	340,000	0.65%
15	MR HAIDONG CHI	330,000	0.63%
16	PARKRANGE NOMINEES PTY LTD	300,000	0.57%
16	SIVASAMY NOMINEES PTY LTD <SIVASAMY SF A/C>	300,000	0.57%
16	UGAA SUPERFUND PTY LTD <BINDOO SUPERFUND A/C>	300,000	0.57%
16	BLUESEA AUSTRALIA PTY LTD	300,000	0.57%
17	MR JASWINDER PAL SINGH SAHNI	270,416	0.51%
18	MS HANNI XU	270,000	0.51%
19	MR HOAI NAM NGUYEN	268,384	0.51%
20	MR BERNARD HANLEY	250,000	0.47%
20	MR TIMOTHY JOHN KING & MRS DEBBIE ANNE KING <T & D KING SUPER FUND A/C>	250,000	0.47%
20	MR PAI LIU	250,000	0.47%
	TOTAL	**39,443,318**	**74.83%**

Corporate Governance

The Company's 2023 Corporate Governance Statement is available for in the Corporate Governance section of the Company's website:

This document is reviewed regularly to address any changes in governance practices and the law.

The below table details the Group's interest in mining tenements as at 30 June 2023.

Tenement	Location	Status	Registered Holder	Interest at 30 June 2023
E45/5952	Upper Coondina	Granted	MetalsGrove Mining Limited	100%
E45/5945	Woodie Woodie North	Granted	MetalsGrove Mining Limited	100%
EL 32420	Edwards Creek	Granted	Territory Lithium Pty Ltd	100%
EL 31225	Bruce	Granted	Territory Lithium Pty Ltd	100%
EL 32419	Box Hole	Granted	Territory Lithium Pty Ltd	100%