

MEDALLION METALS

L I M I T E D

Interim Financial Report
For the half year ended 31 December 2022

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DISCLAIMER

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

Corporate directory

Directors

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

Management

Ben Larkin	Chief Financial Officer & Company Secretary
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Registered Office

Suite 1, 11 Ventnor Avenue
West Perth, WA 6005

ABN

89 609 225 023

Contact

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

Share Registry

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

Stock Exchange Listing

ASX Ltd
ASX code: MM8

Auditor

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

Directors' Report

Directors' report for the six months ended 31 December 2022

The directors of Medallion Metals Limited (the **Company** or **Medallion**) present their report together with the consolidated interim financial statements of the Medallion group, being the Company and its subsidiaries (together the **Group**), for the six months ended 31 December 2022 (the **period**) and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are as set out below. Directors were in office for the entire period unless otherwise stated.

Mr John Fitzgerald	Non-Executive Director, Chair
Mr Paul Bennett	Managing Director
Mr Anthony (Tony) James	Non-Executive Director
Mr Edmund Ainscough	Non-Executive Director

Financial performance

The Company's net loss after tax attributable to the shareholders for the half year to 31 December 2022 was \$1,965,096 (31 December 2021 loss: \$119,105). The Company's net assets increased during the half year by \$3,041,866 (31 December 2021 increased: \$4,765,350). The Company's cash position, inclusive of restricted cash, as at 31 December 2022 was \$2,839,513 (31 December 2021: \$6,801,609).

Review of operations

Project location

The Company's projects are located in the Goldfields-Esperance region of Western Australia approximately 550km from Perth, comprising approximately 300km² of mineral tenure straddling the boundary of the Annabelle Volcanics and the Ravensthorpe Tonalite. It is this corridor that has hosted the majority of historical gold and copper production from the region and is host to the Medallion's existing gold-copper Mineral Resources and regional prospects.

Exploration and evaluation activities

The Company's exploration and evaluation efforts during the period have been focussed on the Kundip Mining Centre (**KMC**) at the southeast end of at the Ravensthorpe Gold Project (**RGP**) (Figure 1).

During the period, approximately 7,500m of extensional Reverse Circulation (**RC**) and Diamond Drilling (**DDH**) was completed at KMC, which yielded multiple high-grade gold and copper results.

Directors' Report

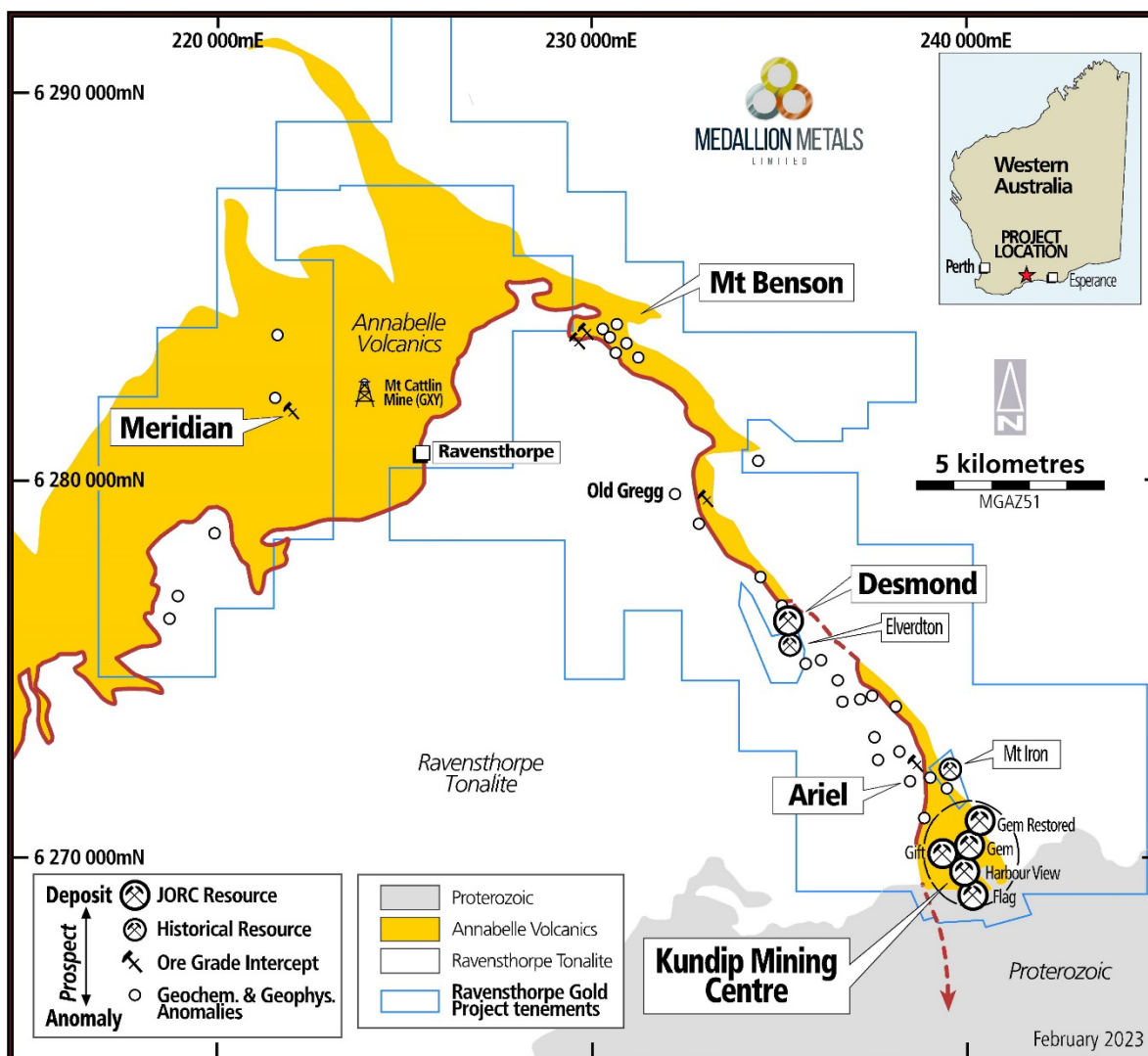


Figure 1: Plan view of RGP highlighting Medallion's dominant ground holding over the Annabelle Volcanics.

Mineral Resource Estimate Update

The Company's exploration efforts have culminated in the release of an updated JORC (2012) Mineral Resource Estimate (MRE) of 1.62Moz @ 2.6 g/t AuEq¹ (Table 1). The updated MRE is premised on approximately 43,500m of RC and DDH drilling undertaken since Medallion's listing on the ASX in March 2021.

Mineral Resource Estimate for the Ravensthorpe Gold Project – February 2023							
Classification	kt	Au g/t	Au koz	Cu %	Cu kt	AuEq g/t	AuEq koz
Indicated	12,110	2.0	790	0.3	36	2.5	980
Inferred	7,370	2.2	510	0.3	23	2.7	640
Grand Total	19,480	2.1	1,300	0.3	59	2.6	1,620

Table 1: RGP MRE

Overall gold equivalent metal content has increased by 112% (855koz), comprising of a 93% (+627koz) in gold and a 238% (+42kt) in contained copper metal in under two years since Medallion's ASX listing.

The MRE update includes initial MRE's for the Gem Restored, Gift and Desmond deposits in addition to MRE updates for the Gem, Harbour View and Flag deposits.

¹ Refer to ASX release dated 13 February 2023 for further details.

Directors' Report

A further 4,735m of drilling has been completed but missed the data collection cut-off date. When assays are returned from the laboratory for this drilling, it will inform future updates of the global MRE. The updated MRE will form the basis of a KMC Pre-Feasibility Study to be completed during the 2023 calendar year.

Ravensthorpe Camp

Medallion's 89-person Worker Accommodation Village (**Camp**) located in the regional centre of Ravensthorpe continued to provide accommodation services to third party businesses operating in the region. The Camp has experienced significant increased demand for its services with total of 11,424 accommodation days invoiced during the half year (2021: 9,638 days), resulting in Camp revenue of approximately \$1.5 million (2021: \$1.1 million). The Company expects strong demand to continue for accommodation services at the Camp for the foreseeable future.

NickelSearch Investment

Medallion holds a 15.1% interest in NickelSearch Limited (ASX:NIS), a dedicated WA Nickel sulphide explorer focused on advancing the Carlingup Nickel Sulphide Project, which contains a JORC 2012 resource of 171kt of nickel metal. Medallion acquired the interest in NickelSearch following the divestment of the RAV8 Nickel Project and certain mineral rights over select tenure in 2021. The market value of this shareholding as at 31 December 2022 was approximately \$2.5 million.

Fully Underwritten Entitlement Offer

During the period, the Company closed a fully underwritten non-renounceable entitlement issue raising \$5,218,136 (before costs) through the issue of 32,613,353 shares (**Offer**). The Offer entitled shareholders to subscribe for 1 new share at an issue price of \$0.16 per share for every 6 shares held at the record date of 4 August 2022. The Offer included the ability for the Company to place any shortfall in entitlement acceptances in a Shortfall Offer to new or existing shareholders.

Subsequent events

Option expiry

On 31 January 2023, 25,000,000 ASX listed options (ASX: MM8O) and 4,000,000 unlisted options expired without exercise in accordance with their terms.

Other than as disclosed in this Directors' Report, there have been no other events subsequent to balance date which would have a material effect on the Group's interim financial report.

Going concern

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

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 20 and forms part of the directors' report for the six months ended 31 December 2022.

This report is made with a resolution of the directors:



Paul Bennett

Managing Director

Dated at Perth, this 15th day of March 2023

Consolidated interim financial statements

Consolidated interim statement of financial position

As at 31 December 2022

	Note	Dec 2022 \$	Jun 2022 \$
Assets			
Cash and cash equivalents		2,765,209	1,844,070
Restricted cash		74,304	74,304
Prepayments		31,775	80,496
Trade and other receivables		223,545	253,025
Total current assets		3,094,833	2,251,895
Listed equity instruments	5	2,514,186	2,042,776
Exploration and evaluation assets	6	11,912,075	10,708,100
Property, plant and equipment	7	941,391	894,585
Right of use assets	8	122,934	31,445
Total non-current assets		15,490,586	13,676,906
Total assets		18,585,419	15,928,801
Liabilities			
Trade and other payables		(505,428)	(1,078,556)
Lease liabilities	8	(71,077)	(21,819)
Employee benefits		(328,141)	(227,801)
Total current liabilities		(904,646)	(1,328,176)
Lease liabilities	8	(54,843)	(16,561)
Borrowings		(4,000,000)	(4,000,000)
Provisions		(698,552)	(698,552)
Total non-current liabilities		(4,753,395)	(4,715,113)
Total liabilities		(5,658,041)	(6,043,289)
Net assets		12,927,378	9,885,512
Equity			
Share capital	9	28,367,090	23,436,069
Reserves		3,469,435	3,393,493
Accumulated losses		(18,909,147)	(16,944,050)
Total equity		12,927,378	9,885,512

The notes on pages 11 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2022

	Note	Dec 2022 \$	Dec 2021 \$
Camp revenue		1,539,773	1,060,824
Net gain on disposal of non-current assets		-	3,620,629
Grants and subsidies		14,954	-
Administrative expenses		(1,046,170)	(1,385,283)
Exploration and evaluation expenses		(2,846,387)	(2,745,905)
Changes in fair value of equity listed investments	5	471,410	(549,978)
Results from operating activities		(1,866,420)	287
Finance income		29,642	7,101
Finance expense		(128,318)	(126,494)
Net finance expense		(98,676)	(119,393)
Income tax benefit/(expense)		-	-
Loss for the period after income tax		(1,965,096)	(119,106)
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive profit/(loss) for the period net of tax		-	-
Total comprehensive loss for the period		(1,965,096)	(119,106)
Earnings per share			
Basic loss per share		(0.01)	(0.00)
Diluted loss per share		(0.01)	(0.00)

The notes on pages 11 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of changes in equity

For the six months ended 31 December 2022

	Note	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance 1 July 2021		19,361,365	2,348,680	(13,347,327)	8,362,718
Total comprehensive loss for the period					
Loss for the period		-	-	(119,106)	(119,106)
Total comprehensive loss for the period		-	-	(119,106)	(119,106)
Transactions with owners recorded directly in equity					
contributions by and distributions to owners					
Issue of shares, net of costs		4,402,425	-	-	4,402,425
Share based payments		-	482,031	-	482,031
Total contributions by and distributions to owners		4,402,425	482,031	-	4,884,456
Balance as at 31 December 2021		23,763,790	2,830,711	(13,466,433)	13,128,068

	Note	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance 1 July 2022		23,436,069	3,393,493	(16,944,050)	9,885,512
Total comprehensive loss for the period					
Loss for the period		-	-	(1,965,096)	(1,965,096)
Total comprehensive loss for the period		-	-	(1,965,096)	(1,965,096)
Transactions with owners recorded directly in equity					
contributions by and distributions to owners					
Issue of shares, net of costs	9	4,931,020	-	-	4,931,020
Share based payments	10	-	75,942	-	75,942
Total contributions by and distributions to owners		4,931,020	75,942	-	5,006,962
Balance as at 31 December 2022		28,367,089	3,469,435	(18,909,146)	12,927,378

The notes on pages 11 to 16 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of cash flows

For the six months ended 31 December 2022

	Dec 2022	Dec 2021
	\$	\$
Cash flows from operating activities		
Loss for the period	(1,965,096)	(119,106)
Adjustments for:		
Depreciation	78,823	59,759
Net finance costs	91,917	112,636
Sale of non-current assets, settled in shares	-	(3,620,629)
Changes in fair value of listed equity instruments	(471,410)	549,978
Equity settled share based payment transactions	75,943	482,031
	(2,189,823)	(2,535,331)
Changes in:		
Prepayments	48,722	52,455
Trade and other receivables	(52,215)	217,657
Trade and other payables	(492,089)	(869,909)
Employee benefits and provisions	100,340	14,973
Net cash used in operating activities	(2,585,065)	(3,120,155)
Cash flows from investing activities		
Interest received	29,069	6,372
Payments for property, plant & equipment	(89,948)	(519,443)
Payments for exploration and evaluation assets	(1,203,975)	(2,704,661)
Net cash used in investing activities	(1,264,854)	(3,217,732)
Cash flows from financing activities		
Proceeds from the issue of shares, net of costs	4,931,020	4,402,425
Payments for interest on borrowings	(120,329)	(119,007)
Payments for lease liabilities	(39,632)	(39,350)
Net cash provided by/(used in) financing activities	4,771,059	4,244,068
Net decrease in cash and cash equivalents	921,140	(2,093,819)
Cash and cash equivalents as at 30 June	1,844,070	8,821,124
Cash and cash equivalents as at 31 December	2,765,210	6,727,305

The notes on pages 11 to 16 are an integral part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

1. Reporting entity

Medallion Metals Limited (the **Company**) is a for profit public company limited by shares and incorporated in Australia.

The consolidated interim financial statements of the Company as at and for the period from 1 July 2022 to 31 December 2022 comprise the Company and its subsidiaries (together referred to as the **Group**). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

2. Statement of compliance

The consolidated interim financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 30 June 2022.

The consolidated interim financial statements were approved by the Board of Directors on 15 March 2023.

3. Basis of preparation

a) Going concern

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

For the period ended 31 December 2022, the Group produced a loss after income tax of \$1,965,096. Cash outflows from operations and investment activities were \$3,849,919. As at 31 December 2022 the Group has a net working capital surplus, inclusive of current provisions, of \$2,190,187.

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

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

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

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

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

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

Notes to the consolidated interim financial statements

b) Significant accounting policies, judgements and estimates

Except as noted below, the accounting policies, significant judgements and estimates applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2022.

(i) Share based payments

8,761,000 performance options to directors and employees of the Company. Refer to note 10 for further details regarding the option grant.

The options are subject to a performance condition which must be satisfied in order for the options to vest. The performance condition comprises a non-market condition in the form of the requirement to achieve a specified level of JORC Resources and Reserves and achieving a Final Investment Decision at RGP.

While the timing of the satisfaction of the performance condition is not known at grant date, it is required to be estimated for the purposes of determining the period over which the option values will be expensed. The Company has estimated the timing of the satisfaction of the performance conditions, assessing that they will be satisfied during the 2025 financial year. Accordingly, the Company will expense the value of the options which are subject to the performance conditions over the period from their grant date through to 30 June 2025.

4. Segments

Operating segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Managing Director (the 'Chief Operating Decision Maker') in assessing performance and determining the allocation of resources.

The Group has one reportable segment, 'Mineral Exploration', which is the Group's strategic business unit.

Geographical segments

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

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

5. Listed equity instruments

	Dec 2022	Jun 2022
	\$	\$
Opening balance	2,042,776	-
Listed equity instruments acquired	-	3,142,732
Changes in fair value of listed equity instruments recognised in profit or loss	471,410	(1,099,956)
Balance at the end of the period	2,514,186	2,042,776
Current	-	-
Non-current	2,514,186	2,042,776
Balance at the end of the period	2,514,186	2,042,776

The Company's listed equity investments comprise of 15,713,662 NickelSearch Limited (ASX:NIS) shares which were granted as consideration for the divestment of the Company's nickel prospective tenure.

The closing NIS share price on the ASX as at 31 December 2022 was \$0.16 per share, which is higher than the price of \$0.13 per share at 30 June 2022. Accordingly, the Company has recognised an unrealised gain of \$471,410 as at the end of the period.

Notes to the consolidated interim financial statements

6. Exploration and evaluation assets

	Dec 2022	Jun 2022
	\$	\$
Cost		
Opening balance	10,708,100	6,520,854
Additions	1,203,975	5,284,869
Disposals	-	(1,097,623)
Balance at the end of the period	11,912,075	10,708,100

7. Property, plant and equipment

	Land & buildings	Plant & equipment	Motor vehicles	Office equipment	Total
	\$	\$	\$	\$	\$
31 December 2022					
Cost					
Opening balance	448,639	389,526	114,357	97,811	1,050,333
Additions	-	85,011	-	8,387	93,397
Disposals	-	(3,450)	-	-	(3,450)
Balance as at 31 December 2022	448,639	471,087	114,357	106,198	1,140,280
Depreciation					
Opening balance	(3,935)	(85,715)	(40,475)	(25,623)	(155,748)
Depreciation	(1,989)	(21,712)	(7,206)	(12,232)	(43,139)
Balance as at 31 December 2022	(5,924)	(107,427)	(47,681)	(37,855)	(198,887)
Carrying amount					
Opening balance	444,704	303,811	73,882	72,188	894,585
Balance as at 31 December 2022	442,715	363,660	66,676	68,343	941,393
30 June 2022					
Cost					
Opening balance	537,411	271,365	63,558	37,766	910,100
Additions	-	118,161	50,799	60,045	229,005
Disposals	(88,772)	-	-	-	(88,772)
Balance as at 30 June 2022	448,639	389,526	114,357	97,811	1,050,333
Depreciation					
Opening balance	-	(56,840)	(28,620)	(8,586)	(94,046)
Depreciation	(3,935)	(28,875)	(11,855)	(17,037)	(61,702)
Balance as at 30 June 2022	(3,935)	(85,715)	(40,475)	(25,623)	(155,748)
Carrying amount					
Opening balance	537,411	214,525	34,938	29,180	816,054
Balance as at 30 June 2022	444,704	303,811	73,882	72,188	894,585

Notes to the consolidated interim financial statements

8. Leases

During the period, a two year property lease expired which resulted in the de-recognition of a right of use asset of \$127,187 and associated accumulated depreciation. Additionally, the Group entered into a new two year property lease which resulted in the recognition of a \$127,171 lease liability and corresponding right of use asset.

Right of use assets

The Group's right of use assets in relation to its leases are as follows:

	Dec 2022 \$	Jun 2022 \$
Property		
Opening balance	166,051	166,051
Additions	127,171	-
De-recognition of right of use asset	(127,187)	-
Balance at the end of the period	166,035	166,051
Depreciation		
Opening balance	(134,607)	(63,241)
Depreciation	(35,681)	(71,366)
De-recognition of right of use asset	127,187	
Balance at the end of the period	(43,101)	(134,607)
Carrying amount		
Opening balance	31,444	102,810
Balance at the end of the period	122,934	31,444

Lease liabilities

The Group's lease liabilities in relation to its leases are as follows:

	Dec 2022 \$	Jun 2022 \$
Opening balance	38,380	107,610
Lease liabilities recognised	127,171	-
Interest expense	6,759	13,515
Lease payments	(46,392)	(82,745)
Balance at the end of the period	125,918	38,380
Current	71,077	21,819
Non-current	54,843	16,561
Balance at the end of the period	125,920	38,380

9. Share capital

	Dec 2022 shares	Jun 2022 shares	Dec 2022 \$	Jun 2022 \$
Ordinary share capital				
On issue at the beginning of the period	195,680,115	170,522,545	23,436,069	19,361,365
Issued for cash, net of costs	32,613,353	25,069,570	4,916,670	4,074,704
Exercise of incentive options	2,114,050	88,000	14,350	-
On issue at the end of the period	230,407,518	195,680,115	28,367,089	23,436,069

Notes to the consolidated interim financial statements

In August 2022, the Company closed a fully underwritten non-renounceable entitlement issue raising \$5,218,136 (before costs) through the issue of 32,613,353 shares.

Refer to note 10 for further information regarding the 2,114,050 incentive options exercised during the period.

10. Share based payments

Incentive Options Plan

The Group has an established Incentive Options Plans (**IOP**) under which directors, employees and certain other eligible participants may be offered options to acquire shares in the Company, subject to the terms of the IOP and any additional terms and conditions as the Company determines.

Options granted during the period

During the period, the Company issued 8,761,000 performance options to directors and employees of the Company under the IOP. The performance options have an exercise price of \$0.00 per option, expiring 26 November 2027 and are subject to the following vesting criteria:

- One third vest upon declaring JORC 2012 Mineral Resource Estimate of at least 2 million AuEq ounces at greater than 0.5 g/t AuEq cut-off grade at RGP;
- One third vest upon declaring a JORC 2012 Ore Reserve Estimate for RGP of at least 1 million AuEq ounces; and
- One third vest upon approving a final investment decision to proceed to develop a mine at RGP.

Of the 8,761,000 performance options granted, 4,550,000 were granted to key management personnel (**KMP**).

Fair value of options granted during the period

The grant date fair value of the performance options was determined as \$1,293,095 (\$0.15 per option) and was measured using the Black-Scholes Option Pricing Model. The inputs used to determine the fair value of options granted during the period were:

	KMP grant 29 November 2022	Employee grant 16 December 2022
Fair value at grant date	\$0.150	\$0.145
Inputs		
Share price	\$0.150	\$0.145
Expected dividends	-	-
Contractual life (years)	5.0	4.9
Option exercise price	\$0.00	\$0.00
Expected volatility of the underlying shares	90.0%	90.0%
Risk free rate applied	3.1%	3.1%

Share based payments expense recognised during the period

The Company has recognised a share based payments expense of \$75,942 in respect of incentive options during the period.

Options exercised during the period

1,435,000 incentive options were exercised by directors and employees of the Company at \$0.01 per option during the period. Of the 1,435,000 exercised, 1,260,000 were exercised by KMP.

A further 679,050 incentive options were exercised by employees of the Company at a zero exercise price per option.

Notes to the consolidated interim financial statements

Options forfeited during the period

49,500 incentive options were forfeited during the period due to a failure to meet vesting conditions.

11. Subsequent events

Option expiry

On 31 January 2023, 25,000,000 ASX listed options (ASX: MM8O) and 4,000,000 unlisted options expired without exercise in accordance with their terms.

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

Directors' declaration

1. In the opinion of the directors of Medallion Metals Limited (the **Company**):
 - (a) the consolidated interim financial statements and notes 1 to 11 that are contained within are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; 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.

Signed in accordance with a resolution of the directors:



Paul Bennett
Managing Director

Dated at Perth, this 15th day of March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Medallion Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Medallion Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

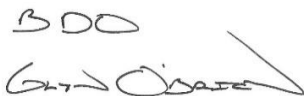
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth

15 March 2023

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MEDALLION METALS LIMITED

As lead auditor for the review of Medallion Metals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

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



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

15 March 2023