METALS AUSTRALIA LTD

ACN: 008 982 474

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Contents

COMPANY DIRECTORY

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Michael Scivolo
Basil Conti
Rachelle Domansky
Alexander Biggs (appointed 16 August 2022)

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SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange

Home Exchange: Perth, Western Australia

ASX code for shares: MLS

The Directors present their report on the consolidated entity consisting of Metals Australia Ltd (Metals Australia and Company) and its controlled entities for the year ended 30 June 2022.

DIRECTORS

The following were Directors of Metals Australia Ltd during the financial year and up to the date of this report:

Michael Scivolo (Chairman)

Basil Conti (appointed 21 January 2022)

Rachelle Domansky (appointed 8 June 2022)

Alexander Biggs (appointed 16 August 2022)

Gino D'Anna (resigned 3 June 2022)

Robert Collins (ceased 16 January 2022)

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity are the exploration of mineral deposits and investment.

REVIEW OF OPERATIONS

Metals Australia Ltd (ASX: MLS) is pleased to provide shareholders with a report outlining the Company's activities for the full year ended 30 June 2022.

<u>Highlights:</u>

Lac Rainy Graphite Project, Quebec, Canada:

During the reporting period the Company completed Phase 2 metallurgical testwork At the Company's flagship **Lac Rainy Graphite Project** located in Quebec, Canada. Highlights of the concentrate testing program are as follows:

- **Optimised tests produced a combined, -150µm and +150µm, concentrate grade of 96.8% TGC**, which is at the upper end of the targeted purity range of 95% to 97% TGC.
- The proportion of larger flake recovered under these optimised grinding and flotation conditions was 13.9% in the +150µm fraction, at a very high-purity of 97.4% TGC.
- The proportion of medium to fine flake recovered under these optimised grinding and flotation conditions was 86.1% -150µm flake, at a high-purity of 96.7% TGC, which is well above the >95% TGC targeted for down-stream spheroidization and purification testing.
- locked closed circuit (LCT), testwork produced a very-high overall recovery into the concentrate of 95.1% TGC. Concentrate grade was maintained in target range at 95.5% TGC with a higher proportion of large (+150µm) flake of 19%.
- Post the end of the reporting period the Company completed pilot-scale production of on-specification bulk concentrate of 6.5kg at a combined grade of 94.0% Cg (target >94%)[1]. This bulk concentrate sample has been despatched to ProGraphite in Germany for spherical graphite and lithium-ion battery charging and durability testing.

Manindi Battery Metals Project:

During the reporting period the Company completed a series of successfully work programs at the Manindi Battery Metals Project including drilling the project's newly recognised lithium potential and extending the existing high-grade zinc with copper resources. The Company has also identified a new vanadium-titanium discovery with copper-nickel-cobalt sulphide potential.

- The **Manindi Lithium Project** was advanced significantly through the discovery of the Foundation Pegmatite that produced consistently high results averaging >1% Li_2O and >0.4% Rb along the entire 500m strike length of the Foundation Pegmatite discovery. The Company subsequently completed a 44 hole RC drilling program that included testing the Foundation and Mulgara Pegmatites that produced **thick and high-grade lithium-Rubidium intersections[2] including**:
    - **Foundation: 16m @ 1.12% Li_2O, 0.32% Rb** incl. **13.0m @ 1.25% Li_2O, 0.34% Rb**
    - **Mulgara: 11m @ 1.23% Li2O, 0.31% Rb** incl. **5m @ 1.47% Li2O, 0.30% Rb**
- At the Manindi Zinc Project the Company **produced an exceptional zinc with copper and silver intersection at the Kultarr Zinc Prospect[3]** of **68m @ 3.09% Zn,** 0.20% Cu, 2.33 g/t Ag incl. **24.0m @ 6.47% Zn,** 0.29% Cu, 3.58 g/t Ag**.** This intersection has opened-up potential for deeper drilling to substantially increase the high-grade zinc resources at the Kultarr/Kowari Prospects.
- MLS also produced an intersection of mafic hosted vanadium bearing titano-magnetite with Ni-Cu-Co sulphide mineralisation from a major magnetic trend to the west of the Kowarri and Kultarr zinc resources that included: **82m @ 0.30% V_2O_5**, **28% Fe**, **11.5% TiO_2** 0.02% Ni, 0.03% Cu, 148ppm Co[4].

REVIEW OF OPERATIONS (Continued)

Other Projects Exploration:

- At the **Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects** in northern Quebec, Canada, the Company has received the results of a Time-Domain Electromagnetic (TDEM) and heliborne Magnetic (MAG) survey that confirmed areas of identified mineralisation and identified new targets to be field tested across the extensive 15km strike corridor of identified targets[5].
- At the **Lac du Marcheur Copper-Cobalt Project** is located in central Quebec, Canada, the Company completed an airborne TDEM and MAG survey over the entire tenement area. The preliminary processed results of these surveys have highlighted several conductors aligned and coincident with magnetic trends/lineaments trending NW-SE to NNE-SSW. These conductors/anomalies may be associated with graphitic and/or sulphidic zones and field work will be carried out to identify the source of the conductors/anomalies[5].
- The Company announced a binding agreement with Sabre Resources Limited (ASX: SBR) to farm-out the Nepean South Nickel Project (**Nepean South**)[6], located approximately 30km south of the township of Coolgardie in the Goldfields region of Western Australia. Sabre will earn an 80% interest by spending $200,000 on exploration within 5 years (including spending a minimum of $40,000 within the first year). Sabre carried out a reverse circulation (RC) drilling program that tested fresh bedrock under previous RAB holes that intersected high nickel and anomalous copper values e.g., 6m @ 1.84% Ni and 0.02% Cu from 18m in NRB048[6].
- The Company also announced an Agreement to purchase 80% of **Payne Gully Gold** Pty Ltd ("Payne Gully")[7] (purchase completed post the end of the reporting period[8]), which holds a suite of **highly prospective nickel, gold and copper-gold tenements** in Western Australia and the Northern Territory, including:
  - **a)** The **Warrambie Project** located between Sabre Resources' Sherlock Bay nickel sulphide deposit and the Andover massive nickel sulphide discovery in Western Australia's Pilbara region. Warrambie is highly prospective for mafic intrusive nickel-copper-cobalt-PGE sulphide mineralisation.
  - **b)** The **Murchison Project**, including five tenements along strike from major gold deposits including the >5Moz Big Bell[19] and the >3Moz Mt Gibson mine in Western Australia's Murchison Province. The Murchison Project tenements are highly prospective for gold, Ni-Cu-Co-PGE and lithium mineralisation.
  - **c)** The **Tennant Creek Project** in the Northern Territory which includes three tenements along strike from Warrego high-grade copper-gold deposit and a tenement southeast of Tennant Creek along strike from Tennant Minerals (ASX:TMS) Bluebird copper-gold discovery. All tenements are considered highly prospective for iron-oxide-copper-gold (IOCG) deposits.

Lac Rainy Graphite Project, Quebec (Canada)

The Lac Rainy Project consists of a contiguous landholding of 92 mineral claims covering an area of approximately 45.5 km^2 located 22 km south-west of the historic mining town of Fermont in one of the premier graphite mining regions of Quebec. The Project is approximately 15 km east of Route 389, a paved highway that links the Project with major ports along the St. Lawrence River (Figure 1).

The Lac Rainy project hosts a JORC 2012 Indicated and Inferred Mineral Resource of 13.3Mt @ 11.5% TGC (including Indicated: 9.6Mt @ 13.1% TGC and Inferred 3.7Mt @ 7.3% TGC)[9].

In 2020, Metals Australia completed a Phase 1 Scoping Study highlighting the significant economic potential of the Lac Rainy project.

REVIEW OF OPERATIONS (continued)

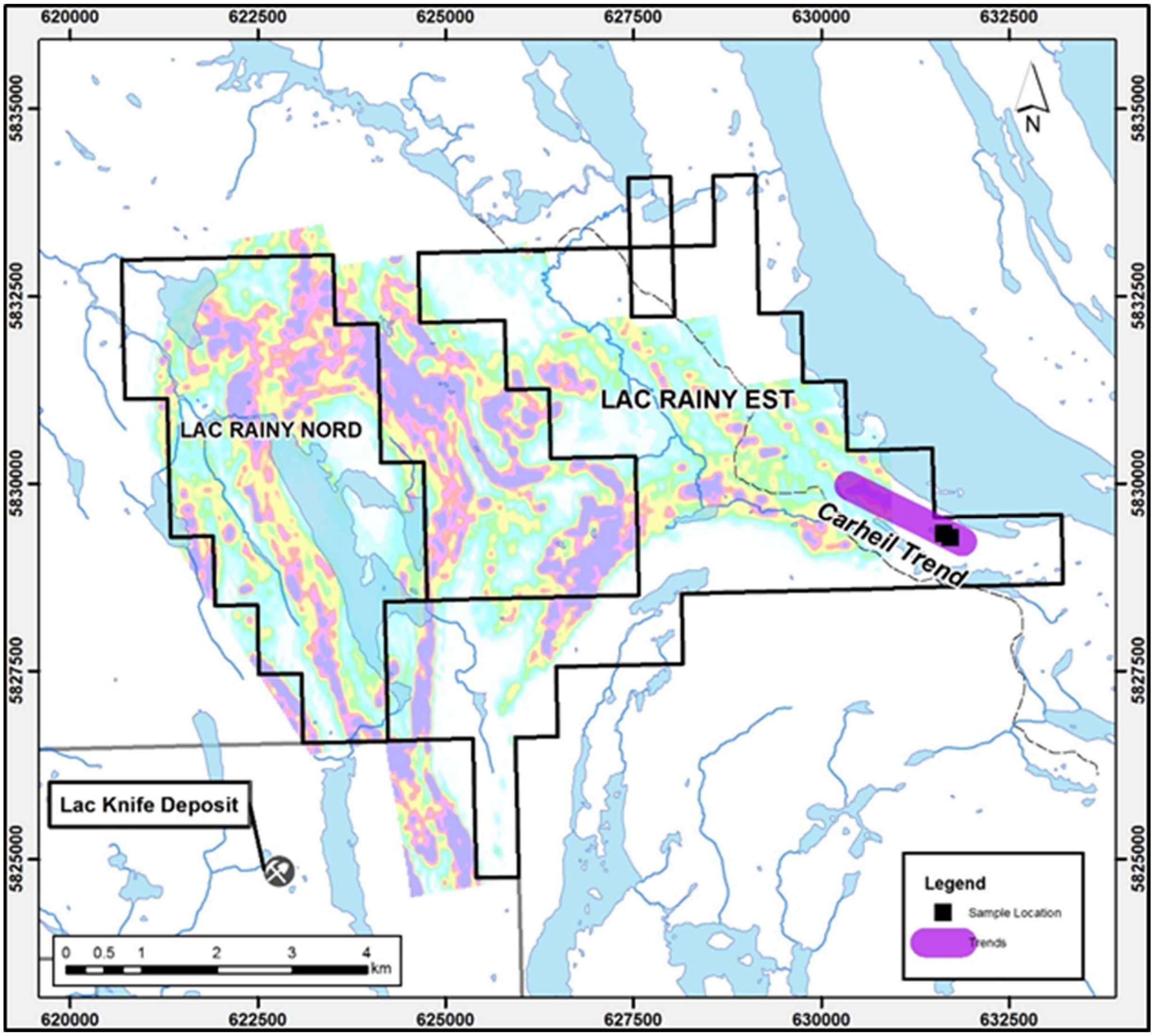

Figure 1: Claim boundaries for the Lac Rainy Graphite Project overlaid with airborne EM anomalies

Previous metallurgical testwork was able to achieve total graphitic carbon (TGC) grades of up to 97.1% Ct, with up to 22.8% of the Lac Rainy graphite concentrate categorised in the large and jumbo flake size fractions[10].

A key component of the Phase 2, advanced metallurgical test work is to optimise product yield across the various size fractions and increase the proportion of medium, large and jumbo flake mesh sizes, where premium pricing can be achieved.

This testwork has the potential to enhance the product yield / mass feed into the concentrate plant, resulting in a smaller plant size and a corresponding reduction in upfront capital costs. There is also potential to reduce operating costs due to the optimised product mix, producing a positive impact on operating margins. It is anticipated that an increase in the large flake size fractions, and improved recoveries, will deliver enhanced returns for the Project.

The results of the downstream testwork will allow the Company to focus its efforts on marketing the high-quality and high-purity Lac Rainy graphite concentrate to end-users across North America and

REVIEW OF OPERATIONS (continued)

Europe, that can then apply the graphite concentrate in the downstream market. Developing an understanding of what downstream products can be produced, and their quality, will be critical in directing marketing efforts and initial off-take discussions.

The Phase 2 and downstream testwork results will also allow the Company to carry out additional exploration – the Company's EM survey having identified major extensions to the initial graphitic bodies drilled.

The downstream testwork will also allow initiation of Pre-Feasibility Studies into the development of an integrated mining and concentrate processing operation to provide graphite concentrate feed into the growing north American lithium-ion battery and expandable graphite markets.

During the June Quarter the Company announced very encouraging results from Phase 2 metallurgical testwork on a composite sample from the high-grade Lac Rainy Graphite Project grading 16.2% TGC. Highlights of the concentrate testing program are as follows:

i) **Optimised tests produced a combined, -150µm and +150µm, concentrate grade of 96.8% TGC**, which is at the upper end of the targeted purity range of 95% to 97% TGC.

ii) The proportion of larger flake recovered under these optimised grinding and flotation conditions was 13.9% in the +150µm fraction, at a very high purity of 97.4% TGC.

iii) The proportion of medium to fine flake recovered under these optimised grinding and flotation conditions was 86.1% -150µm flake, at a high-purity of 96.7% TGC, which is well above the >95% TGC targeted for down-stream spheroidization and purification testing.

iv) Carbon recovery in open-circuit tests ranging from 69.4% to 85.6%. Recovery is expected to increase substantially during closed-circuit tests where tails are re-cycled through the process. The additional test work associated with closed-circuit testing is currently underway with SGS Canada.

Subsequent to the end of the Quarter additional, **locked closed circuit (LCT), testwork produced a very-high overall recovery into the concentrate of 95.1% TGC[1].** Concentrate grade was maintained in target range at **95.5% TGC with a higher proportion of large (+150µm) flake of 19%.**

The flow-sheet development program has significantly improved the processing conditions of the rougher, primary cleaning and secondary cleaning flotation circuits, providing a stepping-stone to larger-scale, feasibility study level, testing.

The optimised processing circuit flow-sheet conditions that generated the **combined concentrate grade of 96.8% TGC** are currently being applied to a larger volume of composite sample, in order to produce 10 to 12kg of concentrate, including >10kg of the fine-medium (-150µm) flake fraction, at the targeted grade of >95% TGC.

The -150µm flake size component of this bulk concentrate sample will be shipped to specialist battery grade graphite testing group, ProGraphite GmbH (ProGraphite), in Germany.

ProGraphite will conduct specialist downstream testwork, including spheroidization and purification, targeting 99.9% TGC purification upgrade. This will be followed by battery testwork to determine the quality of the Lac Rainy graphite products for use in lithium-ion battery applications in the Electric Vehicle (EV) industry.

Confirmation that the high-grade graphite resource can produce high quality graphite concentrate will allow the Company to advance the outstanding exploration potential of the Project.

REVIEW OF OPERATIONS (continued)

The Company has only drilled 1.6km of the over 4km strike-length Carheil trend (Figure 1), that includes the high-grade graphite resource defined to date.

In addition, the parallel **West Carheil trend** (Figure 1) that previously produced very high-grade rockchip results of up to **28.5% TGC**, also remains undrilled.

Drilling of these identified graphitic trends offers potential to significantly increase the size, and potentially the grade, of the Lac Rainy Mineral Resource.

The Company is currently planning a program to further drill the outstanding exploration potential of the Lac Rainy Graphite Project.

Manindi Battery Metals Project, Western Australia:

The Manindi Battery metals Project includes three granted Mining Leases (MLs) and is located approximately 20 km southwest of the Youanmi Gold Mine in the Murchison District of Western Australia (see location, Figure 2, below).

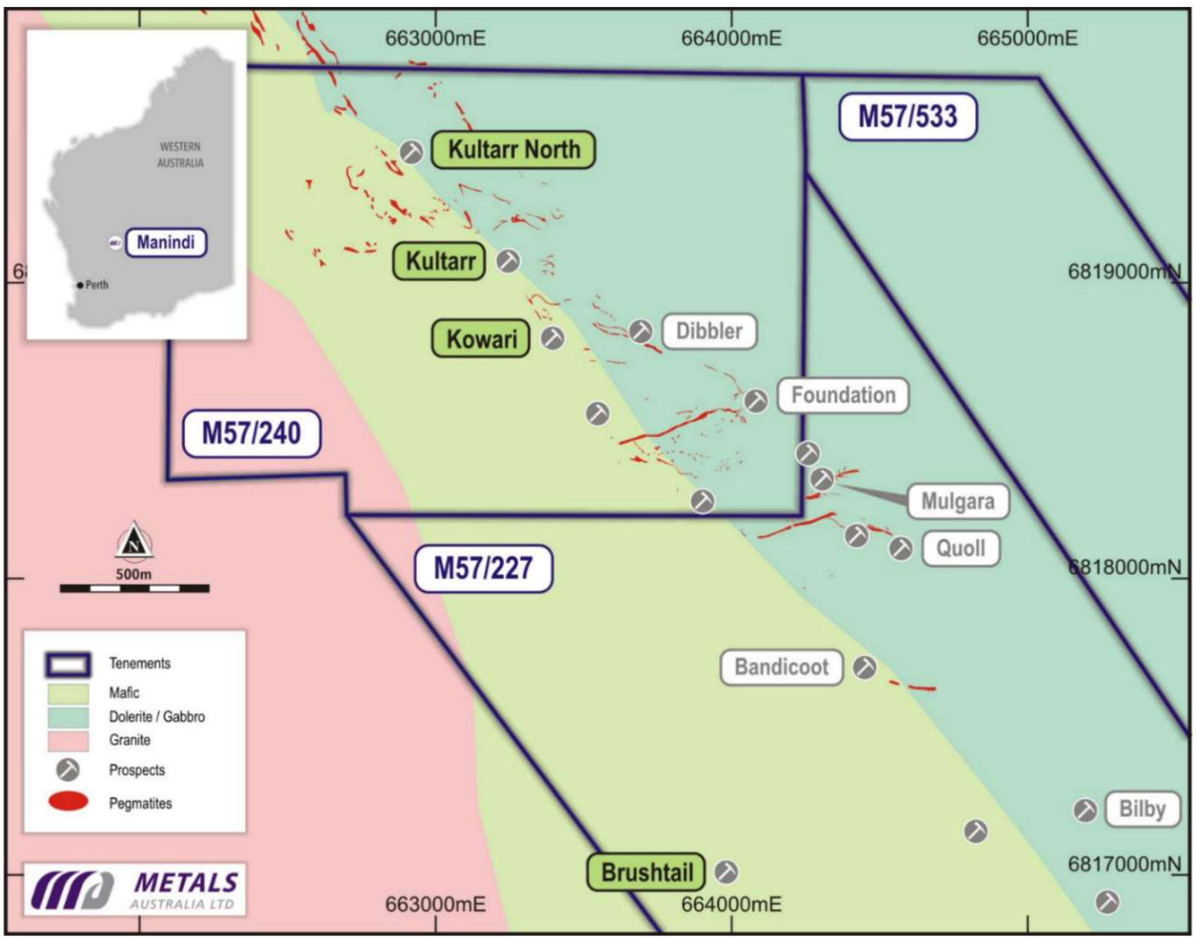

Figure 2: Manindi Battery Metals Project, WA, with key prospects

Manindi Lithium Project:

During the June Quarter, the Company announced that preliminary field work had identified additional lithium-bearing pegmatites at the Manindi Project and extended the mapped corridor of pegmatite occurrences to over three kilometres strike length.

REVIEW OF OPERATIONS (continued)

The new pegmatites that have been mapped and sampled include the largest pegmatite occurrence identified to date, the **Foundation Pegmatite**, which is over 500m long in a southwest northeast direction. Multiple other pegmatite outcrops were also identified and sampled, within the 3km northwest-southeast trending corridor (Figure 2).

The Foundation Pegmatite occurs immediately to the northwest of the Mulgara, Mulgara North and Warabi pegmatites, where three mineralised pegmatite dykes have previously been mapped, with strike lengths of over 300m and widths of up to 25-30m.

Previous 2018 rockchip sampling of the Mulgara pegmatites produced high-grade lithium results of up to **2.84% Li_2O, tantalum up to 296 ppm Ta_2O_5 and caesium up to 746ppm Cs_2O, confirming the presence of lithium-caesium-tantalum (LCT) pegmatites[11].**

Subsequently, limited drilling of the three initially identified pegmatites produced significant intersections of lithium and tantalum mineralisation (see Figure 3 below).

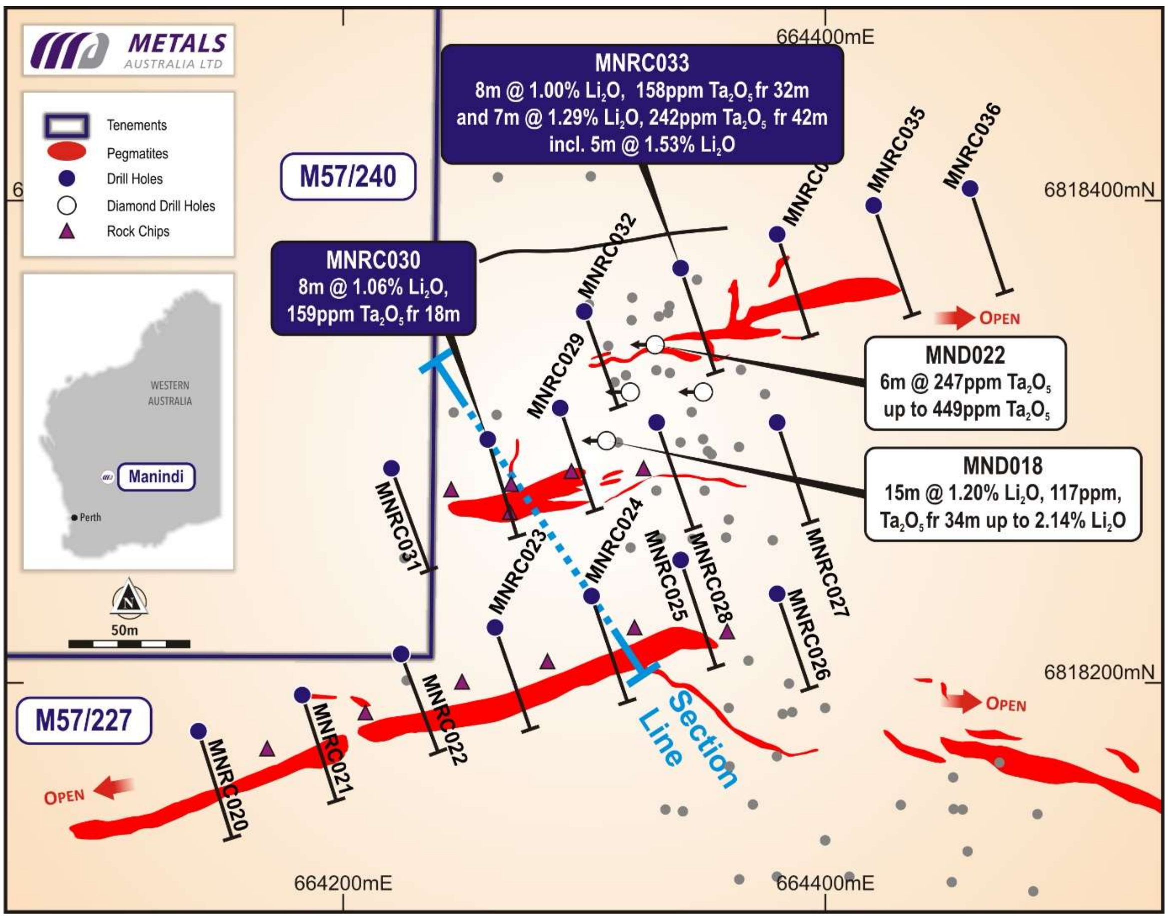

Figure 3: Manindi Mulgara Lithium Drillhole Location Plan, WA

The **Foundation Pegmatite** is the largest pegmatite identified to date at Manindi at over 500m long in a southwest–northeast direction and 200m wide in a northwest-southeast direction. The peak lithium and tantalum rockchip results produced from the Foundation Pegmatite include:

- **MNRK0001: 0.46% Li_2O, 101.3 ppm Ta_2O_5 and 60.1 ppm Cs_2O (Foundation)[13]**
- **MNRK0002: 1.25% Li_2O, 126.0 ppm Ta_2O_5 and 154.6 ppm Cs_2O (Foundation)[13]**

These results confirm that the Foundation Pegmatite is a high-grade LCT pegmatite and compare very favourably in both lithium and tantalum grade with a sample from the Mulgara pegmatite:

- **MNRK0009: 0.42% Li_2O, 65.5 ppm Ta_2O_5 and 50.5 ppm Cs_2O (Mulgara)[13]**

REVIEW OF OPERATIONS (continued)

In late January 2022 the Company commenced systematic channel sampling across the entire 500m identified northeast-southwest strike length of the Foundation Pegmatite as well as various other pegmatite outcrops within the >3km pegmatite corridor at Manindi.

The systematic rock chip sampling program was undertaken over the entire 500m strike length of the recently discovered Foundation Pegmatite, as well as over nearby pegmatites, **Foundation North** and **Dibbler.** Samples were also collected from extensions of the Mulgara pegmatites and the recently identified Quoll and Bandicoot Pegmatites, south of Mulgara. Over 1.2km strike length of Lithium-Caesium-Tantalum (LCT) bearing pegmatites have been sampled at an average spacing of approximately 40m.

Highly anomalous lithium (Li), Tantalum (Ta), Caesium (Cs) and Rubidium (Rb) results were produced from all pegmatites sampled. **Particularly high-grade, consistent, >1% Li_2O and >0.4% Rb, results were produced from the central, thickest, part of the Foundation Pegmatite including up to 2.30% Li_2O** and 0.70% Rb with an average of 1.29% Li_2O and 0.51% Rb over the entire 500m strike length[14].

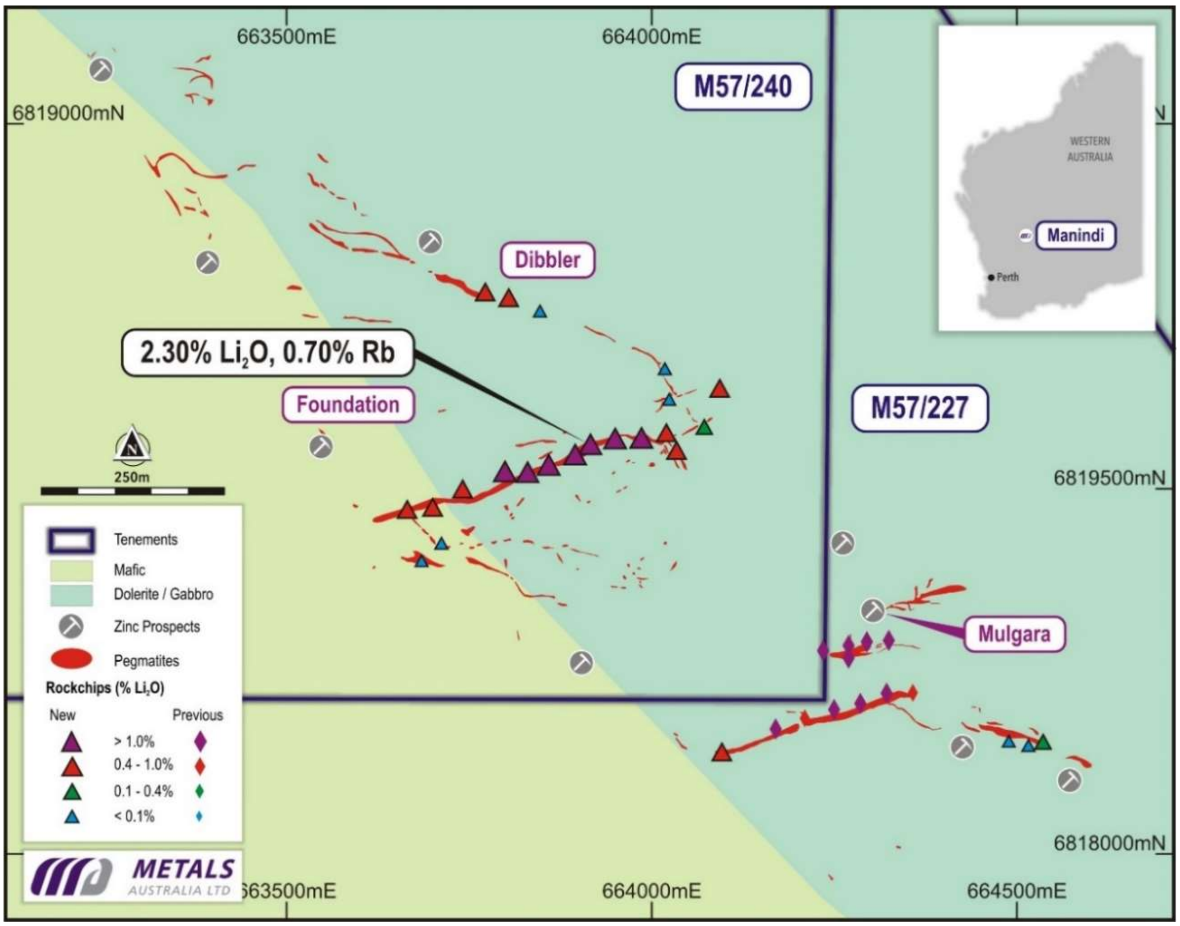

Figure 4: Manindi Lithium Project, mapped pegmatites and Rockchip sample locations

In addition, a 44 hole 3,500m, RC drilling program was undertaken, with the dual objectives of:

i) Following up the previous high-grade lithium and tantalum results at Mulgara with both deeper drilling on key sections and extension drilling along strike of the three LCT pegmatites,

ii) Initial RC drilling of the Foundation and Dibbler Pegmatites at approximately 40m section spacing along the identified 500m strike length.

REVIEW OF OPERATIONS (continued)

Thick, high-grade lithium-rubidium results, consistently above 1% Li2O, 0.3% Rb, were produced from all holes drilled beneath the higher-grade section of the Foundation pegmatite[2,15]. High grade intersections include:

- **11m @ 1.23% Li_2O, 0.31% Rb from 16m** (down hole) in MNRC045,
    - including **5m @ 1.47% Li_2O, 0.30% Rb** from 16m, and,
    - including **2m @ 1.75% Li_2O, 0.64% Rb** from 25m.
- **11m @ 1.11% Li_2O, 0.42% Rb from 11m** (down hole) in MNRC044,
    - including **6m @ 1.47% Li_2O, 0.54% Rb** from 13m.
- **13m @ 1.03% Li_2O, 0.27% Rb from 62m** (downhole) in MNRC076
    - including **8m @ 1.40% Li2O, 0.31% Rb** from 64m.

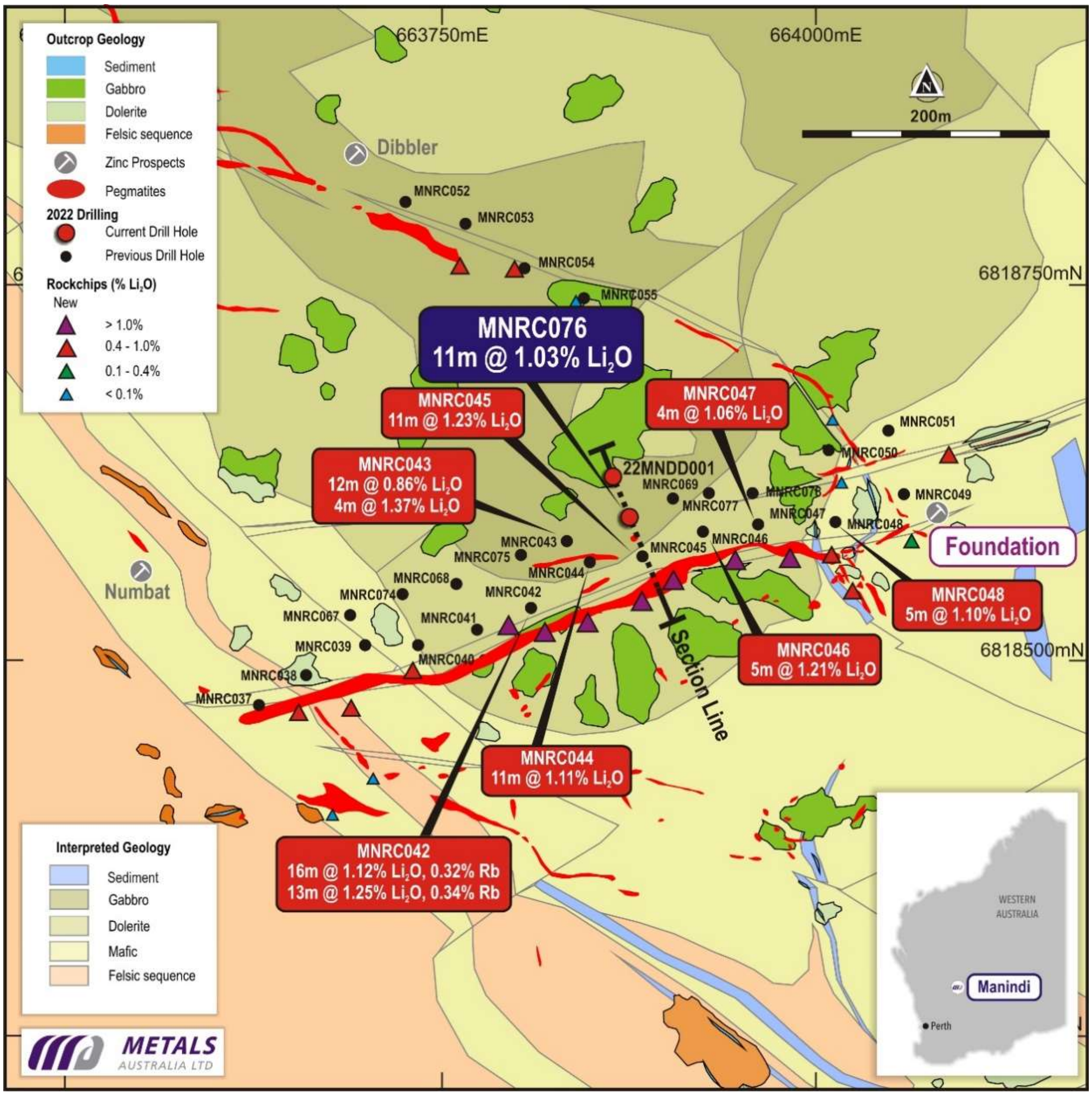

Figure 5: Manindi lithium Project, Foundation pegmatite, downhole intercepts and rockchip sample locations

REVIEW OF OPERATIONS (continued)

These intersections from the Foundation pegmatite indicate continuity of a moderately north-dipping pegmatite zone from surface to greater than 120m vertical depth, at grades averaging over 1% Li_2O and 0.30% Rb for the entire 500m strike length.

Mineralogical work will be carried out to determine lithium minerals (lepidolite vs spodumene) and to provide samples for metallurgical (Li, Rb, Ta) testwork. Following this work further drilling will be planned to define the depth extensions, prior to a maiden JORC 2012 Mineral Resource estimation for the project.

In addition, drilling of the Mulgara pegmatites, 500m southeast of Foundation (Figure 3), has also produced thick and high-grade intersections of lithium-bearing pegmatite at depth, extending the mineralisation to over 100m below surface [2,15]. The latest results include:

- **11m @ 1.23% Li_2O, 0.32% Rb** from 118m (down hole) in MNRC062,
    - including **3m @ 2.26% Li_2O, 0.31% Rb** from 121m,
- **14m @ 0.88% Li_2O, 0.42% Rb** from 54m (down hole) in MNRC058,
    - including **6m @ 1.18% Li_2O, 0.55% Rb from 54m**
    - including **5m @ 1.03% Li_2O, 0.51% Rb from 63m.**

Manindi Base Metals Project

The Manindi Base-Metals Project includes the high-grade **Kultarr** and **Kowari Zinc deposits** (Figure 6), located close to the northern end of the Project at the boundary between a sequence of mafic intrusive units and mafic volcanics and felsics to the west.

These deposits already host a JORC 2012, Measured, Indicated & Inferred Mineral Resource of **1.08Mt @ 6.52% Zn, 0.26% Cu, 3.2g/t Ag** for **70,102t Zn[3]** (2% Zn cut-off) (including a Measured: 37.7kt @ 10.22% Zn, 0.39% Cu, 6.2g/t Ag; Indicated: 131.5kt @ 7.84% Zn, 0.32% Cu, 4.6g/t Ag and Inferred: 906.7kt @ 6.17% Zn, 0.25% Cu, 2.9g/t Ag).

A number of target zones remain to be tested for both zinc and also copper mineralisation, close to the existing resources. Drilling to date has been limited to a depth of approximately 250m and the high-grade zinc resource is open below this depth.

During the June Quarter the Company produced an exceptional zinc with copper and silver intersection at the Kultarr Zinc Prospect (see location, Figure 6):

- **68m @ 3.09% Zn (0.20% Cu, 2.33 g/t Ag)** from 89m (down hole) in **MNRC070[6]**, including **24.0m @ 6.47% Zn (0.29% Cu, 3.58 g/t Ag)** from 100m.

The intersection in MNRC070 has extended the high-grade zinc mineralisation at Kultarr down plunge to the south (see longitudinal projection, Figure 6).

Previous electromagnetic (EM) surveys show EM anomalies at depth below both the Kultarr (K2 anomaly) and Kowari (C1 anomaly) zones (Figure 6). The high-grade intersection in MNRC070 confirmed that the high-grade zinc mineralisation extends beyond the previous drilling and opened-up potential to significantly expand the high-grade zinc resources at the prospect.

REVIEW OF OPERATIONS (continued)

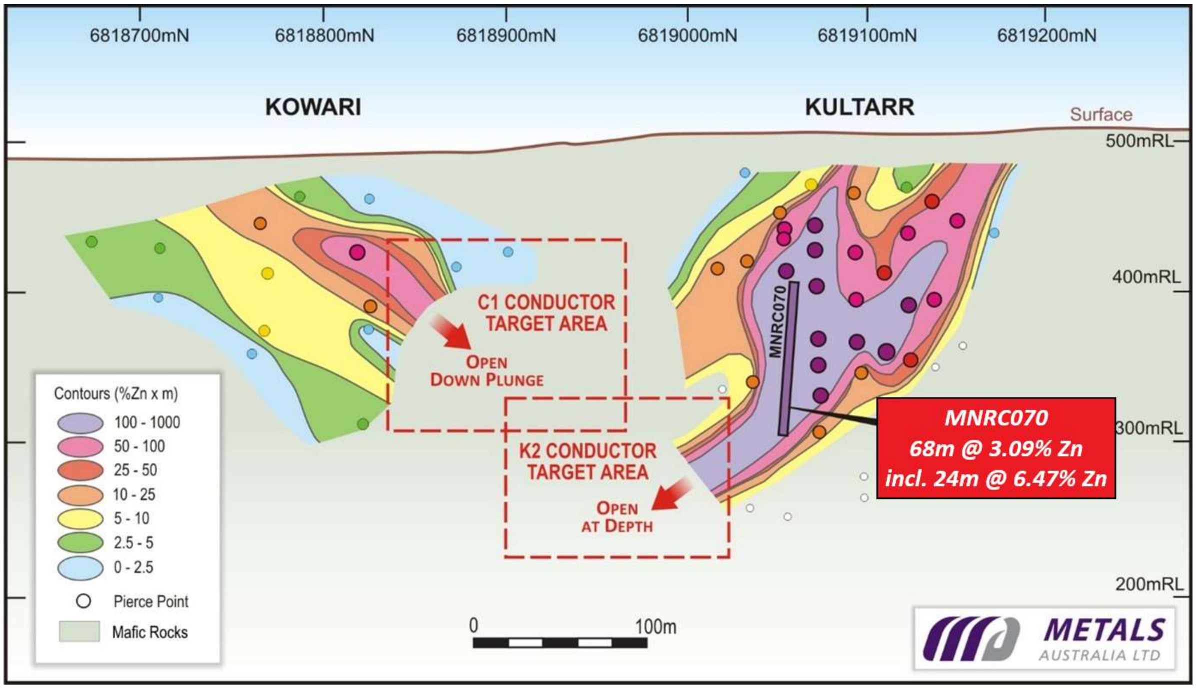

Figure 6: Manindi Zinc Project. Kultarr and Kowari Longitudinal Projection with MNRC070 Intersection

New Manindi Vanadium Bearing Titano-Magnetite and Ni-Cu-Co Sulphide Prospect:

During the June Quarter the Company announced **a significant vanadium (iron, titanium) intersection with zones of nickel-copper-cobalt sulphide mineralisation** from **MNRC071**. This was the first drillhole that has tested the Manindi West/Brushtail target (see Figure 7 below).

This RC drill hole tested an EM anomaly associated with a major northwest trending magnetic zone of more than 3 kilometre (km) strike length and 1 km wide, located to the southwest and parallel to the corridor that contains the Kowari and Kultarr zinc resources (see Figures 2 and 7).

MNRC071 passed through a zone of felsics and pegmatite and oxidised material before intersecting a fresh, magnetic mafic intrusive unit from 48m downhole and continued in this unit, interspersed with pegmatite dykes, for the entire length of the hole to 130m depth.

High vanadium, iron and titanium values in the mafic intrusive produced an overall intersection of **82m @ 0.30% V_2O_5, 27.5% Fe and 11.5% TiO_2 [4]** from 48m downhole that included **70m @ 0.32% V_2O_5, 29% Fe, 12.2% TiO_2**, 0.02% Ni, 0.03% Cu, 159ppm Co from 48m including **27m @ 0.35% V_2O_5, 35% Fe, 14.8% TiO_2**, 0.03% Ni, 0.05% Cu, 221ppm Co.

This zone also included sulphide mineralisation that produced significant nickel, copper and cobalt results including: **6m @ 0.08% Ni, 0.11% Cu, 506ppm Co** (0.32% V_2O_5, 39.3% Fe, 21.9% TiO_2) from 59m & incl. **2m @ 0.13% Ni, 0.08% Cu, 779ppm Co** (0.21% V_2O_5, 36.2% Fe, 15.6% TiO_2) from 59m.

The high iron, titanium and vanadium levels throughout the mafic intrusive intersected by MNRC071 are associated with magnetite rich zones interpreted to be associated with the lower layers of the western Youanmi mafic-ultramafic Complex.

REVIEW OF OPERATIONS (continued)

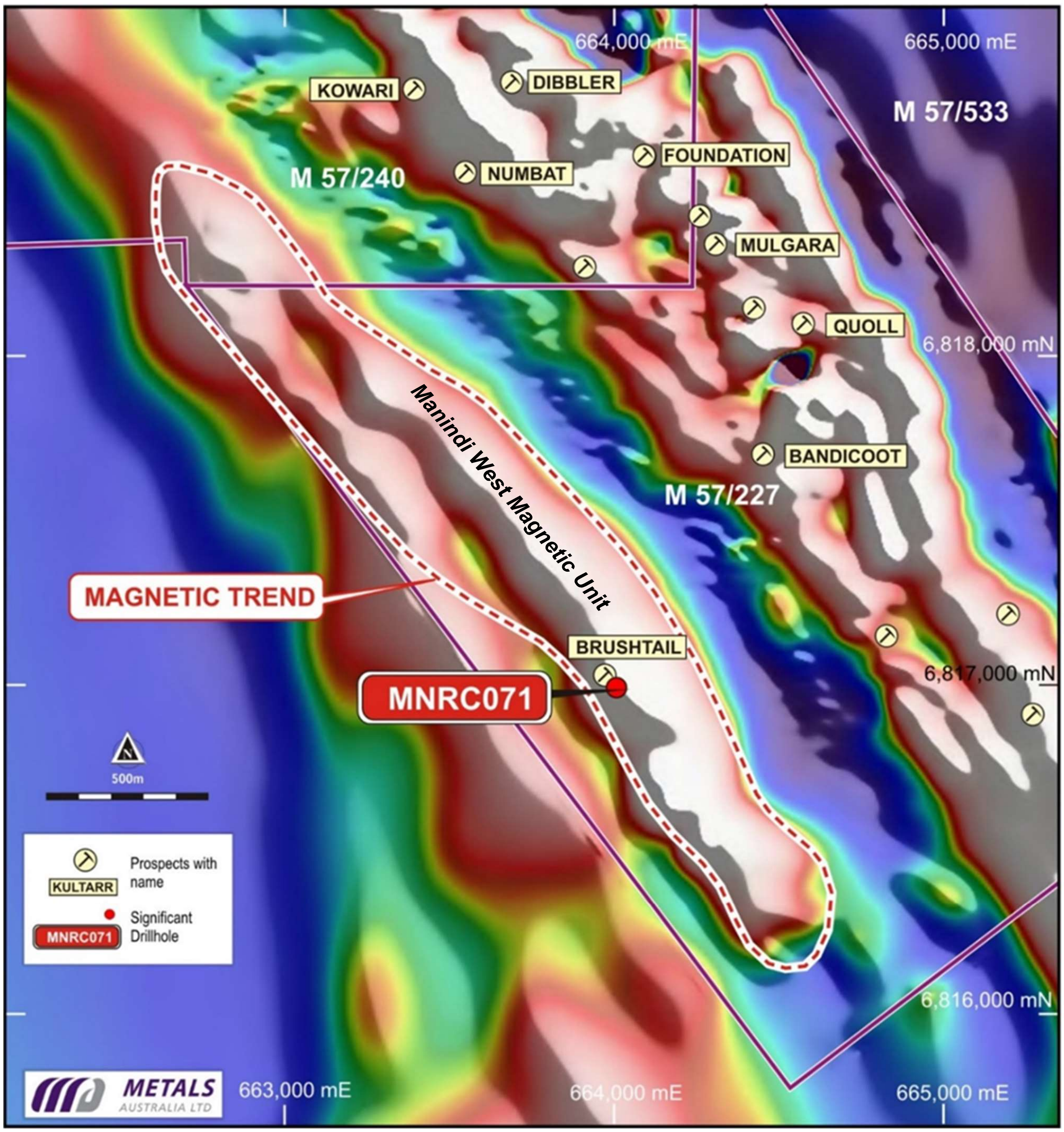

Figure 7: Total magnetic intensity image showing Manindi West magnetic unit and MNRC071 location

Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects, Canada

The Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects are located in northern Quebec, Canada, in the Lac Grande Greenstone Belt. The Company previously received the results of a Time-Domain Electromagnetic (TDEM) and heliborne Magnetic (MAG) survey that confirmed areas of identified mineralisation and identified new targets to be field tested across the extensive 15km strike corridor of identified targets[16].

REVIEW OF OPERATIONS (continued)

The results of reconnaissance fieldwork program carried out last Quarter over high priority target areas will be evaluated and, based on re-evaluation of the geophysical interpretation, a more intensive and systematic fieldwork program will be carried out prior to finalising plans for an initial drilling campaign.

Lac du Marcheur Copper-Cobalt Project, Canada

The Lac du Marcheur Copper-Cobalt Project is located in central Quebec, Canada. An initial field program was undertaken by the Company in 2017 which confirmed the historical high-grade copper and cobalt occurrences and prospects on surface.

The Company has recently completed an airborne TDEM and MAG survey, the preliminary processed results of which have highlighted several conductors aligned and coincident with magnetic trends/lineaments trending NW-SE to NNE-SSW. These conductors/anomalies may be associated with graphitic and/or sulphidic zones and field work will be carried out to identify the source of the conductors/anomalies[16].

New Battery Metals Projects to be Acquired through the Payne Gully Acquisition

The Company recently announced an Agreement to purchase 80% of Payne Gully Gold Pty Ltd ("Payne Gully")[18] which holds a suite of highly prospective nickel, gold and copper-gold tenements in Western Australia and the Northern Territory, including:

- The **Warrambie Project** located between Sabre Resources' Sherlock Bay nickel sulphide deposit and the Andover massive nickel sulphide discovery in WAs Pilbara region. Warrambie is highly prospective for mafic intrusive nickel-copper-cobalt-PGE sulphide mineralisation.
- The **Murchison Project**, including five tenements along strike from major gold deposits including the >5Moz Big Bell and the >3Moz Mt Gibson mine in WAs Murchison Province. The Murchison Project tenements are highly prospective for gold, Ni-Cu-Co-PGE and lithium mineralisation.
- The **Tennant Creek Project** in the Northern Territory which includes three tenements along strike from Warrego high-grade copper-gold deposit and a tenement southeast of Tennant Creek along strike from Tennant Minerals (ASX: TMS) Bluebird copper-gold discovery. All tenements are considered highly prospective for iron-oxide-copper-gold (IOCG) deposits.

The acquisition of Payne Gully, subject to general meeting approval, will enhance the Company's portfolio of battery mineral/metals projects with multiple targets in the Tier 1 jurisdictions of WA and the Northern Territory. These proposed acquisitions are part of the Company's strategy to continually present high-quality discovery opportunities as more advanced projects reach the mature pre-development stage.

Nepean South Nickel Project, Western Australia

During the December Quarter, 2021, the Company announced that it had entered into a binding agreement with Sabre Resources Limited (ASX: SBR) to farm-out the Nepean South Nickel Project (**Nepean South**)[6], located approximately 30km south of the township of Coolgardie in the Goldfields region of Western Australia.

The Nepean South Farm-in and Joint Venture Agreement (Nepean South Agreement) provides that Sabre will earn an 80% interest by spending $200,000 on exploration within 5 years (including spending a minimum of $40,000 within the first year).

Post the Quarter Sabre announced that it had commenced an initial reverse circulation (RC) drilling program to test fresh bedrock under previous RAB holes that intersected high nickel and anomalous copper values e.g., **6m @ 1.84% Ni and 0.02% Cu** from 18m in **NRB048**.

REVIEW OF OPERATIONS (continued)

References

[1] *Metals Australia Ltd, 27 July 2022. Metals Australia completes very successful Phase 2 Metallurgical testwork on Lac rainy High grade Graphite Project*
[2] *Metals Australia Ltd, 26 May 2022. Multiple High-Grade Lithium Intersections from Manindi Pegmatites*
[3] *Metals Australia Ltd, 24 May 2022. Exceptional 68m @ 3.09% zinc Intersection at Manindi*
[4] *Metals Australia Ltd, 9 June 2022.Substantial Vanadium (Iron-Titanium) Intersection at Manindi*
[5] *Metals Australia Ltd, 29 July 2022. Quarterly Activities report for Quarter ending 30 June 2022*
[6] *Metals Australia Ltd, 13 December 2021. Binding agreement to farm-out Nepean South Nickel project*
[7]*Metals Australia Ltd, 16 June 2022. Metals Australia to acquire Key Battery Metals and Gold Projects*
[8]*Metals Australia Ltd, 17 August 2022. Key Battery Metals and Gold Projects Acquired on Discounted Terms*
[9]*Metals Australia Ltd, 15 June 2020. Metals Australia delivers High grade maiden JORC resource at Lac Rainy Graphite project*
[10] *Metals Australia Ltd, 3 June 2020. Scoping Study level metallurgical testwork confirms Lac Rainy Graphite concentrate as High purity and High grade*
[11] *Metals Australia Ltd, 21 March 2017. High grade lithium bearing pegmatites discovered at Manindi14[3] Metals*
[12] *Metals Australia Ltd,24 July 2018. Results of RC percussion drilling at Manindi Lithium Project*
[13]*Metals Australia ltd, 20 October 2021. Lithium Pegmatite Corridor Extended to over 3km at Manindi*
[14]*Australia Ltd, 2 March 2022. Outstanding Lithium and rubidium Results for Manindi*
[15] *Metals Australia Ltd, 19 July 2022. Exceptional Lithium intersections at Foundation pegmatite, Manindi*
[16] *Metals Australia Ltd, 29 April 2022. Quarterly Activities report for Quarter ending 31 March 2022*

RESULTS

The loss of the Group for the financial year after providing for income tax amounted to $2,214,247 (2021: $472,829).

DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company.

FINANCIAL POSITION

The net assets of the group have increased by $21,209,900 from $9,300,793 at 30 June 2021 to $30,510,693 at 30 June 2022.

SIGNIFICANT CHANGES

There have not been any significant changes in the state of affairs of the Group during the financial year, other than as noted in this financial report.

LIKELY DEVELOPMENTS

The Group will continue to focus on its exploration and development activities. Refer to Review of Operations for more details.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

DIRECTORS

Qualifications and experience of Directors:

(i) Michael Scivolo B. Com, FCPA (Non-Executive Chairman)

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate. He was a Director of Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014, Blaze International Limited until 4 December 2015 and K2Fly Ltd (formerly Power Resources Ltd) until 17 November 2016. Mr Scivolo is currently a Director of Sabre Resources Ltd, Golden Deeps Limited and Tennant Minerals NL.

(ii) Basil Conti FCA (Non-Executive Director) (appointed 21 January 2022)

Mr Conti is a fellow of the Institute of Chartered Accountants Australia & NZ and was a partner/director of a Chartered Accounting firm in West Perth until 2015. Mr Conti is experienced in management accounting, taxation, secretarial practice, corporate and financial planning, consulting to small and large businesses and has been associated with the mining industry in a professional capacity for over 25 years. Mr Conti is a Director of Sabre Resources Ltd.

(iii) Rachelle Domansky (Non-Executive Director) (appointed 8 June 2022)

Ms Domansky is a consultant psychologist to business, government, and educational institutions in the Asia-Pacific region. She is experienced in ESG compliance, media and marketing, human resources development and management, corporate culture, and education and training. Current non-executive board positions are Metals Australia Limited, Quebec Lithium Limited, and Access Plus WA Deaf Incorporated.

(iv) Alexander Biggs B.E Eng (Hons), HNC (Non-Executive Director) (appointed 16 August 2022)

Mr Biggs is a qualified mining and mechanical engineer, with a Beng (Hons) degree from the Western Australian School of Mines. He has over 20 years' experience in the mining, finance and engineering sectors and was Managing Director of ASX-listed Critical Resources (ASX: CRR). Mr Biggs' experience extends to operations, consulting, exploration and corporate finance, where he was a director of a US and UK based private equity firm, and brings a wealth of experience in the battery metals sector and key relationships in both North America and Asia.

(v) Robert Collins (Non-Executive Director) (deceased 16 January 2022)

Mr Collins has served on a number of ASX listed industrial and mining company boards, and owned a large accounting practice serving the corporate sector. He was a Director of Covata Ltd (formerly Prime Minerals Limited) until 29 October 2014, Blaze International Limited until 8 April 2016 and K2Fly Ltd (formerly Power resources Ltd) until 17 November 2016. Mr Collins was a Non-Executive Director of Sabre Resources Ltd and Golden Deeps Limited. Rob passed away on 16 January 2022.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

(vi) Gino D'Anna (Non-Executive Director) (resigned 3 June 2022)

Mr D'Anna has significant primary and secondary capital markets experience. Mr D'Anna also possesses extensive experience in resource exploration, public company operations, administration and financial management.

Mr D'Anna has particular experience in Canadian Government and First Nations relations in the mining sector. Mr D'Anna was a Director of K2Fly Limited until 19 September 2017 and Atrum Coal Limited until 26 June 2015. Mr D'Anna is currently a Director of MetalsTech Ltd, Askari Metals Ltd and 3G Coal Limited, and was a director of Tennant Minerals NL until his resignation on 12 August 2022.

COMPANY SECRETARY

The following persons acted as Company Secretary during the financial year:

(i) Michael Muhling B. Com (Hons), MPA, FCPA, FCG, FGIA (appointed 13 October 2021)

Mr Muhling is a finance and governance professional with twenty years of experience in the resources industry, including 15 years in senior roles with ASX listed companies. He is a Fellow of CPA Australia and a Fellow of The Chartered Governance Institute, and a Fellow of Governance Institute of Australia.

Mr Muhling brings to the Company a wealth of experience in the corporate and resource sectors, both in Australia and overseas.

Mr Muhling is also the Chief Financial Officer of the Company.

(ii) Martin Stein B. Bus., CA, FCIS, FGIA (resigned 13 October 2021)

Mr Stein is a finance and governance professional and has previously held executive positions with PwC and Anvil Mining Ltd. He is a Chartered Accountant, Fellow of Institute of Chartered Secretaries and Administrators and Fellow of Governance Institute of Australia.

Mr Stein brought to the Company a wealth of experience in the corporate and resource sectors, both in Australia and overseas.

Mr Stein was also the Chief Financial Officer of the Company.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

Relevant interests of Directors in shares and options of the Company at the date of this report:

Name	Ordinary Shares	Options
M Scivolo	-	-
B Conti	-	-
R Domansky	-	-
A Biggs	-	-

DIRECTORS' INTERESTS IN CONTRACTS

No Director has an interest, whether directly or indirectly, in a contract or proposed contract with the Company, other than by way of contracts for engagement of services in their capacity as directors.

REMUNERATION REPORT (AUDITED)

Details of Key Management Personnel (KMP) as at 30 June 2022 were:

Key Management Personnel	Position
M Scivolo	Non-executive Director
B Conti (appointed 21 January 2022)	Non-executive Director
R Domansky (appointed 8 June 2022)	Non-executive Director
A Biggs (appointed 16 August 2022)	Non-executive Director
G D'Anna (resigned 3 June 2022)	Non-executive Director
R Collins (ceased 16 January 2022)	Non-executive Director
M. Muhling (appointed 13 October 2021)	Company Secretary
M. Stein (resigned 13 October 2021)	Company Secretary

The directors were all in office for the full year unless otherwise stated.

There are no committees or sub committees of the Board.

KMP Remuneration

2022 Key Management Personnel	Short-term Benefits		Super-annuation	Share-based Payment	Total	Percentage of remuneration paid in equity%
	Directors Fees	Consulting Fees		Options	Total	
	$	$	$	$	$	
M Scivolo	12,000	-	1,200	-	13,200	-
B Conti	5,333	-	533	-	5,866	-
R Domansky	767	-	-	-	767	-
G d'Anna	11,000	40,728	-	-	51,728	-
R Collins	6,533	-	-	-	6,533	-
M Muhling[1]	-	-	-	165,482	165,482	100%
M Stein[1]	-	-	-	-	-	-
TOTAL	**35,633**	**40,728**	**1,733**	165,482	**243,576**	-

[1] Mr M Muhling/Mr Stein were appointed as the Company's Company Secretary without:

- Entering into an employment, service or consultancy agreement with Metals Australia, or a child entity of Metals Australia; or
- Metals Australia and Mr Muhling/Mr Stein entering into any other agreement.

The services of Mr Muhling/Mr Stein to Metals Australia is governed by a Services Agreement between Metals Australia and Corporate Resource Services Pty Ltd ("CRS"), which provides the services of Mr Muhling/Mr Stein to Metals Australia.

Mr Muhling/Mr Stein is not being paid by Metals Australia in his capacity as the Company's Company Secretary. The remuneration of Mr Muhling/Mr Stein relating to Metals Australia is paid by CRS, which in turn on charges the remuneration paid to Mr Muhling/Mr Stein to Metals Australia at cost without any mark up or profit.

REMUNERATION REPORT (AUDITED) (continued)

KMP Remuneration (continued)

2021

Key Management Personnel	Short-term Benefits		Super-annuation	Share-based Payment	Total	Percentage of remuneration paid in equity%
	Directors Fees	Consulting Fees		Options	Total	
	$	$	$	$	$	
M Scivolo	12,000	-	1,140	-	13,140	-
G D'Anna	12,000	90,804	-	-	102,804	-
R Collins	12,000	-	-	-	12,000	-
M Stein[1]	-	-	-	-	-	-
TOTAL	**36,000**	**90,804**	**1,140**	-	**127,944**	-

KMP Options and Rights Holdings

2022

Key Management Personnel	Opening balance 1 July 2021	Additions	Disposals	Closing balance 30 June 2022
M Scivolo	-	-	-	-
B Conti[1]	-	-	-	-
R Domansky	-	-	-	-
G D'Anna	-	-	-	-
R Collins	-	-	-	-
M Muhling	-	3,000,000	(1,000,000)	2,000,000
M Stein	-	-	-	-
	-	**3,000,000**	**(1,000,000)**	**2,000,000**

2021

Key Management Personnel	Opening balance 1 July 2020	Additions	Disposals	Closing balance 30 June 2021
M Scivolo	-	-	-	-
G D'Anna	-	-	-	-
R Collins	-	-	-	-
M Stein	-	-	-	-
	-	**-**	**-**	**-**

REMUNERATION REPORT (AUDITED) (continued)

KMP Remuneration (continued)

KMP Shareholdings

The number of ordinary shares in Metals Australia Ltd held by each KMP during the financial year was as follows (all shareholdings are post 20:1 consolidation):

2022	Balance [1] 1 July 2021	Additions	Disposals	Balance 30 June 2022
M Scivolo	-	-	-	-
B Conti	-	-	-	-
R Domansky	-	-	-	-
G D'Anna[1]	2,445,000	-	(2,445,000)	-
R Collins[1]	200,000	-	(200,000)	-
M Muhling	-	-	-	-
M Stein	-	-	-	-
	2,645,000	**-**	**(2,645,000)**	**-**

[1] At date of cessation as a director.

2022	Balance 1 July 2021	Additions	Disposals	Balance 30 June 2022
M Scivolo	-	-	-	-
G D'Anna[2,3]	2,445,000	-	-	2,445,000
R Collins[2,3]	200,000	-	-	200,000
M Stein	-	-	-	-
	2,645,000	**-**	**-**	**2,645,000**

DIRECTORS FEES

Directors receive a fixed fee (plus statutory superannuation where appropriate), with executive directors being remunerated for any professional service conducted for the Company. Directors did not receive any benefits in the form of share-based payments during the year under review.

There are no retirement schemes for any directors or any loans or any other type of compensation.

Board policy on the remuneration for this exploration Company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of Directorship. No Director, executive or employee has an employment contract.

Being an exploration company, with no earnings, a relationship is yet to be established between an emolument policy and the Company's performance. During the year the Company did not engage remuneration consultants to review its existing remuneration policies.

At the last AGM shareholders voted to adopt the remuneration report for the year ended 30 June 2021. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

END OF REMUNERATION REPORT

ANALYSIS OF MOVEMENT IN SHARES

During the year the Company conducted a number of capital raisings and also issued shares following the conversion of options as follows:

	Number	$
Opening balance 1 July 2021	4,227,188,047	36,161,053
Shares issued 30 September 2021 at $0.0015 per share	1,011,369,312	1,517,054
Total	**5,238,557,359**	**37,678,107**
20:1 Consolidation 16 February 2022	**261,928,095**	**37,678,107**
Shares issued 16 March 2022 at $0.078 per share	100,000,000	7,800,000
Conversion of MLSOB options	136,733,066	9,669,248
Conversion of MLSOC options	14,394,748	863,685
Conversion of MLSOD options	14,980,282	749,014
Shares issued 20 June 2022 to acquire 80% of Payne Gully Gold Pty Ltd	40,000,000	1,920,000
Capital raising costs	-	(540,245)
Closing balance 30 June 2022	568,036,191	58,139,809

ANALYSIS OF MOVEMENT IN OPTIONS

During the year the movement in options was as follows:

Class	Balance 1 July 2021[1]	Issued During Year	Exercised during the year	Balance 30 June 2022
Exercisable at $0.07[1] on or before 1 June 2022	136,733,036	-	(136,733,036)	-
Exercisable at $0.07[1] on or before 1 January 2023	2,500,000	-	-	2,500,000
Exercisable at $0.06 on or before 31 December 2023	-	52,068,501	(14,394,748)	37,673,753
Exercisable at $0.05 on or before 10 February 2024	-	125,000,000	(14,980,282)	110,019,718

[1] The opening balance reflects the post-consolidation number of options held.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022 and the number of meetings attended by each Director:

Name	Eligible to attend	Attended
M Scivolo	3	3
B Conti	2	2
R Domanksy	1	1
G D'Anna	2	2
R Collins	1	1

The Board also conducted business via Circular Resolutions during the year.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Gino D'Anna retired by rotation as a Director at the Annual General Meeting on 27 January 2022 and was re-elected.

Rob Collins passed away on 16 January 2022.

At the forthcoming Annual General Meeting, Mr Basil Conti, Ms Rachelle Domansky and Mr Alexander Biggs, having been appointed as a director by the directors, will offer themselves for re-election.

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

EVENTS SUBSEQUENT TO BALANCE DATE

During the year the Company entered into an agreement to acquire 80% of Payne Gully Gold Pty Ltd (PGG), a company with tenements in Western Australia and the Northern Territory, and it issued 40,000,000 MLS shares to the vendors as a non-refundable deposit in accordance with the acquisition agreement. The acquisition remained subject to shareholder approval, and at the General Meeting of shareholders held on 5 August 2022 the shareholders voted against the terms of the acquisition. The Company then entered into a new agreement with the vendors, offering them discounted terms, being 79,000,000 MLS shares, $980,000, and the payment of $200,000 to PGG to provide funds for expenses and debt payments. This agreement acknowledged that 40,000,000 MLS shares had already been issued and that only 39,000,000 MLS shares remained to be issued. The acquisition was settled on these terms on 17 August 2022.

On 17 August 2022 4,000,000 options with an exercise price of $0.005 and an expiry date of 10 February 2024 were issued in part payment for the lead manager services provided by Peak Asset Management with regards to the placement announced to the ASX on 7 March 2022.

No other matters or circumstances have arisen since the end of the financial year, which significantly affect, or could significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated entity in future years.

INDEMNIFYING OFFICER OR AUDITORS

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001* is set out on page 57.

AUDIT COMMITTEE

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- All non-audit services are reviewed and approved by the Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year under review, the Company's auditor, Moore Australia Audit (WA), also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the company, Moore Australia Audit (WA), and its related entities for audit and non-audit services provided during the year are set out in Note 5 to the Financial Statements.

CORPORATE GOVERNANCE STATEMENT

The Company is committed to achieving and demonstrating the highest standards of corporate governance. Information about the Company's Corporate Governance policies will be set out in the annual report.

This report is made in accordance with a resolution of the Directors and Section 298(2) of the Corporations Act 2001.

……………………………
Mr Michael Scivolo
Chairman

Dated 30th September 2022
Perth, Western

ASX Listing Rules Compliance

In preparing this report dated 17 September 2021, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this report.

Eade Gold Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 23 July 2020, 29 July 2020, 6 August 2020, 12 August 2020 and 27 August 2020.

Lac Rainy Graphite Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 15 June 2020, 30 June 2020, 10 September 2020, 12 November 2020 and 3 February 2021.

Nepean South Nickel Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 3 March 2021.

Lac du Marcheur Copper-Cobalt Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 3 August 2017 and 25 October 2017.

Manindi Lithium Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 21 March 2017, 21 June 2018, 13 April 2018 and 21 May 2018.

Competent Person Declaration

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Jean-Paul Barrette P.Geo, B.Sc. Mr Barrette is Project Geologist with Magnor Exploration Inc. and a consultant to Metals Australia Limited. Mr Barrette and is a member of the Ordre des Géologues du Québec (OGQ) with member number OGQ #619. Mr. Barrette has sufficient experience (35 years) that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Barrette consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves specific to the Manindi Lithium Project is based on information compiled by Mr. Martin Bennett, a consultant to Metals Australia Ltd, and a member of The Australasian Institute of Geoscientists. Mr. Bennett has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Resource Estimation is based on information compiled by Simon Coxhell, Principal Consultant of CoxsRocks Pty Ltd. Mr Coxhell is a consultant to the Company. Mr Coxhell is a Member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the Matters based on this information in the form and context in which it appears. Mr Coxhell has not been to the Lac Rainy site but is familiar with graphite deposits around the world and has completed numerous resource estimates for this commodity.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. 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 market announcements.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Metals Australia. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $	2021 $
Revenue			
Interest earned		2,210	1,113
Gain on sale of shares		-	5,000
Deposit		40,000	-
		42,210	6,113
Expenses			
Change in fair value of investments		-	16,800
Key management personnel remuneration		(78,094)	(127,659)
Management fees		(290,153)	(286,076)
ASX listing fees		(85,265)	(19,516)
Professional fees		(224,246)	(147,951)
Exploration and evaluation expenditure written off	11	-	(198,075)
Impairment of receivables		(94,442)	-
Share Based Payments		(1,379,018)	-
Canadian bank fraud		(56,535)	-
Other expenses		(48,704)	(37,108)
		(2,256,457)	(799,585)
Loss before income tax		**(2,214,247)**	**(793,472)**
Income tax benefit	4	-	320,643
Loss for the year from continuing operations		**(2,214,247)**	**(472,829)**
Other Comprehensive Loss, net of tax			
Items that may be subsequently transferred to profit or loss:			
Exchange differences on translating foreign controlled entities		164,306	7,291
Total comprehensive (loss) for the year		**(2,049,941)**	**(465,538)**
(Loss) for the year attributable to:			
Owners of the parent		(2,214,247)	(472,829)
Non-controlling interest		-	-
Total (Loss) for the year, net after tax		**(2,214,247)**	**(472,829)**
Total comprehensive (loss) for the year attributable to:			
Owners of the parent		(2,049,941)	(465,538)
Non-controlling interest		-	-
Total comprehensive (loss) for the year		**(2,049,941)**	**(465,538)**
Earnings per share		**Cents**	**Cents**
Basic / Diluted earnings (loss) per share (cents)	17	(0.74)	(0.01)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated 2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	19,064,405	983,974
Trade and other receivables	8	321,115	272,359
Financial assets	10	72,202	72,202
Prepayment		4,293	4,293
Payne Gully deposit	9	1,920,000	-
TOTAL CURRENT ASSETS		21,382,015	1,332,828
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	11	9,384,069	8,047,719
TOTAL NON-CURRENT ASSETS		9,384,069	8,047,719
TOTAL ASSETS		30,766,084	9,380,547
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	255,391	79,754
TOTAL CURRENT LIABILITIES		255,391	79,754
TOTAL LIABILITIES		255,391	79,754
NET ASSETS		30,510,693	9,300,793
EQUITY			
Issued capital	13	58,139,809	36,161,053
Share option reserve	14	1,432,164	151,079
Accumulated losses	15	(29,249,664)	(27,035,417)
Foreign currency translation reserve		264,301	99,995
Parent interests		30,586,610	9,376,710
Non-controlling interest	16	(75,917)	(75,917)
TOTAL EQUITY		30,510,693	9,300,793

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

METALS AUSTRALIA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total attributable to owners of parent	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$
BALANCE AT 1 JULY 2020	**34,472,099**	**71,579**	**92,704**	**(26,562,588)**	**8,073,794**	**(75,917)**	**7,997,877**
Loss for the year	-	-	-	(472,829)	(472,829)	-	(472,829)
Other comprehensive income / (loss) for the period	-	-	7,291	-	7,291	-	7,291
Total comprehensive (loss) for the year	**-**	**-**	**7,291**	**(472,829)**	**(465,538)**	**-**	**(465,538)**
Issues of capital	1,914,237	-	-	-	1,914,237	-	1,914,237
Capital raising costs	(225,283)	-	-	-	(225,283)	-	(225,283)
Issue of options	-	79,500	-	-	79,500	-	79,500
BALANCE AT 30 JUNE 2021	**36,161,053**	**151,079**	**99,995**	**(27,035,417)**	**9,376,710**	**(75,917)**	**9,300,793**

METALS AUSTRALIA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total attributable to owners of parent	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$
BALANCE AT 1 JULY 2021	**36,161,053**	**151,079**	**99,995**	**(27,035,417)**	**9,376,710**	**(75,917)**	**9,300,793**
Loss for the year	-	-	-	(2,214,247)	(2,214,247)	-	(2,214,247)
Other comprehensive income / (loss) for the period	-	-	164,306	-	164,306	-	164,306
Total comprehensive (loss) for the year	**-**	**-**	**164,306**	**(2,214,247)**	**(2,049,941)**	**-**	**(2,049,941)**
Issues of capital	11,237,054	-	-	-	11,237,054	-	11,237,054
Capital raising costs	(540,245)	-	-	-	(540,245)	-	(540,245)
Issue of options	11,184,014	1,379,018	-	-	12,563,032	-	12,563,032
Conversion of options	97,933	(97,933)	-	-	-	-	-
BALANCE AT 30 JUNE 2022	**58,139,809**	**1,432,164**	**264,301**	**(29,249,664)**	**30,586,610**	**(75,917)**	**30,510,693**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $	2021 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(694,023)	(767,348)
Canadian tax refunds		-	325,421
Canadian bank fraud		(56,535)	-
Deposit		40,000	-
Interest received		2,210	1,113
Net cash from / (used in) operating activities	18	(708,348)	(440,814)
Cash Flows from Investing Activities			
Proceeds from sale of financial assets		-	20,000
Payment for exploration expenditure and acquisitions		(1,172,044)	(784,796)
Net cash (used in) investing activities		(1,172,044)	(764,796)
Cash Flows from Financing Activities			
Proceeds from capital raising		20,501,068	1,845,237
Payments for cost of capital raising		(540,245)	(151,782)
Net cash from financing activities		19,960,823	1,693,455
Net increase / (decrease) in Cash and Cash Equivalents		18,080,431	487,845
Cash and Cash Equivalents at the Beginning of the Year		983,974	496,129
Cash and Cash Equivalents at the End of Year		**19,064,405**	**983,974**

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

1. CORPORATE INFORMATION

The financial report of Metals Australia Ltd and its subsidiaries (the Group) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 30 September 2022.

Metals Australia Ltd is a company incorporated and domiciled in Australia, limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are mineral exploration and investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities. The financial report has also been prepared on an accruals basis and are based on historical cost.

The financial report also complies with International Financial Reporting Standards (IFRS).

The financial report is presented in Australian Dollars.

(b) New or amended Accounting Standards and Interpretations adopted

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and have no material impact.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, however the impact is not expected to be material.

(c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

(d) Interest in joint operations

The Group's interest in any joint operations are accounted for by recognising the Group's assets and liabilities from the joint operation, as well as expenses incurred by the Group and the Group's share of income earned from the joint operation, in the consolidated financial statements.

(e) Foreign currency translation

Both the functional and presentation currency of Metals Australia Ltd and its subsidiary, Karrilea Holdings Pty Ltd Australian Dollar (A$), and the functional and presentation currency of Quebec Lithium Ltd, Lac Rainy Graphite Inc and Lac du Marcheur Cuivre-Cobalt Inc is the Canadian Dollar (CAD$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries were translated into the presentation currency of Metals Australia Ltd at the rate of exchange ruling at the reporting date, and the Statement of Profit or Loss and Other Comprehensive Income is translated at the weighted average exchange rates for the period.

The exchange differences arising on the translation are taken directly to a separate component of Other Comprehensive Income.

On disposal of a foreign entity, the deferred cumulative amount recognised in Other Comprehensive Income relating to that particular foreign operation is recognised in Profit or Loss.

(f) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(g) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investments and other financial assets (continued)

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(h) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(i) Trade and other receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

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

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to Directors and consultants of the Group in the form of share-based payments whereby personnel render services in exchange for shares.

The cost of these equity-settled transactions was measured by reference to the fair value of the equity instruments at the date on which they were granted. The fair value was determined using the Black Scholes formula.

In valuing equity-settled transactions, no account was taken of any performance conditions, other than conditions linked to the price of the shares of Metals Australia Ltd (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

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

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(n) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(o) Other taxes

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

- where 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 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 gross 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Other taxes (continued)

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

(p) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Contributed equity

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

(r) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Comparatives

Comparatives are reclassified where necessary to be consistent with the current year's disclosures.

(t) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments include:

(a) Exploration expenditure

The Group determines whether exploration and evaluation expenditure is impaired on at least an annual basis based on historical information and best available current information. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

(b) Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

4. Income Tax

	Consolidated 2022 $	2021 $
a. The components of tax expense comprise:		
Current income tax	-	-
Deferred income tax	-	-
	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021: 30%) from ordinary operations:	(553,562)	(238,041)
Add/(less) tax effect of:		
- *Other non-allowable items*	14,248	60,176
- *Revenue losses not recognised*	600,324	-
- *Other deferred tax balances not recognised*	(61,010)	177,865
- *Canadian corporate and mining tax credits*	-	320,643
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income from ordinary operations.	-	320,643
c. Recognised deferred tax assets at 25% (2021:30%)[1]		
Exploration	(1,381,796)	(1,425,629)
	(1,381,796)	(1,425,629)
Recognised deferred tax assets at 25% (2021:30%)[1]		
Carry forward revenue losses	(1,381,796)	(1,425,629)
Net deferred tax	**-**	**-**
d. Unrecognised deferred tax assets at 25% (2021:30%)[1]		
Carry forward revenue losses	4,022,645	3,954,435
Carry forward capital losses	663,188	797,325
Other temporary differences	231,856	73,868
	4,917,688	**4,825,628**

The tax benefits of the above Deferred tax assets will only be obtained if:

(i) The company derive future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;

(ii) The company continues to comply with the conditions for deductibility imposed by the Law; and

(iii) No changes in tax legislation adversely affect the company in utlising the benefits.

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

5. Auditor's Remuneration

	Consolidated 2022 $	Consolidated 2021 $
Remuneration of the auditor of the parent entity, Moore Australia Audit (WA).		
- auditing or reviewing the financial report	22,000	-
- taxation services provided by a related practice of the auditor	4,298	-
Remuneration of the previous auditor of the parent entity, Crowe Perth		
- auditing or reviewing the financial report	-	16,900
- taxation services provided by a related practice of the auditor	-	7,665
	26,298	**24,565**

6. Remuneration of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for Details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2022.

The totals of remuneration paid to KMP during the year are as follows:

	Consolidated 2022 $	Consolidated 2021 $
Short-term employee benefits	76,361	126,804
Superannuation	1,733	1,140
Share Based Payments	165,482	
	243,576	**85,908**

Mr M Muhling was appointed as the Company's Company Secretary without:

- Entering into an employment, service or consultancy agreement with Metals Australia, or a child entity of Metals Australia; or
- Metals Australia and Mr Muhling entering into any other agreement.

The services of Mr Muhling to Metals Australia is governed by a Services Agreement between Metals Australia and Corporate Resource Services Pty Ltd ("CRS"), which provides the services of Mr Muhling to Metals Australia.

Mr Muhling is not being paid by Metals Australia in his capacity as the Company's Company Secretary. The remuneration of Mr Muhling relating to Metals Australia is paid by CRS, which in turn on charges the remuneration paid to Mr Muhling to Metals Australia at cost without any mark up or profit.

7. Cash and Cash Equivalents

	Consolidated 2022 $	Consolidated 2021 $
Cash at bank	19,064,405	983,974
	19,064,405	**983,974**

8. Trade and Other Receivables

	Consolidated	
	2022	2021
Current	$	$
Canadian mining, corporate and sale taxes receivable	161,657	247,228
GST receivable	147,913	19,765
Bonds & deposits held	11,545	5,366
	321,115	**272,359**

9. Payne Gully Deposit

	Consolidated	
	2022	2021
	$	$
Payne Gully Deposit	1,920,000	-
	1,920,000	**-**

40,000,000 MLS fully paid shares issued to the Vendors of Payne Gully Gold Pty Ltd (PGG) as part of a transaction to acquire 80% of PGG. Subsequent to the end of the financial year, the Company completed the acquisition of an 80% interest in PGG (see Note 25).

10. Other financial assets – held for trading

	Consolidated	
	2022	2021
	$	$
Financial assets – listed Australian securities at market value	72,202	72,202
	72,202	**72,202**

11. Exploration and Evaluation Expenditure

	Consolidated	
	2022	2021
Current	$	$
Opening balance – at cost	8,047,719	7,476,163
Exploration and evaluation expenditure	1,143,731	661,596
Exploration and evaluation – foreign currency movements	192,619	33,035
Shares issued to acquire projects	-	75,000
Expenditure written off	-	(198,075)
	9,384,069	**8,047,719**

12. Trade and other Payables

	Consolidated	
	2022	2021
Current	$	$
Trade creditors	237,624	62,404
Accrued liabilities	17,767	17,350
	255,391	**79,754**

13. Issued Capital

The movements in the ordinary share capital of the Company the last two years was as follows:

	Number	$
Balance 30/06/2020	**3,207,352,777**	**34,472,099**
Issue 27 August 2020 at $0.00187 per share	440,999,999	824,670
Issue 27 October 2020 at $0.00187 per share	542,550,800	1,014,567
Issued on 29 March 2021 as part consideration for acquisition of mineral properties	36,284,471	75,000
Capital raising costs	-	(225,283)
Balance 30/06/2021	**4,227,188,047**	**36,161,053**
Issue 30 September 2021 at $0.0015 per share	1,011,369,312	1,517,054
Total	**5,238,557,359**	**37,668,107**
20:1 Consolidation at 16 February 2022	**261,928,095**	**37,668,107**
Issue 16 March 2022 at $0.078 per share	100,000,000	7,800,000
Conversion of MLSOB options	136,733,066	9,669,248
Conversion of MLSOC options	14,394,748	863,685
Conversion of MLSOD options	14,980,282	749,014
Issue of shares as part consideration of acquisition of Payne Gully Gold Pty Ltd	40,000,000	1,920,000
Capital raising costs	-	(540,245)
Balance 30/06/2022	**568,036,191**	**58,139,809**

The Company's capital consists of Ordinary Shares and the Company does not have a limited amount of authorised share capital. The Shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held. At shareholders' meetings, each fully paid ordinary share is entitled to one vote when a poll is called.

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, and to ensure that the group can fund its operations and continue as a going concern. The group's debt and capital includes ordinary share capital, supported by financial assets. 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 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.

14. Share Option Reserve

Date	Details	Number	$
30/06/2020	Balance	**1,466,110,000**	**71,579**
Various /2020	Issue of options	1,318,550,799	79,500
30/06/2021	Balance	**2,784,660,799**	**151,079**
16/02/2022	**20:1 Consolidation**	**139,233,036**	**151,079**
Various	Issue of options	177,068,501	1,379,018
Various	Conversion of options	(166,108,066)	(97,933)
30/06/2022	Balance	**150,193,471**	**1,432,164**

The weighted average exercise price of the options on hand at year end is $0.0528. The remaining contractual life of the options outstanding at year end was a weighted average of 1.57 years.

Summary of Options Granted

The following table sets out the number and weighted average exercise price (WAEP) of, and movements in, share options granted during the year or prior years:

	2022[1] Number	2022 WAEP (cents)	2021 Number	2021 WAEP (cents)
Outstanding at beginning of year	**139,233,066**	**0.070**	**1,466,110,000**	**0.0035**
Granted during the year	177,068,501	0.053	1,318,550,799	0.0035
Exercised during the year	(166,108,096)	0.067	-	-
Outstanding at the end of the year	**150,193,471**	**0.053**	**2,784,660,799**	**0.0035**

[1] Options during the 2022 year are all post 20:1 Consolidation.

15. Accumulated Losses

	Consolidated 2022 $	Consolidated 2021 $
Accumulated losses at the beginning of the year	(27,035,417)	(26,562,588)
Loss for the year	(2,214,247)	(472,829)
Accumulated losses at the end of the financial year	**(29,249,664)**	**(27,035,417)**

16. Non-controlling Interest

	Consolidated 2022 $	Consolidated 2021 $
Share capital	2	2
Accumulated losses	(75,919)	(75,919)
	75,917	**75,917**

17. Earnings per Share

	2022	2021
Weighted average number of shares on issue during the financial year used in the calculation of basic and diluted earnings per share	**298,824,992**	3,953,185,523
Basic and diluted earnings per share (cents)	**(0.74)**	**(0.01)**

Potential ordinary shares have not been included in the diluted earnings per share calculation as they would be anti-dilutive.

18. Cash Flow Information

Reconciliation to Statement of Cash Flows

	Consolidated	
	2022	**2021**
	$	**$**
Operating loss after income tax	(2,214,247)	(472,829)
Non-cash items in profit/(loss)		
Revaluation of shares	-	(16,800)
Exploration and evaluation expenditure written off	-	198,075
Foreign exchange movements	-	46,070
Profit on sale of financial assets	-	(5,000)
Impairment of receivables	94,442	-
Share Based Payments	1,379,018	-
Changes in assets and liabilities:		
Decrease / (increase) in trade and other receivables	(143,198)	(29,140)
Increase / (decrease) in trade and other payables	175,637	(161,190)
Net cash flows (used in) / provided by operating activities	**(708,348)**	**(440,814)**

19. Financial Instruments

(a) Interest Rate Risk

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

19. **Financial Instruments (continued)**

Consolidated Group	Floating Interest Rate		Non-Interest Bearing		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Financial Assets:						
Cash and cash equivalents	19,064,405	983,974	-	-	19,064,405	983,974
Trade and other receivables	-	-	321,115	272,359	321,115	272,359
Held-for-trading investments	-	-	72,202	72,202	72,202	72,202
Payne Gully deposit	-	-	1,920,000	-	1,920,000	-
Total Financial Assets	19,064,405	983,974	2,313,317	344,561	21,377,722	1,328,535
Financial Liabilities:						
Trade and other payables	-	-	(255,391)	(79,754)	(255,391)	(79,754)
Total Financial Liabilities	-	-	(255,391)	(79,754)	(255,391)	(79,754)
Net Financial Assets	**19,064,405**	**983,974**	**2,057,926**	**264,807**	**21,122,331**	**1,248,781**

(b) Credit Risk

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

Other than the Payne Gully deposit, the consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal, as being an exploration company, no goods are sold, or services provided, for which consideration is claimed. Risk management on the Group investment is achieved by maintaining a close watch on market conditions as they apply to the investee companies.

19. Financial Instruments (continued)

(e) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages the risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Liquidity Risk Sensitivity Analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Consolidated Group	Within 1 year		1 to 5 years		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Financial Liabilities – Due for Payment						
Trade and other payables	(255,391)	(79,754)	-	-	(255,391)	(79,754)
Total Expected Outflows	(255,391)	(79,754)	-	-	(255,391)	(79,754)
Financial Assets – Cash Flows Realisable						
Cash and cash equivalents	19,064,405	983,974	-	-	19,064,405	983,974
Receivables	321,114	272,359	-	-	321,114	272,359
Payne Gully Deposit	1,920,000	-	-	-	1,920,000	-
Held-for-trading investments	72,202	72,202	-	-	72,202	72,202
Total anticipated inflows	21,377,722	1,328,535	-	-	21,377,722	1,328,535
Net (outflow) / inflow on financial instruments	**21,122,331**	**1,248,781**	**-**	**-**	**21,122,331**	**1,248,781**

19. Financial Instruments (continued)

(f) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2022, the effect on profit/(loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be minimal:

	Consolidated 2022 $	Consolidated 2021 $
Change in profit/(loss)		
- Increase in interest rate by 2%	381,288	19,679
- Decrease in interest rate by 2%	(381,288)	(19,679)
Change in equity		
- Increase in interest rate by 2%	381,288	19,679
- Decrease in interest rate by 2%	(381,288)	(19,679)

Foreign Currency Risk Sensitivity Analysis
There is minimal foreign currency risk as insignificant balances of foreign currency are held.

(g) Financial Instruments Measured at Fair Value

Financial Instruments Measured at Fair Value
The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

	Level 1	Level 2	Level 3	Total
Consolidated Group	**$**	**$**	**$**	**$**
2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Investments: held for trading	72,202	-	-	72,202
	72,202	**-**	**-**	**72,202**

19. Financial Instruments (continued)

2021

Financial assets				
Financial assets at fair value through profit or loss:				
Investments: held for trading	72,202	-	-	72,202
	72,202	**-**	**-**	**72,202**

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

20. Investment in controlled entities

Name of Entity	Country of Incorp-oration	Class of Shares	Equity Holding (%)		Book Value of Investment $'000		Contribution to Consolidated Result $'000	
			2022	2021	2022	2021	2022	2021
Karrilea Holdings Pty Ltd	Australia	Ordinary	80	80	-	-	-	-
Quebec Lithium Ltd	Australia	Ordinary	100	100	-	-	(56,994)	(101,039)
Lac Rainy Graphite Inc	Canada	Ordinary	100	100	-	-	-	-
Lac du Marcheur Cuivre-Cobalt Inc	Canada	Ordinary	100	100	-	-	-	-

The non-controlling interest in Karrilea Holdings Pty Ltd is not material to the Group.

21. Related Parties

The Group's related parties include its subsidiaries, key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were received or given.

21. Related Parties (continued)

Related Party	Relationship	Nature Of Transaction	Year ended 30 June 2022 Transaction	Year ended 30 June 2022 Balance	Year ended 30 June 2021 Transaction	Year ended 30 June 2021 Balance
			$	$	$	$
Sabre Resources Ltd	Common Directors	Investment in shares	-	7,200	-	7,200
Sabre Resources Ltd	Common Directors	Trade Payables	3,816	3,816	-	-
Golden Deeps Limited	Common directorship	Investments in Shares	-	65,000	-	65,000
Corporate Resource Services Pty Ltd	Management Services	Management services	290,153	88,125	286,076	24,000
Internatzionale Consulting Pty Ltd	Director Related Entity	Payment of director and consulting fees	(51,728)	(2,000)	(102,804)	(8,113)
			(51,728)	(2,000)	(102,804)	(8,118)
Profit & Resources Management Pty Ltd	Director Related Entity	Payment of director fees	(6,533)	-	(12,000)	(3,300)
Odyssey Counselling and Coaching	Director Related Entity	Payment of director fees	(767)	(767)	-	-
Sherlock Investors Pty Ltd	Common Directors	Investment in shares	-	-	15,000	-

All transactions with Directors are disclosed in Note 6.

22. Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The Company is managed on the basis of area of interest. Operating segments are therefore determined on the same basis.

Segments

The two reportable segments are as follows:

(i) Western Australian Projects
(ii) Quebec Projects

22. Operating Segments (continued)

Basis of Accounting for purposes of reporting by operating segments

Accounting Policies Adopted
All amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

There are no inter-segment transactions. Segment assets are clearly identifiable on the basis of their nature. Segment liabilities include trade and other.

Segment Performance – June 2022	**Australia**	**Canada**	**Total**
	$	**$**	**$**
Revenue			
Interest earned	2,210	-	2,210
Gain on sale of shares	40,000	-	40,000
Total Group revenue	**42,210**	**-**	**42,210**
Segment profit/(loss)			
Management Fees	(290,153)	-	(290,153)
Corporate overheads	(1,795,548)	(19,779)	(1,815,327)
Canadian bank fraud	-	(56,535)	(56,535)
Impairment of receivables	-	(94,442)	(94,442)
Total Group profit/(loss) before tax	**(2,043,491)**	**(170,756)**	**(2,214,247)**
Segment assets	**27,084,138**	**3,681,946**	**30,766,084**
Segment liabilities	**255,391**	**-**	**255,391**

22. Operating Segments (continued)

Segment Performance – June 2021	Australia	Canada	Total
	$	$	$
Revenue			
Interest earned	205	908	1,113
Gain on sale of shares	5,000	-	5,000
Total Group revenue	**5,205**	**908**	**6,113**
Segment profit/(loss)			
Management Fees	(286,076)	-	(286,076)
Corporate overheads	(295,655)	(19,779)	(315,434)
Exploration and evaluation expenditure written off	-	(198,075)	(198,075)
Total Group profit/(loss) before tax	**(576,526)**	**(216,946)**	**(793,472)**
Segment assets	**1,506,280**	**7,874,267**	**9,380,547**
Segment liabilities	**79,754**	**-**	**79,754**

23. Commitments

(i) Mining Tenements

As part of ongoing activities, the consolidated entity is required to commit to minimum expenditures to retain its interest in its Western Australian and Canadian mineral tenements. Over the next five years this amounts to $659,085, as follows:

Year Ending 30 June	Western Australia	Canada	Total
			$
2023	188,400	70,198	258,598
2024	188,400	70,198	258,598
2025	188,400	70,198	258,598
2026	188,400	70,198	258,598
2027	188,400	70,198	258,598
	942,000	**350,990**	**1,292,000**

The acquisition of Payne Gully will add additional expenditure commitments of $104,000 per year in Western Australia and the Northern Territory.

(ii) Management Agreement

The Company has an agreement with a management service company for the provision of services at the current annual rate of $288,000 per annum (plus CPI increases). Charges are at commercial terms in accordance with the Services Agreement entered into on 11 May 2021 for a five-year term commencing 1 May 2021, with renewable one year periods at the cessation of the initial term.

24. Contingent Liabilities

There were no contingent liabilities as at 30 June 2022.

25. Subsequent Events

During the year the Company entered into an agreement to acquire 80% of Payne Gully Gold Pty Ltd (PGG), a company with tenements in Western Australia and the Northern Territory, and it issued 40,000,000 MLS shares to the vendors as a non-refundable deposit in accordance with the acquisition agreement. The acquisition remained subject to shareholder approval, and at the General Meeting of shareholders held on 5 August 2022 the shareholders voted against the terms of the acquisition. The Company then entered into a new agreement with the vendors, offering them discounted terms, being 79,000,000 MLS shares, $980,000, and the payment of $200,000 to PGG to provide funds for expenses and debt payments. This agreement acknowledged that 40,000,000 MLS shares had already been issued and that only 39,000,000 MLS shares remained to be issued. The acquisition was settled on these terms on 17 August 2022. This transaction will be treated as an asset acquisition.

On 17 August 2022 4,000,000 options with an exercise price of $0.005 and an expiry date of 10 February 2024 were issued in part payment for the lead manager services provided by Peak Asset Management with regards to the placement announced to the ASX on 7 March 2022.

No other matters or circumstances have arisen since the end of the financial year, which significantly affect, or could significantly affect, the operations of the consolidated group, the results of these operations, or the state of affairs of the consolidated group in future years.

26. Parent Entity Information

The following details information related to the parent entity, Metals Australia Ltd, at 30 June 2022. The information presented here has been prepared using consistent accounting policies as shown in Note 2.

	Parent Entity	
	2022	2021
	$	$
Assets		
Current assets	21,214,660	1,042,718
Non-current assets	4,892,593	3,691,868
Total Assets	**26,107,253**	**4,734,586**
Liabilities		
Current liabilities	255,391	79,754
Total Liabilities	**255,391**	**79,754**
Equity		
Issued capital	58,139,809	36,161,053
Share option reserve	1,432,164	151,079
Accumulated losses	(33,720,111)	(31,657,300)
Total Equity	**25,851,862**	**4,654,832**
Financial performance		
(Loss) for the year	(2,062,811)	(576,523)
Other comprehensive income	-	-
Total comprehensive (loss)	**(2,062,811)**	**(576,523)**

26. Parent Entity Information (continued)

No guarantees have been entered into by the parent entity on behalf of its subsidiary.

No contingent liabilities exist.

No contractual commitments by the parent company exist, other than those for exploration commitments and management services (refer note 23).

1. In the opinion of the Directors of Metals Australia Ltd (the "Company"):

   (a) the financial statements and notes set out on pages 27 to 54, and the remuneration disclosures that are contained in pages 18 to 21 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

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

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (iii) complying with International Financial Reporting Standards as disclosed in Note 2.

   (b) the remuneration disclosures that are contained in pages 18 to 21 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures; and

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

2. The Directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors:

Michael Scivolo
Chairman

Dated 30th September 2022.
Perth, Western Australia

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF METALS AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30h day of September 2022.

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METAL AUSTRLIA LIMITED

Report on the Audit of the Financial Report

Opinion

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

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

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

We have determined the matters described below to be the key audit matters to be communicated in our report.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF METALS AUSTRALIA LIMITED (CONTINUED)

Key Audit Matters (continued)

Carrying value of Exploration & Evaluation Expenditure	
Refer to Note 11 Exploration & Evaluation Expenditure	
As at 30 June 2022 the Group had capitalised exploration and evaluation expenditure of $9,384,069 The ability to recognise and to continue to defer exploration and evaluation assets under AASB 6 is impacted by the Group's ability, and intention, to continue to explore and evaluate the tenements or its ability to realise this value through development or sale. The carrying values of the capitalised exploration and evaluation assets were key audit matters given the significance of the exploration activities to the Group's balance sheet, and the judgement involved in the assessment of their values.	Our procedures included, amongst others the following: • Assessing the methodologies used by management to estimate recoverable amounts of the exploration and evaluation assets, including testing the integrity of the information provided, and assessing the appropriateness of the key assumptions adopted based on our knowledge of the exploration assets and industry. • Reviewing minutes of Board meetings, ASX announcements, the latest professional and other reports for evidence of any impairment indicators or material adverse changes in relation to the exploration assets. • Testing expenditures and other additions to the exploration and evaluation assets during the year on a sample basis against supporting documentation such as supplier invoices and cost agreements and ensuring such expenditures and additions are appropriately recorded in accordance with applicable accounting standards. • Reviewing the Group's rights to tenure to its areas of interest and commitment to continue exploration and evaluation activities in these interests and ensuring capitalised expenditures relating to areas of interest which have been discontinued or no longer being budgeted for are appropriately impaired. • Compared the Group's market capitalisation as at 30 June 2022 to its net asset position, Market capitalisation below net assets is an indicator of possible impairment, thereby requiring further consideration. • Assessing the appropriateness of the relevant disclosures in the financial statements.

Other Information

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF METALS AUSTRALIA LIMITED (CONTINUED)

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Metals Australia Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30h day of September 2022.