



ACN 110 150 055

**Interim Financial Report
for the Half-Year
31 December 2021**

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CORPORATE DIRECTORY

Directors

Mr Peter Gunzburg (Non-Executive Chairman)
Mr Brett Smith (Executive Director)
Mr Grahame White (Non-Executive Director)
Mr Patrick O'Connor (Non-Executive Director)

Company Secretary

Ms Shannon Coates

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
GPO Box Melbourne VIC 3001
Phone: (within Australia) 1300 850 505
Phone: (outside Australia) +61 3 4915 4000
Facsimile: +61 3 9473 2500

Registered Office

Level 5
197 St Georges Terrace
Perth WA 6000

Phone: +61 8 9220 5700
E-mail: reception@metalsx.com.au
Website: www.metalsx.com.au

Postal Address

PO Box 7248
Cloisters Square PO WA 6850

Securities Exchange

Listed on the Australian Securities Exchange
Code: ASX: MLX

Domicile and Country of Incorporation

Australia

APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 2021 Annual Financial Report, the 31 December 2021 Consolidated Interim Financial Report and Directors' Report.

Dividends

The Directors do not propose to pay any dividend for the half-year ended 31 December 2021.

Key financial highlights from ordinary activities

Consolidated	6-months ended 31 Dec 2021 \$'000	6-months ended 31 Dec 2020 \$'000	Movement \$'000	Movement %
Revenue from ordinary activities:	107,658	50,809	56,849	111.9%
Profit/(loss) for the period from continuing operations:	49,376	12,720	36,656	288.2%
Profit/(loss) attributable to members:	49,363	18,686	30,677	164.2%
Net tangible assets per share:	0.13	0.08	0.05	62.5%

Financial performance	6-months ended 31 Dec 2021 \$'000	6-months ended 31 Dec 2020 \$'000	Movement \$'000
Total revenue	107,658	50,809	56,849
Cost of sales	(48,111)	(41,342)	(6,769)
Gross profit	59,547	9,467	50,080
Profit for the period from continuing operations	49,376	12,720	36,656

Review of Results: refer to the review of results included in the Directors' Report.

DIRECTORS' REPORT

For the half-year ended 31 December 2021

The Directors present their report together with the consolidated interim financial report of Metals X Limited (the "Company") and its controlled entities (together the "Consolidated Entity" or "Group") for the half-year period ended 31 December 2021 ("half-year") and the auditor's independent review report thereon.

1. DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Name	Position	Date of Appointment
Peter Gunzburg	Non-Executive Chairman	10 July 2020
Brett Smith	Executive Director	2 December 2019
Grahame White	Non-Executive Director	10 July 2020
Patrick O'Connor	Non-Executive Director	24 October 2019

2. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Company is a limited liability company and is domiciled and incorporated in Australia. The Company owns a 50% equity interest in the Renison Tin Operation through its 50% stake in the Bluestone Mines Tasmania Joint Venture and comprises the Renison Tin Mine ("Renison") located 15km north-east of Zeehan on Tasmania's west coast and the Mount Bischoff Project, placed on care and maintenance in 2010, which is located 80km north of Renison.

The Wingellina Nickel-Cobalt Project forms part of the Company's Central Musgrave Project straddling the triple-point of the Western Australia, Northern Territory and South Australia borders. Wingellina is development-ready and is the largest undeveloped nickel-cobalt project in Australia. The Company previously announced it had executed a share sale and subscription agreement with NICO Resources Limited for the sale and spin out of its Nickel-Cobalt portfolio. The associated assets and liabilities have been reclassified as held for sale at 31 December 2021. Refer to note 7 in the consolidated interim financial statements.

The principal activities of the Group during the period were:

- Investment in a joint venture company operating a tin mine in Australia; and
- exploration and development of base metals projects in Australia.

There have been no significant changes in the nature of those activities during the year.

3. FINANCIAL RESULTS AND OVERVIEW

The Group has a consolidated profit after income tax of \$49.363 million (HY 2020: \$18.686 million).

Other financial results for the Group include:

- Total revenue of continuing operations: \$107.658 million (HY 2020: \$50.809 million);
- Total cost of sales of continuing operations: \$48.111 million (HY 2020: \$41.342 million);
- Cash flows from operating activities: \$59.391 million (HY 2020: inflow of \$3.453 million);
- Cash flows used in investing activities: \$9.109 million (HY 2020: outflow of \$6.705 million);
- Cash flows used in financing activities: \$17.406 million (HY 2020: outflow of \$1.751 million);
- Cash and cash equivalents: \$46.348 million (FY 2021: \$13.472 million).

DIRECTORS' REPORT
For the half-year ended 31 December 2021

Covid-19 Pandemic Response

The COVID-19 pandemic has had a significant impact on, individuals, communities, and businesses globally. Employees at all levels of the business were asked to change the way they work, and how they interacted professionally and socially. Together with the various Government health measures, the Company implemented significant controls and requirements at all its sites to protect the health and safety of its workforce, their families, local suppliers, and neighbouring communities while ensuring a safe environment for operations.

The Company's COVID-19 response protocols reinforce the current public health advice in each State including:

- social distancing protocols;
- suspension of large indoor gatherings;
- cancellation of all non-essential travel;
- flexible and remote working plans for employees;
- access to site restrictions and temperature screening;
- self-isolation following international travel, development of symptoms, or interaction with a confirmed case of COVID-19;
- increased inventory of hand sanitiser and hygiene supplies; and
- increased focus on cleaning and sanitation.

No adjustments have been made to the Group's result as at 31 December 2021 for the impacts of COVID-19. However, the scale and duration of possible future Government measures, vaccine rollout, and their impact on the Group's operations and financial situation, necessarily remains uncertain.

4. REVIEW OF OPERATIONS

TIN DIVISION

Renison Tin Mine (50% MLX)

The Renison strategy is focussed on continuing to convert ongoing significant in-mine exploration success into a substantial long-life mining operation, to deliver higher cash margins through an increased mining rate, grade, and recovery, whilst continuing to seek productivity improvements and reduce costs.

Renison production performance summary

Physicals 50%	Unit	31 Dec 2021	31 Dec 2020	Movement	Movement %
UG ore mined	t	211,652	215,313	(3,661)	(1.70%)
UG grade mined	% Sn	1.53%	1.35%	0.18%	13.33%
Ore processed	t	172,625	167,115	5,510	3.30%
Head grade ⁽¹⁾	% Sn	1.77%	1.70%	0.07%	4.12%
Recovery ⁽²⁾	%	77.07%	76.14%	0.93%	1.22%
Tin produced	t	2,415	2,163	252	11.65%
Tin sold	t	2,278	2,254	24	1.06%

⁽¹⁾ Head grade is after the upgrade from the ore sorter

⁽²⁾ Recovery is expressed as overall recovery, taking account of losses of tin through the ore sorter and the concentrator

DIRECTORS' REPORT

For the half-year ended 31 December 2021

- Revenue is derived from the Company's 50% interest in Renison. Increased tin sales and tin prices delivered a 111.9% increase in revenue for the half-year.
- Cost of sales increased by \$6.769 million for the half-year due to the following:
 - Royalty expense increased by \$4.525 million to \$5.730 million (2020: \$1.205 million); and
 - Employee costs increased by \$0.827 million to \$8.710 million (2020: \$7.883 million). The cost increase includes redundancy and restructuring costs of \$0.500 million and an increase in the number of personnel onsite.

Key Projects and Focus Areas

Area 5 Project

The Area 5 upgrade has progressed significantly over the period. The objective of the Area 5 Project is to develop and mine the high-grade Area 5 Ore Reserve, including construction of the requisite surface and underground infrastructure to support the development. Post completion of the Area 5 Project, the annual production is expected to increase on average 10,000 tonnes of Tin per annum.

Key Area 5 Project activities during the period were:

- **HV Power Upgrade**
 - Works have progressed with the design now complete.
 - Civil works on schedule and budget.
 - Underground cable installation encountered latent conditions.
 - Procurement and shipping delays on switch room impacting planned March 2022 shutdown.
 - Potential power capacity constraint due to transformer refurbishment delays.
- **Ventilation Upgrade**
 - Difficult ground conditions are causing delays on the final leg of the new return airway raisebore. While this is anticipated to move the commissioning date to June 2022 it is not scheduled to affect the mine production schedule.
 - The new primary exhaust fan planned for install as part of the Area 5 ventilation upgrade is currently being shipped from Vietnam. Delivery of this fan is delayed from the original schedule however is not on the critical path with the above-mentioned raise boring delays.
- **Backfill Facility and Infrastructure**
 - The order for the new paste plant has been placed.
 - Design of underground paste network is ongoing.
 - Water treatment plant design is underway.
 - Implemented early proactive engagement measures with EPC contractor to mitigate contractor resourcing issues due to COVID-19 that could lead to delays. The schedule is currently unaffected.

Total Area 5 forecast costs are now \$58.6 million with approximately \$4.2 million of contingency remaining (June 2021 forecast \$56.6 million). The update includes scope changes being the move to a new paste plant, additional scope in the water treatment area, and additional HV power electrical upgrade. Costs incurred to 31 December 2021 were \$31.1 million with \$27.5 million remaining.

DIRECTORS' REPORT
For the half-year ended 31 December 2021

4. REVIEW OF OPERATIONS (continued)

Metallurgical Improvement Program

The objective of the Metallurgical Improvement Program ("MIP") is to improve systems to ensure the increased processing throughput rates are sustained and to increase metallurgical recovery. The program is being advanced through ongoing review and updating of control systems and online analytical infrastructure, improved training and communication of standard operating parameters and upgrade or replacement of key processing infrastructure.

Key MIP workstreams progressed during the period were:

- Fine spirals replacement complete.
- Continuous Falcon Concentrate Cleaning Circuit MGS sighter test work complete.
- Deslime Circuit Optimisation and Slime Tail Tin Department Variability Study complete.
- Key ongoing activities include:
 - Gravity Concentrate Pumping Improvements.
 - Carboxymethylcellulose ("CMC") mixing and dosing system (for Talc management) commissioning planned for January 2022.
 - Primary Grinding/Sulphide Feed Stability Commissioning planned for Q1 2022.
 - 50' Thickener Removal Target final decommissioning Q1 2022.
 - Sulphide Regrind Stability commissioning March 2022.
 - Leach circuit de-bottle necking EPC contract executed, Q1 2022 commissioning.
 - Tin Flotation Circuit Re-configuration EPC contract executed, Q1 2022 commissioning.

Thermal Upgrade Project and Rentails Project

Work on the updated Rentails Definitive Feasibility Study continued during the period.

Key activities included:

- Development of preliminary process models and production schedules across the life of mine to inform Stage 1 studies.
- The engineering contract for the Thermal Upgrade Plant is currently being finalised. The Tailings Management and Concentrator Engineering and Infrastructure contracts have been awarded, with preliminary work underway.
- Proposals for environmental permitting work have been received.

Mt Bischoff Project

Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. The project was placed on care and maintenance in 2010 and is entering a phase of rehabilitation.

DIRECTORS' REPORT
For the half-year ended 31 December 2021

4. REVIEW OF OPERATIONS (continued)

NICKEL DIVISION

Spin Out of Nickel-Cobalt Assets

The Company has previously announced the execution of a binding terms sheet with NICO Resources Limited ("NICO") for the sale and spin out of its Nickel asset portfolio, including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia (the "Nickel Assets").

On 4 November 2021, the Company announced it had signed a formal share sale and subscription agreement with NICO ("SSA") that provides for the sale of all the shares in Metals Exploration Pty Ltd ("Metals Exploration"), a 100%-owned subsidiary of the Company, to NICO with eligible Metals X shareholders to receive an in-specie distribution of NICO shares, subject to the approval of shareholders and the Foreign Investment Review Board (the "FIRB"), so as to spin out the Nickel assets from the Company (the "Transaction").

In conjunction with the Transaction, NICO proposed to undertake an initial public offering of its shares ("IPO") and applied for listing on the ASX. Under the SSA, NICO proposed to raise at least \$8.000 million by the issue of:

- approximately 20,000,000 fully paid ordinary shares at \$0.20 per share to Metals X ("MLX IPO Shares"); and
- at least 20,000,000 fully paid ordinary shares at \$0.20 per share under the IPO.

In addition to receiving the MLX IPO Shares, the consideration payable by NICO to Metals X for the purchase of the Nickel Assets will be \$5,000,000, to be satisfied by the issue to Metals X of:

- 25,000,000 shares in NICO at a deemed issue price of \$0.20 per share ("Consideration Shares"); and
- 25,000,000 options to subscribe for shares in NICO, exercisable at \$0.25 each, expiring 3 years after grant.

On 2 December 2021, the Company announced it has received a notification of no objection from the FIRB.

On 15 December 2021, shareholders of Metals X Limited approved the capital reduction and in-specie distribution of the Consideration Shares.

As at 31 December 2021, settlement under the SSA, and the effective date for the in-specie distribution, remained contingent on the formal conditional admission letter from the ASX being received by NICO. Accordingly, the assets and liabilities belonging to the Nickel Asset portfolio were classified as assets held for sale. Refer to note 7 in the Notes to the Consolidated Interim Financial Statements.

On 7 January 2022, the Company announced that the sale of its Nickel Asset portfolio pursuant to the SSA had Completed.

On 12 January 2022, the Company submitted a Class Ruling Application for the return of capital by way of in-specie distribution to the Australian Tax Office. The ruling is sort to confirm that the Commissioner will not make a determination under subsection 45B(3)(b) of the Income Tax Assessment Act 1936 (Cth) (ITAA 1936) that section 45C applies to the whole, or any part of the Capital Reduction to Metals X Shareholders, that is to be satisfied by way of the In-Specie Distribution of the 25 million NICO shares.

Refer to Significant Events After Balance Date at note 7 of this report for further information post balance date.

DIRECTORS' REPORT

For the half-year ended 31 December 2021

5. CORPORATE

Repayment of ACT Loan Facility

On 13 July 2021, the Company repaid \$7.75 million, comprising 50% of the outstanding principal amount of \$15.50 million to ACT.

On 27 July 2021, the Company announced it had agreed to extend the ACT Loan Facility termination date from 31 July 2021 to 31 January 2022, with all other terms and conditions remaining unchanged.

On 30 September 2021, the Company made a final payment of \$7.764 million, comprising \$7.750 million principal plus interest, to ACT.

The ACT Loan Facility terminated on 31 January 2022.

Receipt of Mt Gordon Copper Payment

On 8 July 2021, the Company received \$11 million as settlement of the Copper Payment pursuant to the Mt Gordon Sale Agreement, and subsequent binding variation agreement, with Capricorn Copper Holdings Pty Ltd (CCH) and its parent entity, EMR Capital Investment (No. 6B) Pte Ltd.

The payment from CCH includes the first and second instalments of \$5,000,000 each, the agreed extension fee of \$250,000, and interest due, being a total payment of \$11 million.

Investments – Convertible Notes and Options

The Company continues to hold 4 convertible notes with a face value of \$36.0 million in aggregate and 40.6 million options issued by Cyprium Metals Limited ("CYM").

The first tranche of 20.3 million options are exercisable at a price of \$0.314 and expire on 30 March 2022.

6. DIVIDENDS

No dividends were paid to members during the half-year period (2020: Nil).

The Directors do not propose to pay any dividend for the half-year ended 31 December 2021.

7. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 4 January 2022, the Company announced that its Board of Directors resolved to change the Company's financial year end from 30 June to 31 December. The Company's current financial year will end on 30 June 2022. The Company will have a six-month transitional financial year beginning on 1 July 2022 and ending on 31 December 2022, and thereafter, from 1 January 2023, the Company will revert to a twelve-month financial year, commencing on 1 January and ending on 31 December. The change has been made to align the financial year end of the Company with the financial year end of Bluestone Mines Tasmania Joint Venture Pty Ltd, manager of the Renison Tin Operations, in which the Company holds a 50% equity interest.

On 7 January 2022, the Company announced that the sale of its Nickel Asset portfolio pursuant to the share sale and subscription agreement executed with NICO Resources Limited had completed. Following completion of the sale of the Company's Nickel Asset portfolio to NICO and subsequent IPO, completed post year end, the Company holds 21,100,000 shares and 25,000,000 options in NICO (ASX:NC1). The options are exercisable at \$0.25 on or before 3 November 2024.

DIRECTORS' REPORT
For the half-year ended 31 December 2021

8. AUDITOR'S INDEPENDENCE UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Directors have received confirmation from the auditor of Metals X that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included on page 28 of this report.

9. ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated), and where noted (\$'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be "Brett Smith", with a long horizontal line extending to the right.

Brett Smith
Executive Director
22 February 2022

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2021

		6-months to 31 Dec 2021	6-months to 31 Dec 2020
Continuing operations	Notes	\$'000	\$'000
Revenue	3	107,658	50,809
Cost of sales		(48,111)	(41,342)
Gross profit		59,547	9,467
Other income	4	94	10,030
General and administrative expenses		(1,752)	(3,437)
Commodity and foreign exchange gain/(loss)		18	(1,861)
Loss on asset disposal		-	(78)
Finance costs		(478)	(1,729)
Share-based reversal		-	278
Fair value change in financial assets	8	(8,053)	50
Profit before tax		49,376	12,720
Income tax expense		-	-
Profit for the period from continuing operations		49,376	12,720
Discontinued operations			
(Loss)/profit for the period from discontinued operations	7	(13)	5,966
Profit attributable to:			
Members of the parent		49,363	18,686
Total comprehensive income attributable to:			
Members of the parent		49,363	18,686
Basic and diluted earnings per share attributable to the ordinary equity holders of the parent (cents per share)			
From continuing operations		5.44	1.50
From discontinued operations		-	0.70
Total		5.44	2.20

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
For the half-year ended 31 December 2021

	Notes	As at 31 Dec 2021 \$'000	As at 30 Jun 2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents		46,348	13,472
Trade and other receivables	5	23,261	23,427
Inventories	6	23,044	20,526
Prepayments		1,392	570
Assets classified as held for sale	7	5,295	4,648
Convertible note receivable	8	1,080	360
Derivative financial instruments	8	1,115	2,332
Total current assets		101,535	65,335
NON-CURRENT ASSETS			
Other receivables	5	3,457	3,457
Convertible note receivable	8	31,352	37,246
Derivative financial instruments	8	1,399	3,061
Other financial assets	8	4,080	30
Property, plant, and equipment	9	45,563	36,034
Mine properties and development costs	10	39,741	37,884
Exploration and evaluation expenditure	11	352	352
Total non-current assets		125,944	118,064
TOTAL ASSETS		227,479	183,399
CURRENT LIABILITIES			
Trade and other payables		16,887	8,675
Liabilities directly associated with assets classified as held for sale	7	19	43
Provisions	12	3,698	3,531
Interest bearing liabilities	13	1,718	17,364
Total current liabilities		22,322	29,613
NON-CURRENT LIABILITIES			
Provisions	12	15,321	12,456
Interest bearing liabilities	13	1,828	2,684
Total non-current liabilities		17,149	15,140
TOTAL LIABILITIES		39,471	44,753
NET ASSETS		188,008	138,646
EQUITY			
Issued capital	15	332,406	332,406
Accumulated losses		(172,235)	(221,597)
Share based payments reserve		27,837	27,837
TOTAL EQUITY		188,008	138,646

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2021

	6-months to 31 Dec 2021 \$'000	6-months to 31 Dec 2020 \$'000
Cash flows from operating activities		
Receipts from customers	104,701	46,154
Payments to suppliers and employees	(45,609)	(39,964)
Interest received	760	36
Other receipts	-	94
Interest paid	(461)	(2,867)
Net cash flows from operating activities	59,391	3,453
Cash flows from investing activities		
Payments for plant and equipment	(11,657)	(3,782)
Payments for mine properties and development	(3,757)	(3,901)
Payments for exploration and evaluation	(645)	(1,038)
Proceeds on disposal of subsidiary	11,000	-
Proceeds from sale of property plant and equipment	-	2,016
Payment for other financial assets	(4,050)	-
Net cash flows used in investing activities	(9,109)	(6,705)
Cash flows from financing activities		
Proceeds from borrowings	-	31,000
Payment of lease and hire purchase liabilities	(1,878)	(1,748)
Repayment of borrowings	(15,528)	(31,003)
Net cash flows used in financing activities	(17,406)	(1,751)
Net increase in cash and cash equivalents	32,876	(5,003)
Cash at the beginning of the financial period	13,472	14,095
Cash and cash equivalents at the end of the period	46,348	9,092

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2020	332,406	(308,796)	28,181	51,791
Profit for the period	-	18,686	-	18,686
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the period	-	18,686	-	18,686
Transactions with owners in their capacity as owners				
Share-based payments	-	-	(278)	(278)
At 31 December 2020	332,406	(290,110)	27,903	70,199
At 1 July 2021	332,406	(221,597)	27,837	138,646
Profit for the period	-	49,363	-	49,362
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit for the period	332,406	(172,235)	27,837	188,008
Transactions with owners in their capacity as owners				
Share-based payments	-	-	-	-
At 31 December 2021	332,406	(172,235)	27,837	188,008

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

1. CORPORATE INFORMATION

The consolidated interim financial report of the Company and its subsidiaries for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 22 February 2022.

The Company is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The functional and presentation currency of the Company is AUD.

2. SUMMARY OF ACCOUNTING POLICIES

(a) *Basis of preparation of the consolidated interim financial report*

This consolidated interim financial report for the half-year ended 31 December 2021 are condensed general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the interim financial report be read in conjunction with the Company's annual report for the year ended 30 June 2021 and considered together with any public announcements made by the Group during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and the ASX listing rules.

The amounts contained in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

The financial report is presented in Australian dollars.

(b) *Basis of consolidation*

The half-year report is comprised of the consolidated interim financial statements of the Consolidated Entity.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All intercompany balances and transactions have been eliminated in full.

Controlled entities are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

Where there is loss of control of a controlled entity, the consolidated interim financial statements include the results for the part of the reporting period during which the Company has control.

(c) *New and amended accounting standards and interpretations*

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2021. All relevant new and amended Accounting Standards and Interpretations which became applicable on 1 July 2021 have been adopted by the Group.

As a result of this review, the Directors have determined that there is no material impact of the new and revised accounting standards and interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

3. REVENUE

	6-months ended 31 Dec 2021 \$'000	6-months ended 31 Dec 2020 \$'000
Tin concentrate sales	107,643	50,773
Interest received	15	36
Total revenue	<u>107,658</u>	<u>50,809</u>

4. OTHER INCOME

Other income	94	10,030
Total other income	<u>94</u>	<u>10,030</u>

5. TRADE AND OTHER RECEIVABLES

	6-months ended 31 Dec 2021 \$'000	Year ended 30 Jun 2021 \$'000
Current		
Trade receivables at fair value through profit or loss (i)	21,863	9,147
Contingent consideration receivable – Mt Gordon	-	11,000
Other receivables at amortised cost (ii)	1,398	3,280
	<u>23,261</u>	<u>23,427</u>
Non-current		
Other receivables – performance bond facility (iii)	<u>3,457</u>	<u>3,457</u>

- (i) On 31 December 2021, tin concentrate sales totalling 647 tonnes remained open to price adjustment (2020: 138).

Trade receivables (subject to provisional pricing) are non-interest bearing but are exposed to future commodity price movements over the quotational period (“QP”) and are measured at fair value through profit or loss up until the date of settlement. These trade receivables are initially measured at the amount which the Consolidated Entity expects to be entitled, being the estimate of the price expected to be received at the end of the QP. For tin concentrate 85% - 90% of the provisional invoice (based on the provisional price) is received in cash within four weeks of the shipment date. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP.

- (ii) GST receivable \$0.928 million, and other debtors of \$0.470 million.
- (iii) The performance bond facility is interest bearing and is used as security for government performance bonds. The fair value approximates cost.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

6. INVENTORIES

The Company has stated inventory at the lower of cost and net realisable value. During the period, the Company recognised an impairment loss for inventory obsolescence of \$Nil (2020: \$0.197 million). The impairment write-down is included in cost of sales in the consolidated interim statement of comprehensive income.

7. ASSETS CLASSIFIED AS HELD FOR SALE

The Company has previously announced the execution of a binding terms sheet with NICO Resources Limited (“NICO”) for the sale and spin out of its Nickel asset portfolio, including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia.

On 4 November 2021, the Company announced it had signed a formal share sale and subscription agreement with NICO (“SSA”) that provided for the sale of all the shares in Metals Exploration Pty Ltd (Metals Exploration), a 100%-owned subsidiary of the Company, to NICO with eligible Metals X shareholders to receive an in-specie distribution of NICO shares, subject to the approval of shareholders and the Foreign Investment Review Board, so as to spin out the Nickel assets from the Company.

In conjunction with the transaction, NICO proposed to undertake an initial public offering of its shares (“IPO”) and apply for listing on the ASX. Under the SSA, NICO proposed to raise at least \$8.000 million by the issue of:

- approximately 20,000,000 fully paid ordinary shares at \$0.20 per share to Metals X (MLX IPO Shares); and
- at least 20,000,000 fully paid ordinary shares at \$0.20 per share under the IPO.

In addition to receiving the MLX IPO Shares, the consideration payable by NICO to Metals X for the purchase of the Nickel Assets will be \$5,000,000, to be satisfied by the issue to Metals X of:

- 25,000,000 shares in NICO at a deemed issue price of \$0.20 per share (Consideration Shares); and
- 25,000,000 options to subscribe for shares in NICO, exercisable at \$0.25 each, expiring 3 years after grant.

On 2 December 2021, the Company announced it has received no objections from the Foreign Investment Review Board.

On 15 December 2021, shareholders approved the capital reduction and in-specie distribution of the Consideration Shares.

As at 31 December 2021, the Nickel Assets were available for immediate sale and the sale was considered highly probable within a 12-month period. The associated assets and liabilities were consequently presented as held for sale.

Assets and liabilities comprising the disposal group are remeasured at the lower of their carrying value and fair value less costs to sell. Any cumulative impairment losses recognised previously in accordance with *AASB 136 Impairment of Assets* should be reversed and allocated against the carrying value of each asset classified as held for sale. Any excess of carrying value over fair value less cost to sell should be recognised as an impairment. No impairment has been reversed because of this reclassification. Once classified as held-for-sale, property, plant, and equipment are no longer amortised or depreciated.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

7. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

(a) Results for the discontinued Nickel Division during the period are presented as follows:

	6-months ended 31 Dec 2021 \$'000	6-months ended 31 Dec 2020 \$'000
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Other income	-	2
Corporate Costs	-	(1)
Depreciation	(13)	(15)
Loss for the period from discontinued operations	(13)	(14)
Loss per share for the profit attributable to the ordinary equity holders of the parent (cents per share)		
Basic and diluted earnings per share	-	-

(b) Results for the discontinued operations during the period comprising both the Nickel and Copper Divisions are presented as follows:

	6-months ended 31 Dec 2021 \$'000	6-months ended 31 Dec 2020 \$'000
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Other income	-	64
Rehabilitation interest accretion	-	(187)
Finance costs	-	(45)
Care and maintenance costs	-	(5,872)
Depreciation	(13)	-
Impairment gain on assets classified as held for sale	-	12,006
(Loss)/profit for the period from discontinued operations	(13)	5,966
(Loss)/profit per share for the profit attributable to the ordinary equity holders of the parent (cents per share)		
Basic and diluted earnings per share	0.00	0.01

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

7. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

(c) Disposal group assets and liabilities as at 31 December 2021:

	As at 31 Dec 2021 \$'000	As at 30 Jun 2021 \$'000
Assets		
Cash and bonds	19	20
Other receivables	33	34
Inventory	11	29
Property, plant, and equipment	419	397
Exploration	4,813	4,168
	5,295	4,648
Liabilities		
Interest bearing liabilities	4	28
Provisions	15	15
	19	43
Carrying value of disposal group	5,276	4,605

(d) The net cash flows incurred by the Nickel Division is as follows:

	6-months to 31 Dec 2021 \$'000	6-months to 31 Dec 2020 \$'000
Net cash flows from operating activities	-	-
Net cash flows used in investing activities	(684)	(1,504)
Net cash outflow	(684)	(1,504)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 Dec 2021	As at 30 Jun 2021
Current		
Convertible notes	1,080	360
Derivative financial assets	1,115	2,332
	2,195	2,692
Non-current		
Other financial assets – note (a)	4,080	30
Convertible notes	31,352	37,246
Derivative financial assets	1,399	3,061
	36,831	40,337

(a) Other financial assets

On 11 October 2021, the Company acquired a further 500,000 unlisted shares in NICO Resources Limited for \$0.100 cents per share for \$0.050 million. On 15 December, the company subscribed for a further 20,000,000 shares in NICO Resources Limited for \$0.200 cents per share for \$4.000 million, which were issued to the Company subsequent to year-end. As at 31 December 2021, the fair value of these financial assets is \$4.080 million.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Financial assets and debt instruments

On 30 March 2021, the Group completed the sale of its Copper Assets to Cyprium Metals Limited (“Cyprium”) and received \$60.000 million worth of consideration, which included four (4) convertible notes with a value of \$9.000 million each, for an aggregate of \$36.000 million, plus 40.6 million options, consisting of two tranches of 20.3 million options each, to acquire Cyprium shares.

The convertible notes were issued by Cyprium on the following basis:

- a four-year maturity from 30 March 2021;
- convertible at maturity at the election of Metals X, or otherwise redeemable by Cyprium at maturity;
- conversion price of \$0.355 (based on the Buyer’s 20-day VWAP to Completion x 1.3);
- annual coupon of 4% to be capitalised and paid annually on a default basis on each anniversary of Completion until maturity (with annual interest to be paid in shares at the same conversion price, at the election of Metals X); and
- Cyprium can elect annually to repay all or some of the convertible notes at face value x 1.15, with Metals X able to convert the convertible notes into Cyprium shares in the event Cyprium elects to repay early.

The 40.6 million options were issued by Cyprium on the following basis:

- 20.3 million options exercisable at \$0.314 per option with an expiry date of 30 March 2022; and
- 20.3 million options exercisable at \$0.355 per option with an expiry date of 30 March 2023.

Estimates and judgments

Fair value measurement of financial instruments

The convertible note receivable conveys a right to receive cash upon maturity of 30 March 2025 or the option to convert the principle amount outstanding into shares of Cyprium Metals Limited. The notes attract interest at a coupon rate of 4% per annum to be capitalised and paid annually, payable in cash unless Metals X elects to receive the interest in fully paid ordinary Cyprium shares.

Changes in assumptions relating to the below key estimates or judgements could affect the reported fair value of financial assets. As at 31 December 2021, the financial assets estimated fair value was remeasured to \$34.946 million. Future developments may require further revisions to the estimate. The convertible note and derivative financial instruments are classified as financial assets at fair value through profit or loss.

Note	Key estimate or judgement
Convertible note receivable Derivative financial instruments – note 8	<ul style="list-style-type: none"> • Share price volatility • Determination of forecast commodity prices • Market interest rate

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021
8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	31 December 2021			
	Quoted market price (Level 1) \$'000	Valuation technique market observable inputs (Level 2) \$'000	Valuation technique non-market observable inputs (Level 3) \$'000	Total \$'000
Trade receivables at fair value	-	21,863	-	21,863
Other financial assets	-	4,080	-	4,080
Convertible note receivable ¹	-	-	32,432	32,432
Derivative financial instruments ²	-	-	2,514	2,514
	-	25,943	34,946	60,889

	30 June 2021			
	Quoted market price (Level 1) \$'000	Valuation technique market observable inputs (Level 2) \$'000	Valuation technique non-market observable inputs (Level 3) \$'000	Total \$'000
Trade receivables at fair value	-	9,147	-	9,147
Other financial assets	-	30	-	30
Convertible note receivable ¹	-	-	37,606	37,606
Derivative financial instruments ²	-	-	5,393	5,393
	-	9,177	42,999	52,176

¹ The carrying value of the convertible note receivable on inception was equivalent to \$35.070 million and on 31 December 2021 \$32.432 million (30 June 2021 \$37.606 million). The change in fair value resulted from \$5.174 million in remeasurement. To estimate the fair value of the convertible notes, the Group uses a discounted cash flow ("DCF") technique, applying market interest rates. The Group adds the fair value of the conversion option. Exercising the conversion option would result in the Group receiving 101.380 million shares in Cyprum Metals Limited. The fair value is estimated using a Black & Scholes valuation model ("B&S Model"). The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free rates, share price volatility and market interest rates.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The inputs used to value the convertible notes at 31 December 2021 are as follows:

	B&S Model	DCF	Total Fair Value at 31 Dec 2021
Expected volatility	100%	-	
Risk-free interest rate	0.96%	-	
Expected life	3.25 years	3.25 years	
Options exercise price	\$0.3551	-	
Share price at valuation date	\$0.165	-	
Expiry date/maturity date	30 Mar 2025	30 Mar 2025	
Face value of convertible notes	-	\$36.000 million	
Market interest rates	-	20%	
Fair value per instrument	\$0.081	-	
Number of instruments	101,379,893	-	
Total Fair Value at 31 December 2021	\$8.212m	\$24.220m	\$32.432m

The inputs used to value the convertible notes at 30 June 2021 are as follows:

	B&S Model	DCF	Total Fair Value at 30 Jun 2021
Expected volatility	100%	-	
Risk-free interest rate	0.77%	-	
Expected life	3.75 years	3.75 years	
Options exercise price	\$0.3551	-	
Share price at valuation date	\$0.250	-	
Expiry date/maturity date	30 Mar 2025	30 Mar 2025	
Face value of convertible notes	-	\$36.000 million	
Market interest rates	-	20%	
Fair value per instrument	\$0.153	-	
Number of instruments	101,379,893	-	
Total Fair Value at 30 June 2021	\$15.511m	\$22.095m	\$37.606m

⁽²⁾ The derivative financial assets are 40.6 million options, consisting of two tranches of 20.3 million options each, to acquire shares in Cyprum Metals Limited. Exercising the options can result in bonus shares being awarded to the Group depending on the copper price on the date of exercise. The fair value of the options on inception was equivalent to \$4.542 million and on 31 December 2021 \$2.514 million (30 June 2021, \$5.393 million). The change in fair value of \$2.879 million was the result of remeasurement using an equivalent valuation technique. The fair value of the options was determined using a B&S Model, which considers factors including the option's exercise prices, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at measurement date and the expected life of the options. To accommodate the additional award, the Group has increased the Black & Scholes fair value by estimating the fair value of the bonus shares that are most likely to be awarded at the exercise dates, which is judged to be the expiry dates. The number of bonus shares to be awarded is estimated with reference to forecast copper prices on the expiry dates and applying the pre-set factor. The additional fair value is then calculated by applying that factor to the number of options converted and multiplying by the price of Cyprum shares on the measurement dates.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The inputs used to value the options at 31 December 2021 are as follows:

	T1 Options	T2 Options	T1 Bonus Shares	T2 Bonus Shares	Total Fair Value at 31 Dec 2021
Expected volatility	100%	100%			
Risk-free interest rate	0.535%	0.535%			
Expected life of options	0.24 years	1.24 years			
Options exercise price	\$0.3141	\$0.3551			
Share price at measurement date	\$0.165	\$0.165	\$0.165	\$0.165	
Forecast copper price per tonne	\$US 9,149	\$US 8,411			
Bonus share factor / award	1.3x	1.2x	6.114m	4.015 m	
Expiry date	30 Mar 2022	30 Mar 2023			
Fair value as at 31 December 2021	\$0.106m	\$0.737m	\$1.009m	\$0.662m	\$2.514m

The inputs used to value the options at 30 June 2021 are as follows:

	T1 Options	T2 Options	T1 Bonus Shares	T2 Bonus Shares	Total Fair Value at 30 June 2021
Expected volatility	100%	100%			
Risk-free interest rate	0.06%	0.06%			
Expected life of options	0.75 years	1.75 years			
Options exercise price	\$0.3141	\$0.3551			
Share price at measurement date	\$0.250	\$0.250	\$0.205	\$0.250	
Forecast copper price per tonne	\$US 8,752	\$US 8,204			
Bonus share factor / award	1.2x	1.2x	4.045	4.045 m	
Expiry date	30 Mar 2022	30 Mar 2023			
Fair value as at 30 June 2021	\$1.338m	\$2.027m	\$1.014m	\$1.014m	\$5.393m

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

A quantitative sensitivity analysis as at 31 December 2021 is shown below:

Instrument	Valuation technique	Significant unobservable inputs	Value/	Sensitivity of the input to fair value
Convertible note receivable	DCF Black & Scholes	Market interest rates Volatility	20% 100%	1.5% change in the market interest rate would result in a change in fair value by +/- \$0.900 million. (30 June 2021: +/- \$1.000 million). +/(-) 10% change in volatility would result in a change in fair value of \$1.025 million and (\$1.105) million. (30 June 2021: \$1.355 and (\$1.484) million).
Derivative financial instruments – T1	Black Scholes model plus share price * estimated bonus shares to be awarded based on forecast copper price	Copper price forecasts on 31 March 2022 Volatility	US\$9,149 100%	US\$500 per tonne increase would not result in a change in the fair value estimate. (30 June 2021: Increase of \$0.500 million). US\$500 per tonne decrease would result in a decrease in fair value by \$0.335m. (30 June 2021: nil). +/(-)10% change in volatility would result in a change in fair value of \$0.042 million and (\$0.036) million. (30 June 2021: \$0.172 and (\$0.174) million).
Derivative financial instruments – T2	Black & Scholes model plus share price * estimated bonus shares to be awarded based on forecast copper price	Copper price forecasts on 31 March 2023 Volatility	US\$8,411 100%	US\$500 per tonne increase would not result in a change in the fair value estimate. (30 June 2021: nil). US\$500 per tonne decrease would result in a decrease in fair value by \$0.335 million. (30 June 2021: \$0.500 million). +/(-)10% change in volatility would result in a change in fair value of \$0.147 million and (\$0.147) million. (30 June 2021: (\$0.251) million)

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

9. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2021, the Group purchased \$11.657 million (31 December 2020: \$5.222 million) in relation to property, plant, and equipment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. As at 31 December 2021, the Group did not identify the existence of any impairment triggers. No impairment was recognised during the 2021 and 2020 financial years. The Group has considered whether any impairment reversal is required and determined that no historical impairment should be reversed (2020: nil).

10. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2021, the Group paid \$3.757 million (31 December 2020: \$3.862 million) in relation to mine properties and developments costs.

11. EXPLORATION AND EVALUATION EXPENDITURE

During the half-year ended 31 December 2021, the Group paid \$0.645 million (31 December 2020: \$1.037 million) in relation to exploration and evaluation expenditure.

12. PROVISIONS

	As at 31 Dec 2021 \$'000	As at 30 Jun 2021 \$'000
Current		
Provision for annual leave	2,851	2,657
Provision for sick leave	-	-
Provision for long service leave	839	874
Other provisions	8	-
	3,698	3,531
Non-current		
Provision long service leave (a)	935	793
Provision for rehabilitation (b)	14,386	11,663
	15,321	12,456

(a) Provision for long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(b) Rehabilitation

Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the statement of comprehensive income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

13. INTEREST BEARING LOANS AND BORROWINGS

	As at 31 Dec 2021 \$'000	As at 30 Jun 2021 \$'000
Current liabilities		
Lease liabilities relating to right of use assets	47	94
Hire purchase liabilities	1,671	1,742
ACT finance facility	-	15,528
	1,718	17,364
Non-current liabilities		
Hire purchase liabilities	1,828	2,684
	1,828	2,684

During the period, the Company repaid its ACT Loan Facility by making two payments of \$7.750 million plus interest on 13 July 2021 and 30 September 2021. The ACT Loan Facility expired on 31 January 2022.

ACT finance facility

On 13 July 2021, the Company repaid \$7.75 million, comprising 50% of the outstanding principal amount of \$15.50 million to ACT.

On 27 July 2021, the Company announced it had agreed to extend the ACT Loan Facility termination date from 31 July 2021 to 31 January 2022, with all other terms and conditions remaining unchanged.

On 30 September 2021, the Company made a final payment of \$7.764 million, comprising \$7.750 million principal plus interest, to ACT.

The ACT Loan Facility terminated on 31 January 2022.

14. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2021, the Group had the following commitments:

- Capital expenditure commitments of \$16.4 million principally relating to plant and equipment upgrades and replacements at Renison (30 June 2021: \$9.0 million); and Tenement lease commitments of \$1.2 million relating to tenements on which mining, and exploration operations are located (30 June 2021: \$0.9 million).

Contingencies

At 31 December 2021, the Group has no material contingent assets or liabilities.

15. ISSUED CAPITAL

	6-months ended 31 Dec 2021 \$'000	Year ended 30 Jun 2021 \$'000
ISSUED CAPITAL		
Ordinary shares Issued and fully paid	332,406	332,406
	Number of shares on issue	
Movements in ordinary shares on issue:		
At 1 July 2021	907,266,067	332,406
Issue share capital	-	-
Share issue costs	-	-
At 31 December 2021	<u>907,266,067</u>	<u>322,406</u>
At 1 July 2020	907,266,067	332,406
Issue share capital	-	-
Share issue costs	-	-
At 31 December 2020	<u>907,266,067</u>	<u>332,406</u>

16. EVENTS AFTER THE BALANCE DATE

On 4 January 2022, the Company announced that its Board of Directors resolved to change the Company's financial year end from 30 June to 31 December. The Company's current financial year will end on 30 June 2022. The Company will have a six-month transitional financial year beginning on 1 July 2022 and ending on 31 December 2022, and thereafter, from 1 January 2023, the Company will revert to a twelve-month financial year, commencing on 1 January and ending on 31 December. The change has been made to align the financial year end of the Company with the financial year end of Bluestone Mines Tasmania Joint Venture Pty Ltd, manager of the Renison Tin Operations, in which the Company holds a 50% equity interest.

On 7 January 2022, the Company announced that the sale of its Nickel Asset portfolio pursuant to the share sale and subscription agreement executed with NICO Resources Limited had completed. Following completion of the sale of the Company's Nickel Asset portfolio to NICO and subsequent IPO, completed post year end, the Company holds 21,100,000 shares and 25,000,000 options in NICO (ASX:NC1). The options are exercisable at \$0.25 on or before 3 November 2024.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2021

In accordance with a resolution of the Directors of Metals X Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2021 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) subject to matters stated in note 2(c) of the interim financial report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Brett Smith", with a long horizontal line extending to the right.

Brett Smith
Executive Director
22 February 2022



**Building a better
working world**

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the Directors of Metals X Limited

As lead auditor for the review of the financial report of Metals X Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) No contraventions of any applicable code of professional conduct in relation to the review; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Teale".

Philip Teale
Partner
22 February 2022



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Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's review report to the members of Metals X Limited

Conclusion

We have reviewed the accompanying half-year financial report of Metals X Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

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



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Philip Teale' in a cursive style.

Philip Teale
Partner
Perth
22 February 2022