ACN 110 150 055

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE 6-MONTH PERIOD ENDING 31 DECEMBER 2022

This appendix 4E should be read in conjunction with Metals X Limited's 31 December 2022 financial report (which includes the Director's Report and 31 December 2022 Financial Report).

This report is provided to the Australian Securities Exchange (ASX) under ASX listing Rule 4.3A

Current Reporting Period: 6-month period ended 31 December 2022

Previous corresponding period: 12-month period ended 30 June 2022

The Company has changed its financial year end to 31 December 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. This financial report is for the period of 6-months ended 31 December 2022 (the "Reporting Period"). The comparative reporting period is the 12-months ended 30 June 2022. As a result of the financial year change, the amounts presented in the consolidated financial statements are not directly comparable.

RESULTS FOR ANNOUNCEMENT TO MARKET

Consolidated	31 Dec 2022 $'000	30 Jun 2022 $'000	Movement $'000	Movement %
Revenue from continuing activities	66,682	228,876	(162,194)	(71%)
Profit after tax from ordinary activities attributable to members	9,966	176,337	(166,371)	(94%)
Profit from discontinued operations	-	7,557	(7,557)	(100%)
Net profit attributable to members	9,966	183,894	(173,928	(95%)

NET TANGIBLE ASSETS PER SHARE

Consolidated	31 December 2022	30 June 2022
Net tangible assets per share:	$0.35	$0.34

DIVIDEND INFORMATION

No dividends are proposed, and no dividends were declared or paid during the current or prior period.

COMMENTARY

This report should be read in conjunction with the attached financial statements for the period ended 31 December 2022 together with any public announcements made by Metals X Limited during and after the year ended 31 December 2022, in accordance with the continuous disclosure obligations under the Corporations Act 2001 and ASX Listing Rules.

STATUS OF AUDIT

The accompanying financial report has been audited.

METALS X LIMITED

ACN 110 150 055

Annual Report

31 December 2022

CONTENTS

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

Key Management

Mr Daniel Broughton (CFO)

Share Registry

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Perth WA 6000
GPO Box Melbourne VIC 3001
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Securities Exchange

Australian Securities Exchange
Central Park
152-158 St George's Terrace
Perth WA 6000
Code: ASX: MLX

Domicile and Country of Incorporation

Australia

CHAIRMAN’S LETTER

This report is only for the 6 month period ending 31 December 2022.

The change of financial year was made in order to align ourselves with the budgeting and reporting cycle of our largest investment being the 50% interest in the Bluestone Mines Tasmania Joint Venture.

The fall in the tin price during that period has understandably had a major impact on the Company's cash position which as at 31 December 2022 stood at $113.9 million.

The fall in all major stock markets has however created a more conducive M&A environment and your board continues to consider various opportunities along with its ongoing support of the Rentails project.

Peter Gunzburg

Non-Executive Chairman

DIRECTORS' REPORT

For the period ended 31 December 2022

The Directors present their report together with the consolidated financial report of Metals X Limited ("Metals X" or the "Company") and its controlled entities (together the "Group") for the 6-month period ended 31 December 2022 and the Independent Auditor's Report thereon.

The Group has changed its financial year end to 31 December 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. This financial report is for the period of 6-months ended 31 December 2022 (the "Reporting Period"). The comparative reporting period is the 12-months ended 30 June 2022. As a result of the financial year change, the amounts presented in the consolidated financial statements are not directly comparable.

1. Directors

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

Independent Non-Executive Chairman – Mr Peter Gunzburg B. Com (appointed 10 July 2020)

Mr Gunzburg has over 40 years' experience acting as a public company director, stockbroker, and investor. Mr Gunzburg has previously been a director of Australian Stock Exchange Ltd, Eyres Reed Ltd and CIBC World Markets Australia Ltd. Mr Gunzburg was the Non-Executive Chairman of ASX listed BARD1 Life Sciences Limited, now known as Inoviq Ltd (resigned 28 July 2020).

Mr Gunzburg is a member of the Remuneration and Nomination Committee and the Audit and Risk Committee.

Executive Director – Mr. Brett Smith MBA, M.A (appointed 2 December 2019 as Non-Executive Director and Executive Director as of 10 July 2020)

Mr Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr. Smith has served on the board of private and listed mining and exploration companies and has over 33 years international experience in the engineering and construction of mineral processing operations. Mr. Smith is Executive Director and Deputy Chairman of Hong Kong listed company APAC Resources Limited, Executive Director of Hong Kong listed company Dragon Mining Limited and a Non-Executive Director of ASX listed companies Prodigy Gold NL, Elementos NL, Tanami Gold NL and NICO Resources Limited (appointed 19 January 2022).

Independent Non-Executive Director – Mr Grahame White B. Eng, MAICD (appointed 10 July 2020)

Mr White is a construction and mining executive with comprehensive experience in Australia and Asia. Mr White has held numerous executive management positions in the resources sector and recently served on the Boards of Central West Rural, Forge Group Limited and the Queensland Resource Council.

Mr White is Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee.

Independent Non-Executive Director – Mr Patrick O'Connor B. Com, FAICD (appointed Non-Executive Director 24 October 2019 and Non-Executive and Executive Chairman on 3 December 2019 and 17 December 2019, respectively. Reverted to Non-Executive Director on 10 July 2020)

Mr O'Connor has significant experience as an independent Non-Executive Director and as a Chief Executive Officer. His experience spans across mining (gold, copper, lead, zinc and coal), oil & gas exploration, biotechnology and government utility sectors. Mr O'Connor was previously a Non-Executive Director of Stanmore Coal Ltd. In addition, he has held the roles of Deputy Chairman and Chairman of Perilya Ltd, the operator of the Broken Hill mine in NSW Australia, prior to its takeover and delisting from the ASX. Mr O'Connor spent nine years as a director of the Water Corporation in WA including four years as its chairman. Mr O'Connor was also the Chief Executive Officer for OceanaGold Corporation at the time of its listing on the ASX and remained for a period as a Non-Executive Director. Prior to OceanaGold, Mr. O'Connor was Managing Director of Macraes Mining Co Ltd for nine years. Mr O'Connor was appointed as Non-Executive Director and Chairman of FAR Limited on 1 July 2021 and 8 July 2021 respectively, and as Non-Executive Director and executive director of Red River Resources Limited. (Administrator Appointed) on 9 August 2022 and on 5 September 2022 respectively.

Mr O'Connor is Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

2. Joint Company Secretaries

Ms. Shannon Coates – LLB, GIA (cert), GAICD (appointed on 1 December 2020)

Ms Coates has more than 25 years' experience in corporate law, compliance, and the provision of corporate advisory services to publicly listed companies across a variety of industries including resources, manufacturing, and technology. Ms Coates is currently Executive Director of Source Governance, a national corporate advisory, compliance, and governance service provider, with clients predominantly in the mineral exploration, development and production sector and acts as company secretary to a number of ASX listed companies. Ms Coates is a qualified lawyer, Chartered Secretary, and graduate of the Australian Institute of Company Directors' (AICD) Company Directors Course.

Mr. James Doyle (appointed 10 May 2022, resigned 30 September 2022)

Mr Doyle is an experienced advisory and governance professional specialising in the provision of company secretarial and corporate advisory services to public and private companies across a range of sectors including resources, industrials, and information technology. Mr Doyle was employed by Source Governance, a national corporate advisory, compliance, and governance service provider, with clients predominantly in the mineral exploration, development and production sector and acts as company secretary to a number of ASX- listed companies prior to his resignation.

3. Directors' Interests

As at the date of this report, the relevant interests of the Directors in securities of the Company are:

Directors	Fully Paid Ordinary Shares	Options
Mr Peter Gunzburg	-	-
Mr Brett Smith	250,000	-
Mr Patrick O'Connor	1,000,000	-
Mr Grahame White	-	-
Total	**1,250,000**	**-**

4. Directors Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the Reporting Period and the number of meetings attended by each Director was as follows:

Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr Peter Gunzburg	3	3	1	1	1	1
Mr Brett Smith[(1)]	3	3	-	1	-	1
Mr Patrick O'Connor	3	3	1	1	1	1
Mr Grahame White	3	3	1	1	1	1

[(1)] Mr Brett Smith attended the Audit and Risk Committee meeting and the Remuneration & Nomination Committee meeting as an invitee.

5. 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 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 principal activities of the Group during the Reporting Period were:

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

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

6. Financial Results Overview

This financial results overview is for the period of 6-months ended 31 December 2022 ("Reporting Period").The comparative reporting period is the 12-months ended 30 June 2022. As a result of the financial year change, the amounts presented are not directly comparable.

The Group achieved a consolidated profit after income tax of $9.966 million (30 June 2022: Profit $183.894 million) for the Reporting Period and shipped 2,012 tonnes of tin-in-concentrate (30 June 2022: 4,537 tonnes of tin-in-concentrate) to its tin customers. The average LME Tin 3-month tin price for the Reporting Period was US$22,445/t (30 June 2022: US$37,821/t).

Other key financial results for the Company during the Reporting Period include:

- Total revenue from continuing operations of $66.682 million (30 June 2022: $228.876 million) derived from the Company's 50% equity interest in the Renison Tin Operation.
- Cost of sales of $50.400 million (2022: $98.300 million) includes the following:
  - Royalty expense of $3.514 million (30 June 2022: $12.219 million);
  - Mining costs of $15.567 million (30 June 2022: $32.713 million);
  - Processing costs $8.996 million (30 June 2022: $16.367 million);
  - Other production costs of $4.227 million (30 June 2022: $8.276 million); and
  - Employee costs of $10.219 million (30 June 2022: $17.739 million).
- Other income includes $1.434 million of interest income (30 June 2022: $1.504 million).
- Income tax expense $3.983 million (30 June 2022: tax benefit $42.525 million).
- Cash flows from operating activities of $11.558 million (30 June 2022: $149.996 million);
- Cash flows used in investing activities of $18.838 million (30 June 2022: $23.828 million);
- Cash flows used in financing activities of $1.039 million (30 June 2022: $17.392 million); and
- Closing cash and cash equivalents of $113.929 million (30 June 2022: $122.248 million).

7. Review of Operations

Renison Tin Operation (50% MLX)

Metals X owns a 50% equity interest in the Renison Tin Operation ("Renison") through its 50% stake in the Bluestone Mines Tasmania Joint Venture ("BMTJV").

Renison is one of the world's largest operating underground tin mines and Australia's largest primary tin producer. Renison is the largest of three major skarn, carbonate replacement, pyrrhotite-cassiterite deposits within western Tasmania. The Renison Mine area is situated in the Dundas Trough, a province underlain by a thick sequence of Neoproterozoic-Cambrian siliciclastic and volcaniclastic rocks. At Renison, there are three main shallow-dipping dolomite horizons which host replacement mineralisation. The major structure associated with tin mineralisation at Renison, the Federal Basset Fault, was formed during the forceful emplacement of the Pine Hill Granite during the Devonian and is also an important source of tin mineralisation.

The Renison strategy is focussed on continuing to increase Mineral Reserves net of depletion each year to maintain significant mine life and to deliver higher cash margins through an increased mining rate, grade, and recovery, whilst continuing to seek productivity improvements and reduce costs.

7. Review of Operations (continued)

Renison production performance summary (100% BASIS)

Physicals	Unit	31 December 2022 [1]	30 June 2022 [2]	Movement	Movement %
UG ore mined	t	380,186	791,850	(411,664)	(51.99)%
UG grade mined	% Sn	1.38	1.54	(0.16)	(10.39)%
Ore processed	t	307,043	670,291	(363,248)	(54.19)%
Head grade	% Sn	1.63	1.81	(0.18)	(9.94)%
Mill recovery	%	75.37	78.16	(2.79)	(3.57)%
Tin produced	t	3,773	9,461	(5,688)	(60.12)%

[1] 6-month period ended 31 December 2022 and [2] 12-month period ended 30 June 2022.

Key Projects and Focus Areas

Area 5 Project

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 to 10,000 tonnes of tin per annum.

The Area 5 upgrade progressed significantly during the Reporting Period and is nearing completion. Ongoing global supply chain issues continued to impact the completion schedule for the paste plant project, with underground activities rescheduled to minimise the impacts to the CY23 mine schedule.

The following key Area 5 activities were completed or significantly advanced during the Reporting Period:

HV Power Upgrade

- HV Switchyard upgrade now functionally completed, with all new equipment installed, commissioned and in use.
- 44kV incoming feed switchover completed on schedule and operational.
- Civil works and installation of oil/water separator now completed.
- Removal of redundant equipment and minor rectification outworks ongoing.

Ventilation Upgrade

- No. 9 Return Air Rise (RAR) ventilation system is now in full operation with only minor punch list items and project close out reporting to complete. Improvements in the work area environmental conditions are better than or consistent with the planned outcomes of the installation. A full reconciliation of the changes is planned to confirm the full capacity of the installed ventilation upgrade.

Backfill Facility and Infrastructure

- Major construction activities for the Paste Backfill Plant have been completed.
- Dry and wet commissioning of the tailings filtration system has concluded, with the delivery of paste to the first stope successfully commenced. Commissioning of the overall paste plant project is continuing with handover operations planned for early Q1 2023.
- Installation of the underground piping infrastructure is complete and has been commissioned and tested.
- Construction of the new Contaminated Water Treatment Plant has commenced with good progress made to date on the civil works and foundation.
- The new Sewage Treatment Plant in now fully operational.

Total Area 5 incurred and committed costs are $65.700 million with a total forecast cost at completion of $68.500 million, including approved scope changes.

7. Review of Operations (continued)

Metallurgical Improvement Program

The Metallurgical Improvement Program (MIP) remains ongoing, with three projects:

- Tin Flotation Circuit Re-configuration
  - Redesign of pumping system to allow for on-stream analysis and control of flotation concentrate. Expected to be commissioned mid-2023.
- Leach feed surge tank commissioning.
  - Construction is in final stages and commissioning is scheduled for Q1 2023.
- Decommissioning of the 50' thickener.
  - expected to be completed in Q1 2023.

Rentails Project

Stage 1 of the Rentails Definitive Feasibility Study ("DFS") update is now complete. Over the period all key optionality and project configuration issues have been resolved, except for the Thermal Upgrade Plant ("TUP") Furnace Technology selection.

During the Reporting Period, an updated study plan for 2023 was developed, which has now been approved by the BMTJV committee.[1] The major objectives of the updated study plan are:

- TUP Furnace Technology selection:
  - Complete industrial scale trials for both Box fumer and Ausmelt Top Submerged Lance ("TSL") technologies, and
  - Technoeconomic assessment to select the 'best for project' technology.
- Progress 'schedule critical' environmental and social field work:
  - Activities which are seasonal dependant and/or critical to permitting time frame.
- Submission of revised notice of intent ("NOI") incorporating updated project definition.

Key activities during the Reporting Period included:

- Concentrator:
  - Various bridging works were completed, including development/update of process models and further optimisation of the UF Falcon, and primary grinding circuits.
- Thermal Upgrade Plant Technology selection:
  - Planning of plant/pilot trials for both Box fumer and Ausmelt TSL technologies was progressed, with detailed proposals for undertaking appropriate trials received from Yunnan Tin Group ("YTG") and Metso Outotec.
  - Additional work to evaluate off-gas cooling opportunities was completed.
- Infrastructure Engineering:
  - Scoping of geophysical investigations to assess the proposed plant site was finalised, and the necessary permit applications to support the required program submitted.
- Tailings Reclaim, Tailings and Water Management:
  - Scoping of field works, including geotechnical, hydrogeological and sterilisation requirements required to support the ongoing assessment of tailings management issues was completed over the quarter, and the necessary permit applications to support the required programs submitted.
  - A CPT drilling program of the existing A/B and C TSF's was completed to further inform the tailings reclaim operational and management requirements, and TSF closure considerations.
- Safety, Health, Environment & Community:
  - An Aboriginal and historic heritage assessment (including detailed field investigation) of proposed locations for infrastructure was completed.

[1] Refer ASX announcement: 16 January 2023, Rentails Thermal Upgrade Plant trials

7. Review of Operations (continued)

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. An updated rehab plan and budget is being prepared for discussion with the authorities.

8. Corporate

Investments – Convertible Notes, Shares and Options

Cyprium Metals Limited

Metals X continues to hold $36.000 million in aggregate in convertible notes and 20.3 million options, representing the second tranche of the 40.6 million options issued by Cyprium Metals Limited ("Cyprium"). The first tranche of 20.3 million options were exercisable at a price of $0.3141 and expired out of the money on 30 March 2022. The second tranche of 20.3 million options are exercisable at a price of $0.3551 and expire on 30 March 2023. The convertible notes mature on 30 March 2025 with an annual coupon of 4% to be capitalised and paid annually on each anniversary of 30 March 2021 until maturity.

NICO Resources Limited

Following completion of the sale of the Company's Nickel Asset portfolio to NICO Resources Limited ("NICO") and subsequent IPO, Metals X received 21,000,000 fully paid ordinary shares ("Shares") and 25,000,000 options in NICO.

At 31 December 2022, Metals X continues to hold 15,700,000 Shares and 25,000,000 options, subject to the following escrow provisions:

- 15,000,000 Shares escrowed until 19 January 2023.
- 700,000 shares escrowed until 19 January 2024.
- 25,000,000 options, exercisable at $0.25 each, escrowed until 19 January 2024, expiring 3 years after grant date.

On 19 January 2023, 15,000,000 Shares were released from escrow. There have been no further share sales as at the date of this report.

Metals X is entitled to a 1.75% net smelter royalty on all metals produced from both the Wingellina Nickel-Cobalt Project and the Claude Hills Project.

9. Dividends

No dividend was paid or declared during the Reporting Period and no dividend has been recommended or declared by the Directors for the Reporting Period (30 June 2022: Nil).

10. Unissued Shares under Options

During the Reporting Period, no options were forfeited due to performance criteria not being achieved or cessation of employment. As at the date of this report, there are no ordinary unissued shares under option (30 June 2022: Nil).

There were no shares issued under option in the Company since the Reporting Period.

11. Significant Events After Balance Date

On 23 February 2023 Cyprium Metals Limited entered into voluntary suspension on the Australian Stock Exchange as it explores alternative financing arrangements for the Nifty Copper Project restart. Metals X holds $36.000 million in aggregate in convertible notes and 20.3 million options in Cyprium Metals Limited which are carried at fair value as at 31 December 2022.

12. Business Strategies and Prospects

The Company is looking to develop a broader tin portfolio. This may be through expansions of its existing operations or through acquiring interests in other operations. The Company will also look to extract the maximum value from its participation in the financial instruments and shareholdings in the organisations continuing with its former copper and nickel assets.

The Group expects to continue its participation in the Renison Tin Operations through its 50% stake in the BMTJV, undertaking exploration, mining, processing, production, and marketing of tin. These are described in more detail in Section 7 Review of Operations.

13. Environmental, Social and Governance

The Company owns a 50% interest in the Renison Tin Operation, through its 50% stake in the BMTJV, which is subject to the relevant environmental protection legislation (Commonwealth and State legislation). The Group holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during mining and exploration activities and the storage of hazardous substances.

The Board retains overall responsibility for the Group's Environmental, Social and Governance ("ESG") performance and is committed to operating in a manner that contributes to the sustainable development of mineral resources through efficient, balanced, long-term management, while showing due consideration for the well-being of people; protection of the environment; and development of local community.

The Group recognises its responsibility for minimising the impact of its activities on, and protecting, the environment. The Group is committed to developing and implementing sound practices in environmental design and management and actively operates to:

- work within the legal permitting framework and operate in accordance with our environmental management systems;
- identify, monitor, measure, evaluate and minimise our impact on the surrounding environment;
- give environmental aspects due consideration in all phases of the Groups mining projects, from exploration through to development, operation, production, and final closure; and
- act systematically to improve the planning, execution, and monitoring, of its environmental performance.

There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available at https://www.metalsx.com.au/aboutus/ corporate-governance/.

15. Remuneration Report - Audited

The Directors of Metals X present the Remuneration Report (the **Report**) for the Reporting Period . This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001* and its regulations.

This Report details the remuneration arrangements for the Company's Key Management Personnel ("KMP") defined as those who directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group, including any Director (whether executive or otherwise) and Executives of the Company.

15.1 Remuneration Policy

The Board recognises that the Company's performance depends upon the quality of its Directors and Executives. To achieve its financial and operating activities, the Company must attract, motivate, and retain highly skilled Directors and Executives.

The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre Directors and Executives;
- Structures remuneration at a level that reflects the Executive's duties and accountabilities and is competitive within Australia;
- Benchmarks remuneration against appropriate industry groups; and
- Aligns Executive incentive rewards with the creation of value for shareholders.

Performance related Executive remuneration, including cash bonuses, are based on the Company's and individual performance, and are determined at the Board's discretion.

15. Remuneration Report – Audited (continued)

15.2 Company Performance

The table below shows the Company's financial performance over the last five reporting periods.

Performance summary	31 December 2022 [1]	30 June 2022 [2]	30 June 2021	30 June 2020	30 June 2019
Closing share price	$0.39	$0.34	$0.21	$0.08	$0.25
Profit/(loss) per share from continuing operations (cents)	1.10	19.44	2.53	(1.46)	(17.17)
Net assets per share	$0.35	$0.34	$0.15	$0.06	$0.15
Total shareholder return	15%	62%	172%	(68%)	(69%)
Dividend paid per share (cents)	-	-	-	-	-

[1] 6-month period ended 31 December 2022 and [2] 12-month period ended 30 June 2022.

15.3 Remuneration and Nomination Committee Responsibility

The Remuneration and Nomination Committee (the "Remuneration Committee") is a subcommittee of the Board and is responsible for making recommendations to the Board on KMP remuneration, and the KMP remuneration framework and incentive plan policies.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of KMP on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing KMP.

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it can seek external remuneration advice. No external consultants were utilised during the Reporting Period.

15.4 Remuneration of Non-Executive Directors

The Company's Non-Executive Director fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence, and objectivity.

The Company's Constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors, shall be approved periodically by shareholders. The last determination was at the Annual General Meeting ("AGM") held on 26 November 2014 when shareholders approved an aggregate fee pool of $600,000 per year.

The amount of the remuneration paid to Non-Executive Directors is reviewed annually, within the aggregate fee pool limit approved by shareholders.

15.5 Remuneration of Executives

In determining Executive remuneration, the Remuneration Committee aims to ensure that remuneration practices are:

- Competitive and reasonable;
- Enabling the Company to attract and retain high calibre talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by Executives and shareholders.

15. Remuneration Report – Audited (continued)

15.6 Executive Remuneration Structure

The Company's remuneration structure provides for a combination of fixed and variable pay with the following components fixed remuneration and short-term incentives ("STI"). The Company does not currently consider the issue of long-term incentive ("LTI") to Directors and Executives to be appropriate.

15.7 Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits designed to reward for:

- the scope of the Executive's role;
- the Executive's skills, experience, and qualifications; and
- individual performance.

15.8 Performance Linked Compensation – STI

Directors and Executives may have an STI component included in their remuneration package representing a meaningful "at risk" STI payment. The payment will be "at risk" in that it will only be payable if a set of clearly defined and measurable performance metrics or Key Performance Indicators ("KPI") have been met in the applicable performance period. The KPI's may include a combination of company KPI's and individual KPI's. The Board must set KPI's that are based on metrics that are measurable, transparent, and achievable, designed to motivate and incentivise the recipient to achieve high performance, and are aligned with the Company's short-term objectives and shareholder value creation. The board retains discretion to assess performance during the period.

15. Remuneration Report – Audited (continued)

15.8 Performance Linked Compensation – STI (continued)

Under the STI plan, Executives have the opportunity to earn an annual incentive award which is delivered in cash. The STI recognises and rewards annual performance.

How is it paid?	The STI, if achieved, will be paid annually in cash depending on the eligible employee's employment contract. STI opportunities will vary from employee to employee depending on role and responsibility and will be set out in Executives employment contract.
How much can Executives earn?	The maximum STI award for the Executive Director for the Reporting Period is $150,000 and represents 66.67% of the six month total fixed remuneration ("TFR") being subject to performance related criteria.
How is performance measured?	A combination of personal and business KPIs are chosen to reflect the core drivers of short-term performance and also to provide a framework for delivering sustainable value to the Group and its shareholders. Robust threshold, target and maximum targets are established for all KPIs to drive high levels of personal and business performance. The annual budget generally forms the basis for the target performance set by the Board. The specific KPIs and weightings may change from year to year to best reflect the priorities and critical success factors of the Company. The following KPIs, weightings and measures were chosen for the Reporting Period: • Total Reportable Injury Frequency Rate (TRIFR): Less than 10 (20% STI Value) • Fatalities: Greater than zero (Total STI equal to zero) • Tin Production: Greater than 9,859 tonnes (40% STI Value) • Cash Production Cost: Less than $14,980 / tonne (40% STI Value)
When is it paid?	The STI award is determined after the end of the performance period following a review of performance over the period against the STI performance measures at the discretion of the Remuneration Committee. The Board approves the final STI award based on this assessment of performance and the award is paid in cash up to three months after the end of the performance period.
What happens if an Executive leaves?	Where an Executive ceases to be an employee of the Group: • due to resignation or termination for cause, before the end of the performance period, no STI is awarded for that year; or • due to redundancy, ill health, death, or other circumstances approved by the Board, the Executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that period. • unless the Board determines otherwise.
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control (subject to Board discretion).

15. Remuneration Report – Audited (continued)

15.8 Performance Linked Compensation – STI (continued)

STI Performance and Outcomes

Key Performance Indicators	Performance Measure	Value (% STI)	Actual
Safety			
• Total Reportable Injury Frequency Rate (TRIFR)	Less Than 10	20%	6.3
• Fatalities	> zero	Total STI equal zero	Zero
Renison Operations			
• Tin Production	> 9,859 t	40%	8,404 t
• Cash Production Cost	< $14,980 / t	40%	$17,950 / t

In addition to the above, the Remuneration Committee exercised its discretion and considered the improvements in Renison operations, management practices, and resource management in the following areas:

- continuous improvement in safety and production culture on site;
- focus on exploration programme to extend mine life – currently 12 years;
- re-engaged near mine exploration program with significant high-grade results;
- completion of the first phase of the Rentails Feasibility Study;
- completion of the Area 5 capital works;
- development and implementation of improved commercial and budgeting processes; and
- implementation of metallurgical process improvement programme.

Consequently, the Remuneration Committee recommended the following remuneration for the Executive Director for the Reporting Period:

- Total Fixed Remuneration: $225,000
- Maximum STI: $90,000 (being 60% of maximum STI)

The STI award threshold for the Directors and Executives are subject to annual review of the Board of Directors. KPIs will be set annually as part of the annual business planning cycle and are targeted to be finalised no later than the 31 January of each calendar year as follows:

- KPIs for the Company and Executive Director are set and approved by the Board;
- KPIs for Senior Executives are set by the Executive Director and approved by the Board;
- KPIs will be reviewed by the Board to ensure that hurdles are objectively measurable and aligned with Company strategy; and
- KPI achievement may be subject to 'gate way' tests as itemised for a particular KPI (for example, irrespective of performance, a safety KPI will not be deemed achieved in the event that the Company experiences a fatality).

KPI Targets and Stretch Targets will generally be aligned with the Company's strategic plan and may include health, safety and environmental metrics, financial metrics, delivery of projects and growth initiatives, sustainability initiatives and improvements to Company systems and processes. KPI Targets are not the same as Budget Targets. Philosophically, employees are paid their TFR for delivering budget performance and are paid "at risk" compensation for delivering better than budget performance. Stretch performance should be a level beyond this. Targets and Stretch Targets will be developed as part of the Annual Business Planning Cycle. The Board is responsible for the determination of whether the KPI Targets or Stretch Targets have been achieved and how much of the STI will be payable for each performance period. In making such determination it may obtain external expert advice.

15. Remuneration Report – Audited (continued)

15.9 Executive Employment Arrangements and Service Contracts

Compensation and other terms of employment for KMP are formalised in contracts of employment. The major provisions of each of the agreements relating to compensation are set out below.

The Company may terminate employment agreements immediately for cause, in which the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

Name	Fixed Remuneration[1]	Variable STI	Super-annuation	Notice period (months)	Maximum termination payment (months)
Directors					
Mr Peter Gunzburg	$110,000	-	10.5%	-	-
Mr Brett Smith[2]	$450,000	$300,000	10.5%	6	6
Mr Patrick O'Connor	$80,000	-	10.5%	-	-
Mr Grahame White	$90,000	-	10.5%	-	-
Executives					
Mr Daniel Broughton[3]	$110,000	-	-	-	-

[1] The above table represents the annual fixed remuneration. The actual remuneration for Reporting Period has been pro-rated accordingly.

[2] On 23 January 2023, the Remuneration Committee considered the achievement of the Reporting Period STI KPI's and approved a cash bonus payment of $90,000 to Mr Brett Smith. The STI awarded represents 60% of the STI award (exclusive of superannuation).

[3] Mr Daniel Broughton provides Chief Financial Officer services under a separate service agreement between Dragon Mining Limited and Metals X.

15.10 Equity Instruments

No options over ordinary shares in the Company were granted as compensation to KMP during the Reporting Period and no options vested during the Reporting Period.

15.11 Modifications of Terms of Equity-Settled Share-Based Payment Transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to KMP) have been altered or modified by the issuing entity during the Reporting Period.

15.12 Exercise of Options Granted as Compensation

During the Reporting Period, no shares were issued on the exercise of options previously granted as compensation to KMP.

15.13 Analysis of Options and Rights Over Equity Instruments Granted as Compensation

No options have been issued, granted, or will vest to KMP personnel of the Company.

15.14 Analysis of movements in options and rights

There were no options granted during the Reporting Period.

15. Remuneration Report - Audited (continued)

15.15 Shareholdings of Directors and Key Management Personnel

Ordinary Fully Paid Shares	Balance 1 July 2022	Granted as Remuneration	Net Change Other	Balance 31 December 2022
Directors				
Mr Peter Gunzburg	-	-	-	-
Mr Brett Smith	250,000	-	-	250,000
Mr Patrick O'Connor	1,000,000	-	-	1,000,000
Mr Grahame White	-	-	-	-
Executives				
Mr Daniel Broughton	-	-	-	-
Total	**1,250,000**	**-**	**-**	**1,250,000**

Ordinary Fully Paid Shares	Balance 1 July 2021	Granted as Remuneration	Net Change Other	Balance 30 June 2022
Directors				
Mr Peter Gunzburg	-	-	-	-
Mr Brett Smith	210,000	-	40,000	250,000
Mr Patrick O'Connor	1,000,000	-	-	1,000,000
Mr Grahame White	-	-	-	-
Executives				
Mr Daniel Broughton	-	-	-	-
Total	**1,210,000**	**-**	**40,000**	**1,250,000**

15.16 Directors and Executive Officers Remuneration

The following table details the components of remuneration for KMP of the Company, for the Reporting Period and 30 June 2022

In dollars		Short-Term: Salary & Fees	Short-Term: Non-Monetary Benefits	Short-Term: Bonuses	Long-Term Benefits: Employee Entitlements	Post-Employment: Super-annuation Benefits	Share Based Payments: Options	Termination Payments	Total Emoluments	Proportion of Remuneration Performance Related
Directors		**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**%**
Mr Peter Gunzburg	Dec 2022	55,000	-	-	-	5,775	-	-	60,775	-
(Non-Executive Chairman)	Jun 2022	110,000	-	-	-	11,000	-	-	121,000	-
Mr Brett Smith	Dec 2022	254,753	-	90,000	-	26,749	-	-	371,502	24%
(Executive Director)	Jun 2022	440,262	-	211,000	-	65,126	-	-	716,388	29%
Mr Grahame White	Dec 2022	45,000	-	-	-	4,725	-	-	49,725	-
(Non-Executive Director)	Jun 2022	80,000	-	-	-	8,000	-	-	88,000	-
Mr Patrick O'Connor	Dec 2022	40,000	-	-	-	4,200	-	-	44,200	-
(Non-Executive Director)	Jun 2022	80,000	-	-	-	8,000	-	-	88,000	-
Total all specified Directors	Dec 2022	**394,753**	**-**	**90,000**	**-**	**41,449**	**-**	**-**	**526,202**	**17%**
	Jun 2022	**710,262**	**-**	**211,000**	**-**	**92,126**	**-**	**-**	**1,013,388**	**21%**
Specified Executives										
Mr Daniel Broughton [1]	Dec 2022	55,000	-	-	-	-	-	-	55,000	-
(Chief Financial Officer)	Jun 2022	100,000	-	-	-	-	-	-	100,000	-
Mr Michael Spreadborough [2]	Dec 2022	-	-	-	-	-	-	-	-	-
Chief Executive Officer)	Jun 2022	34,243	-	-	-	-	-	-	34,243	-
Total all named Executives	Dec 2022	**55,000**	**-**	**-**	**-**	**-**	**-**	**-**	**55,000**	**-**
	Jun 2022	**134,243**	**-**	**-**	**-**	**-**	**-**	**-**	**134,243**	**-**
Total all specified Directors and	Dec 2022	**449,753**	**-**	**90,000**	**-**	**41,449**	**-**	**-**	**581,202**	**15%**
Executives	Jun 2022	**844,505**	**-**	**211,000**	**-**	**92,126**	**-**	**-**	**1,147,631**	**18%**

[1] Mr Daniel Broughton provides Chief Financial Officer services under a separate service agreement between Dragon Mining Limited and Metals X.

[2] Resigned 6 August 2021.

16. Indemnification and Insurance of Directors, Officers, and Auditors

The Company provides Directors' and Officers' liability insurance covering Directors' and Officers of the Company against liability in their role with the Company, except where:

- the liability arises out of conduct involving a wilful breach of duty; or
- there has been a contravention of Sections 232(5) or (6) of the Corporations Act 2001.

The Directors' have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of this insurance, as such disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the Reporting Period.

17. Lead Auditor's Independence Declaration

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 62 of this report.

18. Non-Audit Services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services (refer to note 22 of the consolidated financial statements):

Tax compliance services $0.040 million.

19. 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.

Brett Smith

Executive Director

27 February 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2022

Continuing operations	Notes	6 months to 31 December 2022 $'000	12 months to 30 June 2022 $'000
Revenue	3	66,682	228,876
Cost of sales	5(a)	(50,400)	(98,300)
Gross profit		16,282	130,576
Other income	4	1,453	7,698
General and administrative expenses	5(b)	(1,564)	(3,438)
Commodity and foreign exchange gain	5(c)	11	42
Finance costs	5(d)	(228)	(610)
Fair value loss on financial assets	5(e)	(2,005)	(478)
Share-based payment reversal	21	-	22
Profit before tax		**13,949**	**133,812**
Income tax (expense)/benefit	6	(3,983)	42,525
Profit for the period from continuing operations		**9,966**	**176,337**
Discontinued operations			
Profit for the year from discontinued operations	25	-	7,557
Profit attributable to:			
Members of the parent		**9,966**	183,894
Total comprehensive income attributable to:			
Members of the parent		**9,966**	183,894
Basic earnings and diluted earnings per share attributable to the ordinary equity holders of the parent (cents per share)			
From continuing operations	7	1.10	19.44
From discontinued operations	7	-	0.83
Total		**1.10**	**20.27**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended 31 December 2022

	Notes	31 December 2022 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents	8	113,929	122,248
Trade and other receivables	9	16,331	11,664
Inventories	10	22,949	23,583
Prepayments		1,160	588
Convertible note receivable	12	1,080	360
Derivative financial instruments	12	10,842	14,238
Total current assets		**166,291**	**172,681**
Non-current assets			
Other receivables	9	3,457	3,457
Convertible note receivable	12	29,343	28,672
Investment in associate	11	3,140	3,140
Property, plant, and equipment	13	68,073	58,725
Mine properties and development costs	14	45,999	42,129
Exploration and evaluation expenditure	15	352	352
Deferred tax asset	6	38,541	42,525
Total non-current assets		**188,905**	**179,000**
Total assets		**355,196**	**351,681**
Current liabilities			
Trade and other payables	16	13,104	19,185
Provisions	17	4,529	3,551
Interest bearing liabilities	18	1,930	1,945
Total current liabilities		**19,563**	**24,681**
Non-current liabilities			
Provisions	17	14,576	15,706
Interest bearing liabilities	18	1,409	1,612
Total non-current liabilities		**15,985**	**17,318**
Total liabilities		**35,548**	**41,999**
Net assets		**319,648**	**309,682**
Equity			
Issued capital	19	319,570	319,570
Accumulated losses	20	(27,737)	(37,703)
Share based payments reserve	21	27,815	27,815
Total equity		**319,648**	**309,682**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

	Notes	31 December 2022 $'000	30 June 2022 $'000
Cash flows from operating activities			
Receipts from customers		54,209	242,398
Payments to suppliers and employees		(43,372)	(93,451)
Interest received		826	1,493
Other income		19	95
Interest paid		(124)	(539)
Net cash flows from operating activities	8	11,558	149,996
Cash flows from investing activities			
Payments for property, plant, and equipment		(10,837)	(26,562)
Payments for mine properties and development		(8,001)	(9,566)
Payments for exploration and evaluation		-	(645)
Payments for investment in associate		-	(4,050)
Proceeds from sale of financial assets		-	5,954
Proceeds from disposal of subsidiary		-	11,000
Proceeds from sale of property plant and equipment		-	41
Net cash flows used in investing activities		(18,838)	(23,828)
Cash flows from financing activities			
Repayment of borrowings		-	(15,528)
Payment of lease and hire purchase liabilities		(1,039)	(1,864)
Net cash flows used in financing activities		(1,039)	(17,392)
Net (decrease)/increase in cash and cash equivalents		(8,319)	108,776
Cash at the beginning of the period		122,248	13,472
Cash and cash equivalents at the end of the period	8	113,929	122,248

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

	Issued capital	Accumulated losses	Share based payments reserve	Total Equity
	$'000	**$'000**	**$'000**	**$'000**
At 1 July 2021	332,406	(221,597)	27,837	138,646
Profit for the year	-	183,894	-	183,894
Total comprehensive profit for the year	-	183,894	-	183,894
Transactions with owners in their capacity as owners				
In-specie distribution	(12,836)	-	-	(12,836)
Other				
Share-based payment reversal	-	-	(22)	(22)
At 30 June 2022	319,570	(37,703)	27,815	309,682
At 1 July 2022	319,570	(37,703)	27,815	309,682
Profit for the period	-	9,966	-	9,966
Total comprehensive profit for the period	-	9,966	-	9,966
At 31 December 2022	319,570	(27,737)	27,815	319,648

1. Corporate Information and Summary of Accounting Policies

The consolidated financial report of Metals X Limited (the "Company" or "Parent") for the period ended 31 December 2022 (the "Reporting Period") was authorised for issue in accordance with a resolution of the Directors on 27 February 2023.

The Company was incorporated and domiciled in Australia and is a for profit company limited by shares which are publicly traded on the Australian Securities Exchange. The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries (the "Group"). The Company's registered office address is Unit 202, Level 2, 39 Mends Street, South Perth WA 6151.

a) Basis of preparation of the consolidated financial report

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

The Company has changed its financial year end to 31 December to align the Company's financial year end 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. As a result, this financial report is for a period of six months, ended 31 December 2022 (the "Reporting Period"). The comparative reporting period is the 12-months ended 30 June 2022. As a result of the financial year change, the amounts presented in the consolidated financial statements are not directly comparable.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues, and expenses of joint operations. These have been incorporated in the consolidated financial statements under the appropriate classifications.

The consolidated financial report has been prepared on a historical cost basis, except for certain financial instruments measured at fair value through profit and loss. The amounts contained in the consolidated financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial Report) Instrument 2016/191.

Both the functional and presentation currency of the Group is Australian dollars (A$).

b) Statement of compliance

The consolidated financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

c) New and amended accounting standards and interpretations

Since 1 July 2022, the Group has adopted all Accounting Standards and Interpretations effective from 1 July 2022. The accounting policies adopted are consistent with those of the previous financial year. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

d) Changes in accounting policies and disclosures

Certain new and amended accounting standards and interpretations have been issued that are not mandatory for 31 December 2022 reporting periods. These standards and interpretations have not been early adopted. The Company has performed a preliminary assessment of the standards and interpretations below and anticipates no material impact on the balances and transactions presented in these consolidated financial statements when they come into effect.

AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2025)

The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments are applied prospectively.

Earlier application is permitted.

1. Corporate Information and Summary of Accounting Policies (continued)

d) Changes in accounting policies and disclosures (continued)

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

AASB 112 Income Taxes requires entities to account for income tax consequences when economic transactions take place, rather than when income tax payments or recoveries are made. Accounting for such tax consequences, means entities need to consider the differences between tax rules and accounting standards. These differences could either be:

- permanent – e.g., when tax rules do not allow a certain expense to ever be deducted; or
- temporary – e.g., when tax rules treat an item of income as taxable in a period later than when included in the accounting profit.

Deferred taxes representing amounts of income tax payable or recoverable in the future must be recognised on temporary differences unless specifically prohibited by AASB 112. One of these circumstances, known as the initial recognition exception, applies when a transaction affects neither accounting profit nor taxable profit, and is not a business combination. Views differ about applying this exception to transactions that, on initial recognition, create both an asset and liability (and could give rise to equal amounts of taxable and deductible temporary differences) such as:

- Recognising a right-of-use asset and a lease liability when commencing a lease.
- Recognising decommissioning, restoration and similar liabilities with corresponding amounts included in the cost of the related asset.

Some entities have previously recognised deferred tax consequences for these types of transactions, having concluded that they did not qualify for the initial recognition exception. The amendments to AASB 112 clarify that the exception would not normally apply. That is, the scope of this exception has been narrowed such that it no longer applies to transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments apply from the beginning of the earliest comparative period presented to:

- All transactions occurring on or after that date.
- Deferred tax balances, arising from leases and decommissioning, restoration, and similar liabilities, existing at that date.

Earlier application of the amendments is permitted.

AASB 2022-5 Amendments to AASs – Lease Liability in a Sale and Leaseback (effective 1 January 2024)

In a sale and leaseback transaction recognised as a sale under AASB 15Revenue from Contracts with Customers, AASB 16 requires the seller-lessee to measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The standard, however, does not specify how the liability arising in a sale and leaseback is measured. This impacts the measurement of the right-of-use asset and could result in recognition of a gain or loss on the right-of-use asset retained. Of particular concern is the impact of excluding from the lease liability, variable lease payments that do not depend on an index or rate.

The issue has been addressed in the amendment, which specifies that the seller-lessee measures the lease liability arising from the leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use asset retained.

The amendment does not prescribe specific measurement requirements for the lease liability arising from a leaseback. The seller-lessee will need to establish an accounting policy that results in information that is relevant and reliable in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment, however, includes examples illustrating the initial and subsequent measurement of the lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The amendment may represent a significant change in accounting policy for entities that enter into sale and leaseback transactions with such variable payments.

The amendment to AASB 16 is applied retrospectively to sale and leaseback transactions entered into after the beginning of the annual reporting period in which an entity first applied AASB 16. Earlier application of the amendment is permitted.

1. Corporate Information and Summary of Accounting Policies (continued)

d) Changes in accounting policies and disclosures (continued)

AASB 2021-213 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies (effective 1 January 2023)

The amendments to AASB 101 Presentation of Financial Statements require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards.

The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information.

Earlier application of the amendments is permitted.

AASB 2021-6 Amendments to AASs – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (effective 1 January 2023)

To be consistent with the amendments made by AASB 2021-2 to accounting policy disclosures, the AASB amended specific Australian Accounting Standards to improve the usefulness of accounting policy disclosures:

- AASB1049 Whole of Government and General Government Sector Financial Reporting and AASB 1054Australian Additional Disclosures were amended to refer to material accounting policy information rather than significant accounting policies.
- AASB 1060 was similarly amended, highlighting that information about the measurement bases for financial instruments is expected to be material.

AASB 2021-2 Amendments to AASB 108 – Definition of Accounting Estimates

Effective for annual reporting periods beginning on or after 1 January 2023.

An accounting policy may require items in the consolidated financial statements to be measured using information that is either directly observable or estimated. Accounting estimates use inputs and measurement techniques that require judgements and assumptions based on the latest available, reliable information.

The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively18.

The new definition provides that 'Accounting estimates are monetary amounts in consolidated financial statements that are subject to measurement uncertainty.' The amendments explain that a change in an input or a measurement technique used to develop an accounting estimate is considered a change in an accounting estimate unless it is correcting a prior period error.

- For example, a change in a valuation technique used to measure the fair value of an investment property from market approach to income approach would be treated as a change in estimate rather than a change in accounting policy.
- In contrast, a change in an underlying measurement objective, such as changing the measurement basis of investment property from cost to fair value, would be treated as a change in accounting policy.

The amendments did not change the existing treatment for a situation where it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate. In such a case, the change is accounted for as a change in an accounting estimate.

The amendments are applied prospectively.

Earlier application is permitted.

AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current (effective 1 January 2024)

AASB 2022-6 Amendments to AASs – Noncurrent Liabilities with Covenants (Effective 1 January 2024)

A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB issued AASB 2020-1 Amendments to AASB 101 to clarify the requirements for classifying liabilities as current or non-current, specifically:

1. Corporate Information and Summary of Accounting Policies (continued)

d) Changes in accounting policies and disclosures (continued)

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management intention or expectation does not affect the classification of liabilities.
- In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or noncurrent.

A consequence of the first amendment is that a liability would be classified as current if its repayment conditions failed their test at reporting date, despite those conditions only becoming effective in the 12 months after the end of the reporting period.

In response to this possible outcome, the AASB has issued AASB 2022-6 Amendments to AASs - Non-current Liabilities with Covenants in December 2022:

- Clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liabilities classification as current or non-current.
- Adding presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months.
- Clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.

These amendments are applied retrospectively.

Earlier application is permitted.

AASB 2022-7 Editorial Corrections to AASs and Repeal of Superseded and Redundant Standards The editorial corrections apply to annual reporting periods beginning on or after 1 January 2023. Early application is permitted.

AASB 2022-7 makes editorial corrections to AASB 7 Financial Instruments: Disclosures, AASB 116, AASB 124, AASB 128, AASB 134, AASB 1054 and AASB Practice Statement 2. None of the corrections change the practical application of the standards. AASB 2022-7 also repeals AASs that have been superseded by other standards but not formally repealed.

AASB 2022-8 Amendments to AASs – Insurance Contracts: Consequential Amendments Effective for annual reporting periods beginning on or after 1 January 2023

AASB 2022-8 amends several Australian Accounting Standards to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026. The standard also amends AASB 17 to repeal AASB 1038 – Life Insurance Contracts (July 2004) and supersede Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations for annual periods beginning on or after 1 January 2023.

AASB 2022-10 Amendments to AASs – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (effective 1 January 2024)

AASB 2022-10 amends AASB 13, including adding authoritative implementation guidance and providing illustrative examples, for fair value measurement of non-financial assets of not-for-profit public sector entities not held primarily to generate net cash inflows. Specifically, for such an asset, the amendments:

- Specify that an entity is required to consider whether the asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5, or if it is highly probable that it will be used for an alternative purpose.
- Clarify that an asset's use is 'financially feasible' if market participants would be willing to invest its service capacity, considering both the capacity to provide goods or services and the resulting costs of those goods and services.
- Specify that if both market price and market data required to fair value the asset are not observable, an entity should start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data.
- Provide guidance on how the cost approach is to be applied to fair value such an asset.

Earlier application of the amendments is permitted.

1. Corporate Information and Summary of Accounting Policies (continued)

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Transactions and balances

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

All exchange differences in the consolidated financial report are taken to the profit or loss.

g) Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant in understanding of the consolidated financial statements are provided throughout the notes to the consolidated financial statements.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (i.e., an asset that necessarily takes a substantial amount of time to prepare for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i) Goods and service taxes (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Cash flows are included in the consolidated 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. Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

1. Corporate Information and Summary of Accounting Policies (continued)

j) Joint arrangements

Joint arrangements are arrangements over which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group's share of the net assets of the joint venture.

k) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "share of profit of an associate" in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1. Corporate Information and Summary of Accounting Policies (continued)

l) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience, independent experts, and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the consolidated financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Note	Key estimate or judgement
Revenue – note 3	• Identification of the enforceable contract. • Identification of performance obligations for arrangements subject to CIF Incoterms.
Property, plant and equipment and depreciation – note 13	• Life of mine method of depreciation provided incorporating residual values and useful lives.
Mine property and development and amortisation – note 14	• Determination of mineral resources and ore reserves. • Life of mine method of amortisation based on units of production ("UOP") resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves. • Impairment of capitalised mine development expenditure. • Estimate of future capital development expenditure.
Provisions – note 17	• Future cash flows (amounts and timing) required to rehabilitate. • Discount rate.
Convertible notes receivable Derivative financial instruments – note 2(g) and 12.	• Share price volatility. • Determination of forecast commodity prices. • Market interest rate.
Investment in an associate	• Determination on whether the Group has significant influence in the policy making process of the investee.

2. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, lease liabilities, cash and short-term deposits, derivative financial instruments, and equity investments.

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Group enters derivative transactions, principally forward commodity swaps, from time to time, to manage the commodity price risks arising from the Group's operations. The Group did not have any derivative transactions as at 31 December 2022 of these types. Historically, these derivatives provide economic hedges, but do not qualify for hedge accounting and are based on limits set by the Board.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, commodity risk, credit risk, equity price risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange, and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the identified risks, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the notes to the consolidated financial statements. The accounting classification of each category of financial instruments, as defined in the notes to the consolidated financial statements, and their carrying amounts, are set out below:

a) Interest rate risk

The Group's exposure to risks of changes in market interest rates relate primarily to the Group's interest-bearing liabilities, trade receivables at fair value through the profit and loss, financial assets at fair value through profit or loss, convertible note receivables, other receivables, and cash balances. The Group's policy is to manage its interest cost using fixed rate debt where possible.

The Group regularly reviews its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The sensitivity analysis is for variable rate interest bearing loans and cash balances.

At 31 December 2022, if interest rates had moved by a reasonably possible 1.5% (June 2022: 1.50%) as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

Judgement of reasonably possible movements:	**Post tax profit higher/(lower) 31 December 2022 $'000**
+ 1.50% (150 basis points)	1,303
- 1.50% (150 basis points)	(1,303)
Judgement of reasonably possible movements:	**30 June 2022 $'000**
+ 1.50% (150 basis points)	772
- 1.50% (150 basis points)	(772)

2. Financial Risk Management Objectives and Policies (continued)

A sensitivity of +1.50% or -1.50% has been selected as this is considered reasonable given the current level of short-term and long-term interest rates. The movements in profit are due to possible higher or lower interest payable or receivable from variable rate interest bearing loans and cash balances.

At balance date, the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

31 December 2022 ($'000)	Floating interest	Fixed Interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	113,929	-	-	113,929
Trade receivables at fair value through the profit and loss	-	-	9,175	9,175
Convertible note receivables	-	27,382	3,041	30,423
Financial assets at fair value through profit or loss	-	-	10,842	10,842
Other receivables	3,457	-	-	3,457
	117,386	**27,382**	**23,058**	**167,826**
Financial liabilities				
Trade and other payables	-	-	(11,472)	(11,472)
Interest bearing liabilities	-	(3,339)	-	(3,339)
	-	**(3,339)**	**(11,472)**	**(14,811)**
Net financial assets/(liabilities)	**117,386**	**24,043**	**11,587**	**153,016**

30 June 2022 ($'000)	Floating interest	Fixed interest	Non-interest bearing	Total carrying amount
Financial assets				
Cash and cash equivalents	121,615	145	488	122,248
Trade receivables at fair value through the profit and loss	-	-	3,421	3,421
Convertible note receivables	-	24,977	4,055	29,032
Financial assets at fair value through profit or loss	-	-	14,238	14,238
Other receivables	3,457	-	-	3,457
	125,072	**25,122**	**22,202**	**172,396**
Financial liabilities				
Trade and other payables	-	-	(10,699)	(10,699)
Interest bearing liabilities	-	(3,557)	-	(3,557)
	-	**(3,557)**	**(10,699)**	**(14,256)**
Net financial assets/(liabilities)	**125,072**	**21,565**	**(11,503)**	**158,140**

b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Credit risk is managed on a Group basis. Credit risk predominantly arises from cash, cash equivalents, derivative financial instruments, deposits with banks and financial institutions receivables and convertible note receivables.

The Group has in place policies that aim to ensure that derivative counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to any one financial institution is limited as far as is considered commercially appropriate. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Cash and cash equivalents and other financial assets are held with Australian Banks with an AA- credit rating (Standard & Poor's). Significant concentrations of credit risk are in relation to cash and cash equivalents with Australian banks. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group does not hold any credit derivatives to offset its credit exposure.

2. Financial Risk Management Objectives and Policies (continued)

The Group trades only with recognised, creditworthy third parties and as such collateral, letters of credit or other forms of credit insurance is not requested nor is it the Group's policy to securitise its trade and other loans and receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are in several jurisdictions and operate in largely independent markets.

At 31 December 2022, the Group had three customers (30 June 2022: three customers) that each owed the Group $3,875,350, $3,083,716 and $2,216,352 respectively (30 June 2022: $698,132, $1,688,777 and $1,033,193 respectively) and accounted for approximately 100% (30 June 2022: 100%) of all trade receivables owing.

At 31 December 2022, there are no trade receivables at amortised cost that are past due.

c) Equity security price risk

The Group's income may be exposed to equity security price fluctuations arising from investments in equity securities and the options available to the Group.

At the balance date the group had the following exposure to equity price risk:

	31 December 2022 $'000	30 June 2022 $'000
Cyprium convertible notes	30,423	29,032
NICO options	10,625	13,650
Cyprium options	217	588
	41,265	**43,270**

At 31 December 2022, if the underlying equity price in NICO and Cyprium had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

Judgement of reasonably possible movements:	Post tax profit higher/(lower) 31 December 2022 $'000	30 June 2022 $'000
Equity price +10%	1,441	1,680
Equity price -10%	(1,355)	(1,680)

d) Foreign currency risk

As a result of tin concentrate sales receipts being denominated in US dollars, the Group's cash flows can be affected by movements in the US dollar/Australian dollar exchange rate.

At the balance date the Group had the following exposure to US dollar foreign currency:

	31 December 2022 $'000	30 June 2022 $'000
Cash and cash equivalents	-	488
Trade and other receivables	9,175	3,421
	9,175	**3,909**

At 31 December 2022, if foreign currency rates had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

Judgement of reasonably possible movements:	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
	31 December 2022 $'000	30 June 2022 $'000	31 December 2022 $'000	30 June 2022 $'000
A$/US$ Rate +10%	642	274	-	-
A$/US$ Rate -10%	(642)	(274)	-	-

A sensitivity of +10% or -10% has been selected as this is considered reasonable given recent fluctuations in foreign currency rates and management's expectations of future movements. The overall sensitivity for post-tax profits in the 6-month period to 31 December 2022 is higher than June 2022 due to a higher value exposed to fluctuations in US dollar foreign currency.

2. Financial Risk Management Objectives and Policies (continued)

e) Commodity price risk

The Group is exposed to movements in the tin price. As part of the risk management policy of the Group, a variety of financial instruments (such as forward commodity swaps) may be used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. At 31 December 2022, the Group did not hold any commodity derivatives (30 June 2022: Nil).

At balance date, the Group had the following exposure to commodity price risk:

	31 December 2022 $'000	30 June 2022 $'000
Open invoices subject to quotational pricing	4,168	4,116

At 31 December 2022, if commodity price had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
Judgement of reasonably possible movements:	31 December 2022 $'000	30 June 2022 $'000	31 December 2022 $'000	30 June 2022 $'000
Tin Price +10%	308	311	-	-
Tin Price -10%	(308)	(311)	-	-

f) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility using finance and hire purchase leases.

The tables below reflect all contractually fixed payables for settlement repayment resulting from recognised financial liabilities as of 31 December 2022. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as 31 December 2022.

The remaining contractual maturities of the Group's financial liabilities are:

31 December 2022 ($'000)	**<6 months**	**6-12 months**	**1-5 years**	**>5 years**	**Total**
Financial liabilities					
Trade and other payables	(11,472)	-	-	-	(11,472)
Lease liabilities	(965)	(965)	(1,512)	-	(3,442)
Total outflow	**(12,437**	**(965)**	**(1,512)**	**-**	**(14,914)**

30 June 2022 ($'000)	**<6 months**	**6-12 months**	**1-5 years**	**>5 years**	**Total**
Financial liabilities					
Trade and other payables	(10,699)	-	-	-	(10,699)
Lease liabilities	(973)	(973)	(1,703)	-	(3,649)
Total outflow	**(11,672)**	**(973)**	**(1,703)**	**-**	**(14,348)**

g) Fair values

For all financial assets and liabilities recognised in the consolidated statement of financial position, carrying amount approximates fair value unless otherwise stated in the applicable notes.

The methods for estimating fair value are outlined in the relevant notes to the consolidated financial statements.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

2. Financial Risk Management Objectives and Policies (continued)

	31 December 2022			
	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[1]	-	9,175	-	9,175
Convertible note receivables[2]	-	-	30,423	30,423
Derivative financial instruments[3]	-	-	10,842	10,842
	-	**9,175**	**41,265**	**50,440**

	30 June 2022			
	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[1]	-	3,421	-	3,421
Convertible note receivables[2]	-	-	29,032	29,032
Derivative financial instruments[3]	-	-	14,238	14,238
	-	**3,421**	**43,270**	**46,691**

[1] The fair value of trade receivables relates to tin concentrate provisionally sold at the reporting date. The fair value is based on the applicable KLM or LME forward prices.

[2] The carrying value of the convertible note receivables on inception was equivalent to $35.070 million and on 31 December 2022 $30.423 million (30 June 2022: $29.032 million). The change in fair value resulted from $1.391 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.

In addition, the Group adds the fair value of the conversion option. Exercising the conversion option would result in the Group receiving 101.380 million Cyprium shares. 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.

The inputs used to value the convertible notes at 31 December 2022 are as follows:

	B&S Model	DCF	Total Fair Value at 31 December 2022
Expected volatility	100%	-	
Risk-free interest rate	3.41%	-	
Expected life	2.25 years	2.25 years	
Options exercise price	$0.3551	-	
Share price at valuation date	$0.105	-	
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	$0.030	-	
Number of instruments	101,379,893	-	
Total fair value at 31 December 2022	**$3.041m**	**$27.382m**	**$30.423m**

2. Financial Risk Management Objectives and Policies (continued)

The inputs used to value the convertible notes at 30 June 2022 are as follows:

	B&S Model	DCF	Total Fair Value at 30 June 2022
Expected volatility	100%	-	
Risk-free interest rate	3.155%	-	
Expected life	2.75 years	2.75 years	
Options exercise price	$0.3551	-	
Share price at valuation date	$0.110	-	
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	$0.040	-	
Number of instruments	101,379,893	-	
Total fair value at 30 June 2022	**$4.055m**	**$24.977m**	**$29.032**

[3] The derivative financial assets include the remaining 20.3 million options, representing the second tranche of the 40.6 million options, to acquire shares in Cyprium and 25 million options to acquire shares in NICO Resources Limited ("NICO") (together "Options"). 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.

Cyprium options

At 31 December 2022, the fair value of the second tranche of 20.3 million options ("T2") is $0.217 million (30 June 2022: 20.3 million options $0.588 million). The change in fair value of $0.371 million is the result of a valuation remeasurement using the B&S Model.

Exercising the options can result in bonus shares being awarded to the Group depending on the copper price on the date of exercise. To accommodate the additional award, the Group has estimated 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 increase in fair value is then calculated by applying that factor to the number of Cyprium options converted and multiplying by the price of Cyprium shares, on the measurement dates.

NICO options

The fair value of the 25.0 million NICO options at 31 December 2022 is $10.625 million (30 June 2022: $13.650 million).

The inputs used to value the NICO and Cyprium options at 31 December 2022 are as follows:

	NICO Options	Cyprium T2 Options	Cyprium T2 Bonus Shares	Total Fair Value at 31 December 2022
Expected volatility	85%	100%	-	
Risk-free interest rate	3.41%	3.41%	-	
Expected life of options	1.84 years	0.24 years	-	
Options exercise price	$0.250	$0.3551	-	
Share price at measurement date	$0.615	$0.105	$0.105	
Forecast copper price per tonne	N/A	$US 7,700	-	
Bonus share factor / award	N/A	1.1x	2.027 m	
Expiry date	3 Nov 2024	30 Mar 2023	-	
Fair value as at 31 December 2022	**$10.625m**	**$0.004m**	**$0.213m**	**$10.842m**

2. Financial Risk Management Objectives and Policies (continued)

The inputs used to value the NICO and Cyprium options at 30 June 2022 are as follows :

	NICO Options	Cyprium T2 Options	Cyprium T2 Bonus Shares	Total Fair Value at 30 June 2022
Expected volatility	85%	100%	-	
Risk-free interest rate	2.725	2.725	-	
Expected life of options	2.35 years	0.75 years	-	
Options exercise price	$0.250	$0.3551	-	
Share price at measurement date	$0.730	$0.110	$0.110	
Forecast copper price per tonne	N/A	$US 8,976	-	
Bonus share factor / award	N/A	1.2x	4.055 m	
Expiry date	3 Nov 2024	30 Mar 2023	-	
Fair value as at 30 June 2022	**$13.650m**	**$0.142m**	**$0.446m**	**$14.238 m**

The effects of fair value changes are reflected in the consolidated statement of comprehensive income.

Significant estimates and judgments – level 3 inputs

The following significant estimates and judgments were made for inputs used in determining the fair value of financial instruments categorised as level 3:

(i) Volatility for buyer options and conversion feature

Management used an external expert to assist with the estimate of volatility for the purposes of its Black Scholes valuation technique. Volatility was estimated based on the performance of the shares of the loaned party, Cyprium, over a historical period equivalent to that of the time to expiry of the option being valued. Due to NICO's limited trading history, the volatilities of comparable ASX-listed companies were used. The volatility of the share price of comparable companies was calculated over historical one, two and three year periods using historical data extracted from Bloomberg.

(ii) Market interest rates

Management used an external expert to assist with the estimate of the market interest rate of borrowing. The estimate compared the terms and conditions of the Group's convertible notes to a lending transaction that was judged to have the most similar characteristics. The lending rate in this comparable transaction was 15%. The rate was benchmarked to other lending transactions that were similar in terms and conditions but not as alike. The rate was then risk-adjusted by adding 5% to estimate a market interest rate of 20% of which management has adopted in its valuation technique. The risk adjustment was estimated to address differences between the stages of operations when comparing the loaned party in the comparative lending arrangements to that of the Group's counterparty, Cyprium. A range of 15% - 25% was then estimated to be appropriate to address inherent estimation uncertainty.

(iii) Copper price forecasts

Management used an external expert to assist with the estimate of future copper prices. Future copper prices were estimated based on Consensus Economics forecasts.

2. Financial Risk Management Objectives and Policies (continued)

A quantitative sensitivity analysis as at 31 December 2022 is shown below:

Instrument	Valuation technique	Significant unobservable inputs	Value	Sensitivity of the input to fair value
Convertible note receivables	DCF	Market interest rates	20%	1.5% change in the market interest rate would result in a change in fair value by +/-$0.700 million.
	Black & Scholes	Volatility	100%	+/(-)10% change in volatility would result in a change in fair value of $0.710 and ($0.608) 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 30 March 2023	US$7,700	+/(-)$500 change in copper price would result in a change in fair value of $0.213 million and ($0.000) million.
		Volatility	100%	+/(-)10% change in volatility would result in a change in fair value of $0.005 million and ($0.003) million.
Derivative financial instruments – NICO options	Black & Scholes model	Volatility	85%	+/(-)10% change in volatility would result in a change in fair value of $0.312 million and ($0.299) million.

h) Changes in liabilities arising from financing activities

The Group classifies interest paid as cash flows from operating activities.

	1 July 2022 $'000	Payments	Net Transfers & New Leases	31 December 2022 $'000
Current interest-bearing loans and borrowings	1,945	(1,039)	1,024	1,930
Non-current interest bearing loans and borrowings	1,612	-	(203)	1,409
Total liabilities from financing activities	**3,557**	**(1,039)**	**821**	**3,339**

	1 July 2021 $'000	Payments	Net Transfers & New Leases	30 June 2022 $'000
Current interest-bearing loans and borrowings	17,364	(16,600)	1,181	1,945
Non-current interest bearing loans and borrowings	2,684	-	(1,072)	1,612
Total liabilities from financing activities	**20,048**	**(16,600)**	**109**	**3,557**

3. Revenue

	31 December 2022 $'000	30 June 2022 $'000
Revenue from contracts with customers – Tin concentrate	66,682	228,876

Revenue from contracts with customers for the 6-month period ended 31 December 2022 and 12-month period ended 30 June 2022. As a result of the financial year change, the amounts presented are not directly comparable.

Recognition and measurement

The Group is principally engaged in the business of producing tin-in-concentrate. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Based on the current contractual terms, revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate physically arrives at the customer's works or the customers destination port.

Revenue is measured as the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the Quotational Period ("QP"), and a corresponding trade receivable is recognised.

The Group's sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant QP stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. 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 passing to the customer and the end of the QP.

For the provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of AASB 9 Financial Instruments ("AASB 9") and not within the scope of AASB 15 Revenue from Contracts with Customers ("AASB 15").

Revenue is initially recognised based on the most recently determined estimate of metal in concentrate using the expected value approach based on initial internal assay and weight results. The Group has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results. Subsequent changes in the fair value based on the customer's final assay and weight results are recognised in revenue at the end of the QP.

Key estimates and judgements

Revenue from contracts with customers

- **Identification of the enforceable contract**

For tin-in-concentrate (metal in concentrate) sales, there are master services agreements with key customers that set out the general terms and conditions governing any sales that occur. The customer is only obliged to purchase tin-in-concentrate when it places an order for each shipment. Therefore, the enforceable contract has been determined to be each purchase order.

4. Other Income

	31 December 2022 $'000	30 June 2022 $'000
Interest income (i)	1,434	1,504
Other income	19	95
Gain on sale of investment in associate (ii)	-	5,014
Grant of options (iii)	-	750
Profit on sale of property plant and equipment	-	335
Total other income	**1,453**	**7,698**

(i) Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Gain on sale of investment in associate relates to the sale of 5,400,000 shares held in NICO on the ASX. The shares held in NICO are classified as an investment in an associate (refer to note (1k)) with gains/losses recognised in other income on the disposal of the shares.

(iii) Grant of options represents the fair value of NICO options at grant date. Subsequent changes in the fair value of NICO options are accounted for as fair value gain/(loss) in financial assets through profit or loss. Refer to note 5(e).

5. Expenses

The following expenses are for the 6-month period ended 31 December 2022 and 12-month period ended 30 June 2022. As a result of the financial year change, the amounts presented are not directly comparable.

a) **Cost of sales**	**31 December 2022 $'000**	**30 June 2022 $'000**
Salaries, wages expense and other employee benefits	9,248	16,126
Superannuation expense	971	1,613
Mining costs	15,567	32,713
Processing costs	8,996	16,367
Other production costs	4,227	8,276
Changes in stockpiles	2,249	(2,064)
Write down in value of stores inventory to NRV	49	79
Royalty expense	3,514	12,219
Depreciation - property, plant, and equipment	1,999	4,145
Depreciation - buildings	318	457
Mine properties and development costs amortisation	3,262	8,369
Total cost of sales	**50,400**	**98,300**

b) General and administration expenses

Salaries and wages expense	47	377
Directors' fees and other benefits	481	764
Superannuation expense	55	108
Other employee benefits	16	18
Consulting expenses	566	921
Travel and accommodation expenses	113	155
Administration costs	276	951
Depreciation – other assets	10	144
Total general and administration expense	**1,564**	**3,438**

c) Commodity and foreign exchange

Foreign exchange gain	(11)	(42)
Total commodity and foreign exchange	**(11)**	**(42)**

d) Finance costs

Interest expense	124	195
Borrowing costs	-	344
Unwinding of rehabilitation provision discount	104	71
Total finance costs	**228**	**610**

e) Fair value change in financial assets

Fair value loss in financial assets through profit and loss	2,005	478
Total fair value change in financial assets	**2,005**	**478**

Recognition and measurement

Salaries, wages, and other employee benefits are recognised as and when employees render their services. Expenses for non-accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable. Refer to note 17 for the accounting policy relating to short-term and long-term employee benefits.

Provisions and other payables are discounted to their present value when the effect of time value of money is significant. The impact of the unwinding of these discounts is reported in finance costs.

6. Income Tax

	31 December 2022 $'000	30 June 2022 $'000
(a) Major components of income tax (benefit)/expense:		
Income statement		
Current income tax expense		
Current income tax expense	3,253	39,808
Deferred income tax		
Relating to origination and reversal of temporary differences in current year	762	(30)
Recognition of carry forward losses and other temporary differences	(32)	(82,303)
Income tax (benefit)/expense reported in the consolidated statement of comprehensive income	**3,983**	**(42,525)**

(b) A reconciliation of income tax expense/(benefit) and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	31 December 2022 $'000	30 June 2022 $'000
Total accounting profit before income tax from continuing and discontinued operations	**13,949**	**141,369**
At statutory income tax rate of 30% (30 June 2022: 30%)	4,185	42,411
Non-assessable items		
Gain on disposal of subsidiary	-	(2,272)
Non-deductible items		
Share-based payments	-	(6)
Sundry items	24	19
Other	(14)	-
Deductible items	(194)	(374)
Prior year tax adjustments	(18)	-
Recognition of net deferred tax assets not previously recognised	-	(82,303)
Income tax expense/(benefit) reported in the statement of comprehensive income	**3,983**	**(42,525)**

6. Income Tax (continued)

Deferred income tax at 31 December 2022 relates to the following:

	Statement of Financial Position 31 December 2022 $'000	Statement of Financial Position 30 June 2022 $'000	Statement of Other Comprehensive Income 31 December 2022 $'000	Statement of Other Comprehensive Income 30 June 2022 $'000
Deferred tax liabilities				
Exploration	43	43	-	(1,250)
Derivative financial instruments	(1,876)	(2,478)	(602)	2,478
Deferred mining	(11,470)	(10,033)	1,437	854
Mine site establishment and refurbishment	(1,132)	(1,204)	(72)	(596)
Consumables	-	(3)	(3)	(1,774)
Interest income	(186)	(3)	183	3
Diesel rebate	(18)	(9)	9	(9)
Accelerated depreciation for tax purposes	(1,886)	(2,037)	(151)	11,205
Gross deferred tax liabilities	**(16,525)**	**(15,724)**		
Deferred tax assets				
PPE and mine properties		-	-	
Inventories	371	356	(15)	(23)
Legal costs	206	253	46	21
Accrued expenses	84	85	1	(47)
Provision for employee entitlements	1,600	1,345	(255)	(37)
Provision for fringe benefits tax	1	1	-	1
Provision for rehabilitation	4,195	4,360	166	(857)
Unrecognised timing differences	-	-	-	(646)
Recognised tax losses	48,609	51,848	3,239	(51,848)
Gross deferred tax assets	**55,066**	**58,249**		
Net deferred tax assets	**38,541**	**42,525**		
Income tax expense/(benefit) reported in the consolidated statement of comprehensive income			**3,983**	**(42,525)**

At 31 December 2022, there are unrecognised transferred losses of $156,534,000 (30 June 2022: $156,534,000) for the Group subject to a restricted rate of utilisation.

6. Income Tax (continued)

Recognition and measurement

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for using the balance sheet full liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss except for transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of an ROU Asset and a lease liability; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised income taxes are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Metals X and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2004. The head entity, Metals X and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payments obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement on the basis that the possibility of default is remote.

6. Income Tax (continued)

Tax consolidation legislation (continued)

Members of the Group have also entered into tax funding agreements ("TFA"). The TFA provides for the allocation of current taxes to members of the tax consolidated group. The allocation of taxes under TFA is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Metals X. The nature of the TFA is such that no tax consolidation contributions by or distributions to equity participants are required.

7. Earnings Per Share

The following reflects the data used in the basic and diluted earnings per share computations for the 6-month period ended 31 December 2022 and 12-month period ended 30 June 2022. As a result of the financial year change, the amounts presented are not directly comparable.

	31 December 2022	30 June 2022
For basic and diluted earnings per share:		
Profit attributable to continuing operations ($'000)	9,966	176,337
Profit attributable to discontinued operations ($'000)	-	7,557
	9,966	**183,894**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share	907,266,067	907,266,067
Basic and diluted earnings per share (cents)		
From continuing operations	1.10	19.44
From discontinued operations	-	0.83
Total	**1.10**	**20.27**

Recognition and measurement

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

The result is divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The Company had no share options on issue which are anti-dilutive and are therefore not required to be included in the calculation of diluted earnings per share. (30 June 2022: Nil)

There have been no transactions involving ordinary shares or potential ordinary shares since that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and before the completion of these consolidated financial statements.

8. Cash and Cash Equivalents

	31 December 2022 $'000	30 June 2022 $'000
Cash at bank and in hand - denominated in AUD	13,929	121,615
Cash at bank and in hand - denominated in USD	-	488
Short-term deposits (i)	100,000	145
Total	**113,929**	**122,248**

(i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Refer to note 2(b) for more details on the Group's credit risk management practices. As all deposits are on demand or have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using lifetime expected credit losses. In this regard, the Group has concluded that the probability of default is insignificant.

Recognition and measurement

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reconciliation of net profit after income tax to net cash flows from operating activities:

	31 December 2022 $'000	30 June 2022 $'000
Profit before income tax	13,949	141,369
Amortisation and depreciation	5,589	13,113
Foreign exchange loss	11	42
Fair value loss/(gain) in financial assets	2,005	(5,286)
Share based payment reversal	-	(22)
Rehabilitation expense	81	71
Provision for stock write down	49	-
Gain on disposal of Nickel asset portfolio – note 25	-	(7,572)
	21,684	**141,715**
Changes in assets and liabilities		
Increase/(decrease) in inventories	586	(3,041)
(Increase)/decrease in trade and other receivables and prepayments	(5,250)	13,369
(Decrease) in trade and other creditors	(6,302)	(2,169)
Increase in provisions	840	122
Net cash flows from operating activities	**11,558**	**149,996**

9. Trade and Other Receivables

Current	31 December 2022 $'000	30 June 2022 $'000
Trade receivables at fair value through profit or loss (i)	9,175	3,421
Other receivables at amortised cost (ii)	7,156	8,243
	16,331	**11,664**
Non-current		
Other receivables – performance bond facility (iii)	**3,457**	**3,457**

(i) On 31 December 2022, tin concentrate sales totalling 114 tonnes remained open to price adjustment (30 June 2022: 415 tonnes).

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 Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. For tin concentrate 80% - 85% of the provisional invoice (based on the provisional price) is received in cash within four weeks of the arrival of shipment at smelter. 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) Cash calls advanced to the Bluestone Mines Tasmania Joint Venture Pty Ltd $4.932 million (30 June 2022: $6.414 million), GST receivable $0.763 million (30 June 2022: $0.873 million), interest receivable of $0.619 million (30 June 2022: Nil) and other debtors of $0.771 million (30 June 2022: $0.928 million).

(iii) The performance bond facility is interest bearing and is used as security for government performance bonds. The fair value approximates cost. Refer to note 2(b) for credit risk assessment.

10. Inventories

	31 December 2022 $'000	30 June 2022 $'000
Ore stocks at cost	2,387	2,177
Tin in circuit – at cost	125	141
Tin concentrate – at cost	13,042	15,484
Stores and spares at cost	8,632	6,969
Provision for obsolete and impairment stores and spares	(1,237)	(1,188)
	22,949	**23,583**

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

11. Investment in Associate

Investment in associate	31 December 2022 $'000	30 June 2022 $'000
Seed funding share purchase (600,000 shares)	30	30
Seed funding share purchase (500,000 shares)	50	50
IPO purchase (20,000,000 shares)	4,000	4,000
Sale of shares (5,400,000 shares) at cost	(940)	(940)
	3,140	**3,140**
Market value of investment (15,700,000 shares)	**9,656**	**11,461**

11. Investment in Associate (continued)

The Group's investment in associate pertains to NICO. The balance has been measured initially at cost paid by the Group for its shares in NICO. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

As at 31 December 2022, the Group's share of net assets of the associate has not materially changed since acquisition, and therefore continues to be carried at initial cost.

As at 31 December 2022, the Group has 15,700,000 shares (30 June 2022: 15,700,000) in NICO carried at a cost of $3.140 million (2022: $3.140 million). On 19 January 2023, 15,000,000 shares were released from escrow. The remaining 700,000 shares are escrowed until 19 January 2024.

Metals X is entitled to a 1.75% net smelter royalty on all metals produced from both the Wingellina Nickel-Cobalt Project and the Claude Hills Project.

12. Financial Assets at Fair Value Through Profit or Loss

Current	31 December 2022 $'000	30 June 2022 $'000
Convertible notes	1,080	360
Derivative financial assets	10,842	14,238
	11,922	**14,598**
Non-current		
Convertible notes	29,343	28,672
	29,343	**28,672**

Derivative financial assets and debt instruments

Derivative financial assets are financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

On 31 December 2022, the Group continues to hold:

- four (4) convertible notes with a value of $9.000 million each, for an aggregate of $36.000 million
- 20.3 million options representing the second tranche of options to acquire Cyprium shares and exercisable at $0.3551 per option with an expiry date of 30 March 2023
- 25 million options to acquire NICO shares and exercisable at $0.250 per option with an expiry date of 3 November 2024.

Initial recognition and measurement

The Group initially recognises financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVTOCI"), and
- financial assets measured at amortised cost ("Debt Instruments").

The classification of financial assets at initial recognition, depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

12. Financial Assets at Fair Value Through Profit or Loss (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed.

For a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. The Group reclassifies debt investments when and only when its business model for managing those assets changes. Convertible notes are financial assets with embedded derivatives which are considered in their entirety when determining whether their cash flows are solely the payment of principal and interest.

Subsequent measurement

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of comprehensive income following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income as other income when the Group's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Debt instruments

The subsequent measurement of Debt Instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories for Debt Instruments:

- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the EIR. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.
- Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of comprehensive income in other gains/(losses) in the period in which it arises.

Impairment

Further disclosures relating to impairment of financial assets are also provided in:

- Disclosures for significant assumptions in note 1(l).
- Financial assets at fair value through profit and loss, note 12.
- Trade and other receivables, note 9.

The Group recognises an allowance for expected credit losses ("ECL's") for all debt instruments not carried at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

12. Financial Assets at Fair Value Through Profit or Loss (continued)

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 18.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Estimates and judgments

Fair value measurement of financial instruments

These financial assets cannot be measured based on quoted prices in active markets and are therefore measured using valuation techniques.

The convertible note receivables convey a right to receive cash upon maturity of 30 March 2025 or the option to convert the principle amount outstanding into shares of Cyprium. The convertible 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.

To determine the fair value of the convertible notes, the Group estimates the fair value of the right to receive the cash using discounted cash flow techniques and market interest rates. In addition, the Group adds the fair value of the conversion option, which is estimated using the Black Scholes valuation model. Refer to note 2. The inputs to this model and technique requires a degree of judgement, including consideration of the risk-free rate, Cyprium share price volatility and market coupon rates.

The Group's derivative financial instruments are options to acquire shares in Cyprium and NICO.

a) The Group's derivative financial instruments include options to acquire shares in Cyprium with an additional award of shares granted by a factor dependant on commodity prices on the date of exercise. To determine the fair value of these instruments, the Group has used Black Scholes. To accommodate for the additional award, the Group has increased the Black Scholes fair value by multiplying the quoted price of Cyprium shares on the option grant dates by the most likely factor to apply on the estimated dates of exercise (assumed to be the dates of expiry). Refer to note 1(k). The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free rates, Cyprium share price volatilities and forecast commodity prices.
b) The Group's derivative financial instruments also include options to acquire shares in NICO. To determine the fair value of these instruments, the Group has used Black Scholes. Refer to note 2. The inputs to these models and techniques require a degree of judgement, including consideration of the risk-free rates and NICO share price volatilities.

Changes in assumptions relating to the above factors could affect the reported fair value of financial assets. See note 1(l) for further disclosures. Future developments may require further revisions to the estimate. The convertible notes and derivative financial instruments are classified as financial assets at FVTPL.

13. Property, Plant, and Equipment

Plant and equipment	31 December 2022 $'000	30 June 2022 $'000
Gross carrying amount - at cost	60,840	59,762
Accumulated depreciation and impairment	(41,225)	(39,216)
Net carrying amount	**19,615**	**20,546**
Land and buildings		
Gross carrying amount - at cost	10,912	10,910
Accumulated depreciation and impairment	(4,199)	(3,881)
Net carrying amount	**6,713**	**7,029**
Capital work in progress at cost		
Gross carrying amount - at cost	41,745	31,150
Net carrying amount	**41,745**	**31,150**
Total property, plant, and equipment	**68,073**	**58,725**

Reconciliations:

Reconciliations of the carrying amounts of property, plant, and equipment at the beginning and end of the reporting period:

Plant and equipment		
At 1 July net of accumulated depreciation	20,546	20,606
Transfer from capital in progress	1,078	4,244
Disposals	-	-
Depreciation charge for the year	(2,009)	(4,304)
Carrying amount at the end of the period net of accumulated depreciation	**19,615**	**20,546**
Land and buildings		
At 1 July net of accumulated depreciation	7,029	3,299
Transfer from capital in progress	2	4,187
Disposals	-	-
Depreciation charge for the year	(318)	(458)
Carrying amount at the end of the period net of accumulated depreciation	**6,713**	**7,029**
Capital work in progress		
At 1 July	31,150	12,129
Additions	11,675	27,452
Transfer to mine properties & development	-	-
Transfer to plant and equipment	(1,078)	(4,244)
Transfer to land and buildings	(2)	(4,187)
Carrying amount at the end of the period	**41,745**	**31,150**

13. Property, Plant, and Equipment (continued)

Recognition and measurement

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment or mine properties and development at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using the shorter of life of mine and useful life. Useful life ranges from 2 to 10 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office Plant and equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

Key estimates and judgements

Life of mine method of amortisation and depreciation

The Group applies the life of mine method of amortisation and depreciation to its mine specific plant and to mine properties and development based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Group's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets, and future developments. When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets.

14. Mine Properties and Development

Recognition and measurement

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

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

Key estimates and judgements

In determining amortisation of its mine capital development, the Group applies the UOP method and factors in future development spend required to access the remaining ore reserves. For Mine site establishment, the Group applies the life of mine method of amortisation, which is also based on ore tonnes mined.

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Group estimates its mineral resource and reserves in accordance with the Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC code"). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

14. Mine Properties and Development (continued)

Determination of future capital development spend

Management estimates its future capital development spend based on historical annual requirements forecasted over the remaining estimated life of mine.

	31 December 2022 $'000	30 June 2022 $'000
Mine site establishment		
Gross carrying amount - at cost	44,377	44,644
Accumulated depreciation and impairment	(37,245)	(36,750)
Net carrying amount	**7,132**	**7,894**
Mine capital development		
Gross carrying amount - at cost	128,451	121,053
Accumulated depreciation and impairment	(89,585)	(86,818)
Net carrying amount	**38,866**	**34,235**
Total mine properties and development	**45,999**	**42,129**
Movement in mine properties and development		
Development areas at cost		
At 1 July	-	-
Additions	-	34
Disposal and discontinued operations	-	(34)
Carrying amount at the end of the period	**-**	**-**
Mine site establishment		
At 1 July net of accumulated amortisation	7,894	6,594
Additions	603	656
(Decrease)/increase in rehabilitation provision	(870)	3,080
Amortisation charge for the year	(495)	(2,436)
Carrying amount at the end of the period net of accumulated amortisation	**7,132**	**7,894**
Mine capital development		
At 1 July net of accumulated amortisation	34,235	31,290
Additions	7,398	8,878
Amortisation charge for the year	(2,767)	(5,933)
Carrying amount at the end of the period net of accumulated amortisation	**38,866**	**34,235**

15. Exploration and Evaluation Expenditure

	31 December 2022 $'000	30 June 2022 $'000
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Pre-production areas		
At cost	352	352
Net carrying amount	**352**	**352**
Movement in exploration and evaluation		
At 1 July net of accumulated impairment	352	352
Carrying amount at the end of the period net of accumulated impairment	**352**	**352**

Recognition and measurement

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and;

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment regularly and if after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to profit or loss in the period when the new information becomes available.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not recognised pending the commencement of production.

16. Trade and Other Payables

	31 December 2022 $'000	30 June 2022 $'000
Trade creditors	3,623	3,575
Sundry creditors and accruals	7,849	7,124
Unearned revenue	1,632	8,486
	13,104	**19,185**

Recognition and measurement

Trade and other payables are initially recognised, at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade creditors are non-interest bearing and generally on 30-day terms. Sundry creditors and accruals are non-interest bearing and generally on 30-day terms. Due to the short-term nature of these payables, their carrying value approximates their fair value.

17. Provisions

Current	31 December 2022 $'000	30 June 2022 $'000
Provision for annual leave	3,293	2,867
Provision for long service leave	1,231	679
Other provisions	5	5
	4,529	**3,551**
Non-current		
Provision long service leave	594	935
Provision for rehabilitation	13,982	14,771
	14,576	**15,706**

Rehabilitation movement

Balance at 1 July	14,771	11,663
Change due to revised conditions	(893)	3,037
Rehabilitation borrowing discount unwound	104	71
Balance at 31 December	**13,982**	**14,771**

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.

Provision for 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 consolidated 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. The carrying value of the provision is calculated by applying an inflation factor of 3.0% (30 June 2022: 5.10%) which has been estimated based on rates throughout the period and a weighted average discount rate of 3.57% (30 June 2022: 3.29%), which has been estimated using government bond yields for an equivalent period. Costs are inflated and discounted with reference to the Group's anticipated timing of payment, which is estimated based on the Group's life of mine and planned activities. A majority of the payments are anticipated within 12 years (30 June 2022: 8 years).

18. Interest Bearing Liabilities

	31 December 2022 $'000	30 June 2022 $'000
Current liabilities		
Lease liabilities relating to right-of-use assets	14	34
Hire purchase liabilities	1,916	1,911
	1,930	**1,945**
Non-current liabilities		
Hire purchase liabilities	1,409	1,612
	1,409	**1,612**

Recognition and measurement

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Right-of-use assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-based variable payments incorporating the Group's expectations of extension options and do not include non-lease components of a contract.

The lease liability is re-measured when there are changes in future lease payments arising from a change in rates, index, or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated statement of comprehensive income.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise assets and lease liabilities for short-term leases (lease term of 12 months or less) and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

19. Issued Capital

Share capital	31 December 2022	30 June 2022	31 December 2022	30 Jun 2022
	Average number. of shares		AU$'000	AU$'000
Ordinary shares fully paid	907,266,067	907,266,067	319,570	319,570

Movements in issued capital	AU$'000	No. of Shares
Balance at 1 July 2022	319,570	907,266,067
Balance at 31 December 2022	**319,570**	**907,266,067**

Recognition and measurement

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

Dividend reinvestment plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares.

There were no shares issued under the DRP in the 31 December 2022 financial period (30 June 2022: Nil).

Options on issue

There are no unissued ordinary shares of the company under option at the date of this report.

Capital management gearing ratio	31 December 2022 $000	30 June 2022 $000
Gearing ratio	1.04%	1.15%
Net debt	3,339	3,557
Capital[1]	319,648	309,682

[1]Includes issued capital and all other equity reserves attributable to the equity holders of the parent for the purpose of the Group's capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise the shareholder's value. The Group manages its capital structure and adjusts considering changes in economic conditions and the requirements of any financial covenants.

To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial periods ended 31 December 2022 and 30 June 2022.

20. Accumulated Losses

	31 December 2022 $'000	30 June 2022 $'000
At 1 July	(37,703)	(221,597)
Net profit attributable to members of the parent entity	9,966	183,894
Carrying amount at the end of the period	**(27,737)**	**(37,703)**

21. Reserves

Share based payments reserve		
At 1 July	27,815	27,837
Share based payment reversal	-	(22)
Carrying amount at the end of the period	**27,815**	**27,815**

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share-based payments.

During the period ended 31 December 2022, the Company did not recognise income for the reversal of share-based payments (30 June 2022: $0.022 million) in the consolidated statement of comprehensive income. There were no share-based payments granted during the Reporting Period.

22. Auditor Remuneration

	31 December 2022 $'000	30 June 2022 $'000
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the Parent covering the Group and auditing the statutory financial reports of any controlled entities	121	155
Fees for other services		
- tax compliance	40	80
Total fees to Ernst & Young (Australia)	**161**	**235**

23. Commitments

Capital commitments

Commitments relating to joint arrangements.

At 31 December 2022, the Group has capital commitments that relate principally to the purchase and maintenance of plant and equipment for its mining operations. Refer to note 13.

Estimated capital expenditure contracted for at reporting date, but not recognised as liabilities for the Group:

	31 December 2022 $'000	30 June 2022 $'000
Within one year	**9,754**	**3,670**

Mineral tenement commitments

The Company has tenements in which the mining operations are located. These tenement leases have a life of up to twenty-one years. To maintain current rights to explore and mine the tenements the Group is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing body. The commitments include Renison commitments as disclosed in note 24.

	31 December 2022 $'000	30 June 2022 $'000
Within one year	284	283
After one year but not more than five years	1,136	1,129
After more than five years	1,019	1,156
	2,439	**2,567**

Other commitments

The Group has obligations for various expenditures such as state government royalties, production based payments, and exploration expenditure. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

24. Interest in Joint Operations

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the consolidated financial statements under the appropriate classifications.

Renison Tin Project

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest and participating share in the Renison Tin Project, which is operated and managed by Bluestone Mines Tasmania Joint Venture Pty Ltd. Under the agreement, the Group is entitled to 50% of the production, assets, liabilities and expenses of the joint operation. The Renison Tin Project is located in Tasmania.

25. Discontinued Operations

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.

Shareholder approval for the capital reduction and in-specie distribution to eligible Metals X shareholders of the 25,000,000 NICO shares at a deemed issue price of $0.20 per share as the sole consideration payable by NICO to Metals X under the SSA for the purchase of the Nickel Assets (equating to $5,000,000) (Consideration Shares) was received on 15 December 2021. Refer to ASX Announcement "Results of Meeting" lodged on 15 December 2021.

On 7 January 2022, the Nickel asset portfolio including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia, was demerged from the Metals X Consolidated Group and sold to NICO Resources.

The fair value of the Nickel assets at demerger was $12.836 million, which was determined by multiplying the Consideration Shares by approximately $0.513 representing the 5-day VWAP from the date of NICO listing on the ASX. The results of the discontinued operation included in the statement of profit or loss and other comprehensive income are set out below.

25. Discontinued Operations (continued)

(a) Nickel assets and liabilities disposed of at 7 January 2022:

	As at 7 Jan 2022 $'000
Assets	
Cash and cash equivalents	8
Trade and other receivables	32
Inventories	11
Property, plant, and equipment	72
Land and buildings	7
Exploration assets	4,813
Mine properties	323
Rehabilitation asset	15
	5,281
Liabilities	
Trade and other payables	2
Rehabilitation provision	15
	17
Carrying value of Nickel assets disposal group	**5,264**

(b) Consideration received for Nickel asset portfolio:

Consideration received:	**7 Jan 2022 $'000**
Fair value of consideration shares	12,836
Carrying value of Nickel assets disposal group	(5,264)
Profit on disposal of Nickel assets	**7,572**

(c) The results for the discontinued Nickel asset portfolio during the year are presented as follows:

	2022 $'000
Revenue	-
Cost of sales	-
Gross profit/(loss)	**-**
Profit on disposal of Nickel assets	7,572
Other income	-
Corporate costs	-
Depreciation	(15)
Profit for the year from discontinued operations	**7,557**

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

Net cash flows (used in)/from operating activities	-
Net cash flows used in investing activities	(598)
Net cash outflow	**(598)**

26. Key Management Personnel

The following Key Management Personnel disclosures are for the 6-month period ended 31 December 2022 and 12-month period ended 30 June 2022. As a result of the financial year change, the amounts presented are not directly comparable.

Compensation of Key Management Personnel

	31 December 2022 $	30 June 2022 $
Short-term employee benefits	539,753	1,055,505
Post-employment benefits	41,449	92,126
	581,202	**1,147,631**

27. Related Party Disclosure

Subsidiaries

The consolidated financial statements of the Group include Metals X and the subsidiaries listed as follows:

Name	Country of Incorporation	Ownership Interest 31 December 2022	Ownership Interest 30 June 2022
Bluestone Australia Pty Ltd	Australia	100%	100%
Subsidiary companies of Bluestone Australia Pty Ltd			
Bluestone Mines Tasmania Pty Ltd	Australia	100%	100%
Bluestone Mines Tasmania Joint Venture Pty Ltd	Australia	50%	50%

Transactions with related parties

Related party transactions		Sales to related parties $'000	Purchases and interest charges from related parties $'000	Amounts owed by related parties $'000	Amounts owed to related parties $'000
Shareholder's Loan & Interest: Asia Cheer Trading Limited (subsidiary of Company's substantial shareholder APAC Resources Strategic Holdings Limited)	Dec 2022	-	-	-	-
	Jun 2022	-	15,528	-	-
Dragon Mining Limited: Provider of services to Metals X.	Dec 2022	-	271	-	52
	Jun 2022	-	404	-	31

28. Parent Entity Disclosure

	31 December 2022 $'000	30 June 2022 $'000
Current assets	128,732	139,685
Total assets	171,564	206,411
Current liabilities	272	202
Total liabilities	66,982	99,674
Issued capital	341,685	341,685
Accumulated losses	(264,918)	(262,763)
Share based payment reserve	27,815	27,815
Total equity	**104,582**	**106,737**
(Loss)/profit of the parent entity	**(2,155)**	**52,587**
Total comprehensive profit of the parent entity	**(2,155)**	**52,587**

29. Significant Events After Period End

On 23 February 2023 Cyprium Metals Limited entered into voluntary suspension on the Australian Stock Exchange as it explores alternative financing arrangements for the Nifty Copper Project restart. Metals X holds $36.000 million in aggregate in convertible notes and 20.3 million options in Cyprium Metals Limited which are carried at fair value as at 31 December 2022.

DIRECTORS' DECLARATION

For the period ended 31 December 2022

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

In the opinion of the Directors:

(a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 December 2022 and the performance for the Reporting Period ended on that date of the Group; and

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

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(b) 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.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the 6-month period ended 31 December 2022.

On behalf of the Board

Brett Smith
Executive Director
27 February 2023

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

As lead auditor for the audit of the financial report of Metals X Limited for the six month period ended 31 December 2022, 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
27 February 2023

Building a better
working world

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

Report on the audit of the financial report

Opinion

We have audited the 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 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period then ended, 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:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the six month period ended on that date; and

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

BMTPL operations – work of a non-EY component team

Why significant	How our audit addressed the key audit matter
As disclosed in Note 24 to the financial report, a significant component of the Group's operations and activities take place within its 100% owned Subsidiary Bluestone Mines Tasmania Pty Ltd ("BMTPL"), which has a 50% interest and participating share in the Renison Tin Project in Tasmania ("a component"). The Group's 50% interest in the assets, liabilities, expenses and cash flows of the component are included within the Group consolidated financial statements and collectively are material to the overall Group result and financial position. In our role as Group auditor, we are required to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of components within the Group in order to be able to express an audit opinion on the consolidated financial report. We are responsible for the direction, supervision, and performance of the Group audit. Given the financial significance of the component to the group, which was audited by a non-EY audit team ("Component Auditor"), the extent of our direction and supervision of the Component Auditor was considered a key audit matter.	In fulfilling our responsibilities as Group auditor, our audit procedures included: ► Performing a risk assessment and component scoping at the consolidated Group level, identifying the Component Auditor to be significant to the Group. ► Sending out instructions to the Component Auditor describing the audit areas in scope, including the relevant risks and the information to be reported to us as the Group audit team. We determined and communicated to the Component Auditor materiality and reporting scopes, having regard to the size and risk profile of the component relative to the Group. ► Obtaining written confirmation from the Component Auditor of the work performed and the results, as well as key documents supporting their independence, significant findings and observations. ► Visiting the mine site of the component with the Component Audit Partner, in order to gain an understanding of the component's operations. ► Holding regular meetings with the Component Auditor to discuss the outcome and extent of their audit procedures. ► Reviewing the underlying working papers and documentation of the Component Auditor supporting their audit opinion on the results of the component for the six month period ended 31 December 2022. ► Agreeing the trial balance and related supporting schedules audited by the Component Auditor to the Group consolidation schedules, and where relevant, financial statement note disclosures. ► Assessing the accounting policies of the component for consistency with the Group's accounting policies and tested the Group's accounting for intercompany transactions with the component.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 31 December 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, with the exception of the Remuneration Report and our related assurance opinion.

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 and our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the six month period ended 31 December 2022

In our opinion, the Remuneration Report of Metals X Limited for the six month period ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Building a better working world

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.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
27 February 2023

TABLES OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resource Estimates (50% MLX) – Consolidated Summary & Annual Comparison

Project	Tonnes[1] (Mt)	Tin (%Sn)	Copper (%Cu)	Contained Metal Tin (kt)	Contained Metal Copper (kt)
31 Mar 2021					
Renison Bell	18.2	1.65	0.20	302	36.5
Rentails	23.9	0.44	0.22	104	52.7
Total	**42.1**	**0.96**	**0.21**	**406**	**89.2**
Mining Depletion					
Renison Bell	(0.83)	(1.50)	(0.17)	(12.4)	(1.38)
Rentails	-	-	-	-	-
Total	**(0.83)**	**(1.50)**	**(0.17)**	**(12.4)**	**(1.38)**
Resource Adjustments					
Renison Bell	2.45	1.23	0.36	30.0	4.46
Rentails	-	-	-	-	-
Total	**2.45**	**1.23**	**0.36**	**30.0**	**4.46**
31 Mar 2022					
Renison Bell	19.8	1.61	0.20	320	39.6
Rentails	23.9	0.44	0.22	104	52.7
Total	**43.7**	**0.97**	**0.21**	**424**	**92.3**

[1]Figures are rounded according to JORC Code guidelines and may show apparent addition errors. Contained metal does not imply recoverable metal.

Ore Reserve Estimates (50% MLX) – Consolidated Summary & Annual Comparison

The Ore Reserve estimates are a subset of the Mineral Resource estimates

			Tin			Copper
Project	Ore Kt	Grade % Sn	Metal Kt Sn	Ore Kt	Grade % Cu	Metal Kt Cu
31 Mar 2021						
Renison Bell	7,837	1.41	110	7,837	0.19	16
Rentails	22,310	0.44	99	22,310	0.23	51
	30,147	**0.69**	**209**	**30,147**	**0.22**	**67**
Mining Depletion						
Renison Bell	(830)	1.50	(12)	(830)	0.17	(1.4)
Rentails	-	-	-	-	-	-
Reserve Adjustments						
Renison Bell	1,840	1.68	31	1,840	(0.02)	(0.4)
Rentails	-	-	-	-	-	-
31 Mar 2022						
Renison Bell	8,848	1.46	129	8,848	0.16	14
Rentails	22,310	0.44	99	22,310	0.23	51
	31,158	**0.73**	**228**	**31,158**	**0.21**	**65**

- Renison Bell and Rentails Resources and Reserves are 50% owned by Metals X.
- The geographic region for Tin Mineral Resources and Ore Reserves is Australia.
- For further details on total Mineral Resources refer to ASX announcement dated 14 June 2022.
- For further details on total Ore Reserves refer to ASX announcement dated 26 September 2022.

The Company last undertook its annual review of ore reserves and mineral resources as at 31 March 2022, as announced to ASX on 26 September 2022. Since that date, immaterial depletion has occurred due to mining activities. The Company proposes to undertake its next annual review of ore reserves and mineral resources as at 31 March 2023, and release the results to ASX in the September Quarter 2023.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Mineral Resources has been compiled by Bluestone Mines Tasmania Joint Venture Pty Ltd technical employees under the supervision of Mr Colin Carter B.Sc. (Hons), M.Sc. (Econ. Geol), AusIMM. Mr Carter is a full-time employee of the Bluestone Mines Tasmania Joint Venture Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities 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". Mr Carter consents to the inclusion in this 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 Ore Reserves has been compiled by Bluestone Mines Tasmania Joint Venture technical employees under the supervision of Mr Philip Bremner, B Engineering (Mining Engineering), AusIMM. Mr. Bremner is a principal mining consultant at Oreteck Mining Solutions. Mr Bremner has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities 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". Mr Bremner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

STATEMENT OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTORLS

In accordance with ASX Listing Rule 5.21.5, governance of the Company's Mineral Resources and Ore Reserves development and management activities are managed through the management team of Renison in Tasmania which is 50%-owned by Metals X through the BMTJV.

Senior geological and mining engineering staff of the BMTJV oversee reviews and technical evaluations of the estimates and evaluates these with reference to actual physical, cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

The BMTJV Management Committee of which Metals X has three members is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the Company and the estimation and reporting of resources and reserves. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A four-level compliance process guides the control and assurance activities by the BMTJV:

1. Provision of internal policies, standards, procedures and guidelines;
2. Mineral Resources and Ore Reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes;
3. Internal review of process conformance and compliance; and
4. Internal assessment of compliance and data veracity.

The BMTJV Management Committee aims to promote the maximum conversion of identified mineralisation into Mineral Resources and Ore Reserves compliant with JORC 2012.

The Company reports its Mineral Resources and Ore Reserves, as a minimum, on an annual basis, in accordance with ASX Listing Rule 5.21 and clause 14 of Appendix 5A (the JORC Code).

Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by the Company are members of the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and qualify as Competent Persons as defined in the JORC Code.

CORPORATE GOVERNANCE

The Company's 2023 Corporate Governance Statement is available for in the Corporate Governance section of the Company's website: https://www.metalsx.com.au/aboutus/corporate-governance/.

SECURITY HOLDER INFORMATION

As at 15 February 2023

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 15 February 2023.

Issued Equity Capital

	Ordinary Shares	Options
Number of holders	5,266	-
Number on issue	907,266,067	-

Voting Rights

The voting rights for each class of security on issue are:

Ordinary fully paid shares

Each ordinary shareholder is entitled to one vote for each share held.

Options

The holders of options have no rights to vote at a general meeting of the company.

Distribution of Holdings of Equity Securities

Fully Paid Ordinary Shares

	Ordinary Shares		
Range	Total Holders	Units	% Units
1 – 1,000	405	147,550	0.02
1,001 – 5,000	1,110	3,159,108	0.35
5,001 – 10,000	1,051	8,517,365	0.94
10,001 – 100,000	2,274	76,494,102	8.42
100,001 and over	426	818,947,942	90.27
Total	**5,266**	**907,266,067**	**100.00**

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel was 502 as at 15 February 2023 (being 1,352 shares based on a closing share price of $0.37 at 15 February 2023).

SECURITY HOLDER INFORMATION (Continued)

As at 15 February 2023

Substantial Shareholders

Substantial Shareholders as disclosed in substantial shareholder notices provided to the Company as at 15 February 2023.

	Number of Ordinary Shares	Percentage (%)
APAC Resources Limited and its related bodies corporate[1]	179,596,319	19.80
Old Peak Group Ltd[2]	97,702,127	10.77
Bank of America Corporation and its related bodies corporate[3]	56,266,152	6.20

1. As lodged on 16 September 2021.
2. As lodged on 16 January 2023.
3. As lodged on 23 November 2022.

On Market Buy Back

There is no current on-market buy-back.

Restricted Securities

The Company has no restricted securities on issue.

Top 20 Shareholders

Rank	Name	Number of Ordinary Shares	Percentage (%)
1	CITICORP NOMINEES PTY LIMITED	139,176,568	15.34
2	NATIONAL NOMINEES LIMITED <DB A/C>	99,959,752	11.02
3	SUN HUNG KAI INVESTMENT SERVICES LIMITED <CLIENT A/C>	79,636,595	8.78
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	57,692,562	6.36
5	JINCHUAN GROUP LTD	44,000,000	4.85
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	42,904,812	4.73
7	FARJOY PTY LTD	40,897,831	4.51
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	34,437,720	3.80
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	32,664,705	3.60
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,110,370	2.88
11	BNP PARIBAS NOMS PTY LTD <DRP>	16,270,012	1.79
12	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	12,438,605	1.37
13	MRS YUQIN ZHUANG	9,970,000	1.10
14	NATIONAL NOMINEES LIMITED	8,529,951	0.94
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,433,387	0.82
16	JETOSEA PTY LTD	6,625,112	0.73
17	NGE CAPITAL LIMITED	6,500,000	0.72
18	MR RAM SHANKER KANGATHARAN	5,000,000	0.55
19	MR NYAN WIN + MRS AYE AYE KYAW <WIN SUPER FUND A/C>	3,875,834	0.43
20	FOBIRA PTY LIMITED	2,560,000	0.28
	Total	**676,683,816**	**74.58**