# Metalicity Limited
# ABN: 92 086 839 992

## 2021 Annual report

For the year ended 30 June 2021

metalicity

# Corporate Directory

**Directors**

Andrew Daley – Non-Executive Chairman
Justin Barton – CEO and Finance Director
Jason Livingstone – Technical Director

**Company Secretary**

Nick Day

**Auditors**

Pitcher Partners BA&A Pty Ltd
Level 11
12-14 The Esplanade
Perth WA 6000

**Solicitors**

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

**Bankers**

ANZ
Cnr Hay and Outram Street
WEST PERTH WA 6005

**Registered Office**

Unit B2, 20 Tarlton Cresent,
PERTH AIRPORT WA 6105
Telephone: +61 8 6500 0202

**Share Registry**

Link Market Services
QV1 Building
Level 12, 250 St Georges Terrace
PERTH WA 6000
Investor Enquiries: 1300 554 474
Facsimile: (02) 9287 0303

**Securities Exchange Listing**

Securities of Metalicity Limited are listed on the Australian Securities Exchange (ASX).

ASX Code: MCT

**Web Site:** www.metalicity.com.au

# Contents

The Directors of Metalicity Limited (the "Company" or "Metalicity")submit herewith the annual financial report of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2021.

**Directors**

The names and particulars of the Directors of the Company during or since the end of the financial year are:

| Name | Particulars |
|---|---|
| Andrew Daley | Non-Executive Chairman (appointed as Chairman on 18 May 2021) |
| Justin Barton | Chief Executive Officer and Finance Director (appointed CEO on 1 June 2021) |
| Jason Livingstone | Technical Director (resigned as Managing Director on 1 June 2021) |
| Mathew Longworth | Non-Executive Chairman (resigned on 18 May 2021) |

The above-named Directors held office during and since the financial year, except as otherwise indicated.

**Principal Activities**

The Group's principal activity as at the date of this report is mineral exploration and development of the Kookynie and Yundamindra Gold Projects that the Company has a 51% interest in a Joint Venture with Nex Metals Explorations Ltd.

**Review of Operations and Results**

Throughout the year the Company continued to earn into the Kookynie and Yundamindra gold projects, meeting the total farm-in expenditure commitment necessary to acquire a 51% interest in May 2021.

**Kookynie & Yundamindra Gold Projects**

On the 6th May 2019 the Company announced it had entered into a farm-in agreement with Nex Metals (ASX: NEX) for the Kookynie and Yundamindra Gold Projects in the Eastern Goldfields. Under the terms of the agreement with Nex Metals the Company had the right to farm-in to the projects to earn a 51% interest in the projects by spending a total of $5 million within five years.

On 20 May 2021, the Company announced that the earn-in component of the Farm-in Agreement with Nex Metals had been met. The Company spent over $5 million within 2 years, and now has a 51% interest in both the Kookynie and Yundamindra Gold Projects, hosting several high priority prospects.

The Kookynie and Yundamindra Projects are located approximately 180km north of the town of Kalgoorlie and present an opportunity to develop a high-grade gold resource based off historic exploration within the area.

The Kookynie Project hosts the historical mining centres of Diamantina-Cosmopolitan-Cumberland, known as the DCC trend, as well as McTavish, Leipold, Champion and Altona (Figure 1).

Each of the historic mining operations were highly successful, with the Cosmopolitan gold mine producing 360,000 ounces of gold from discovery from 1895 to 1922. During the early part of last century, the Cosmopolitan mine ranked as one of the largest and most profitable gold mines in Western Australia.

Cautionary Statement Relating to Cosmopolitan Historical Production Data

The Production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data reported has been referenced in the body of this announcement where production data has been reported. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012 Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

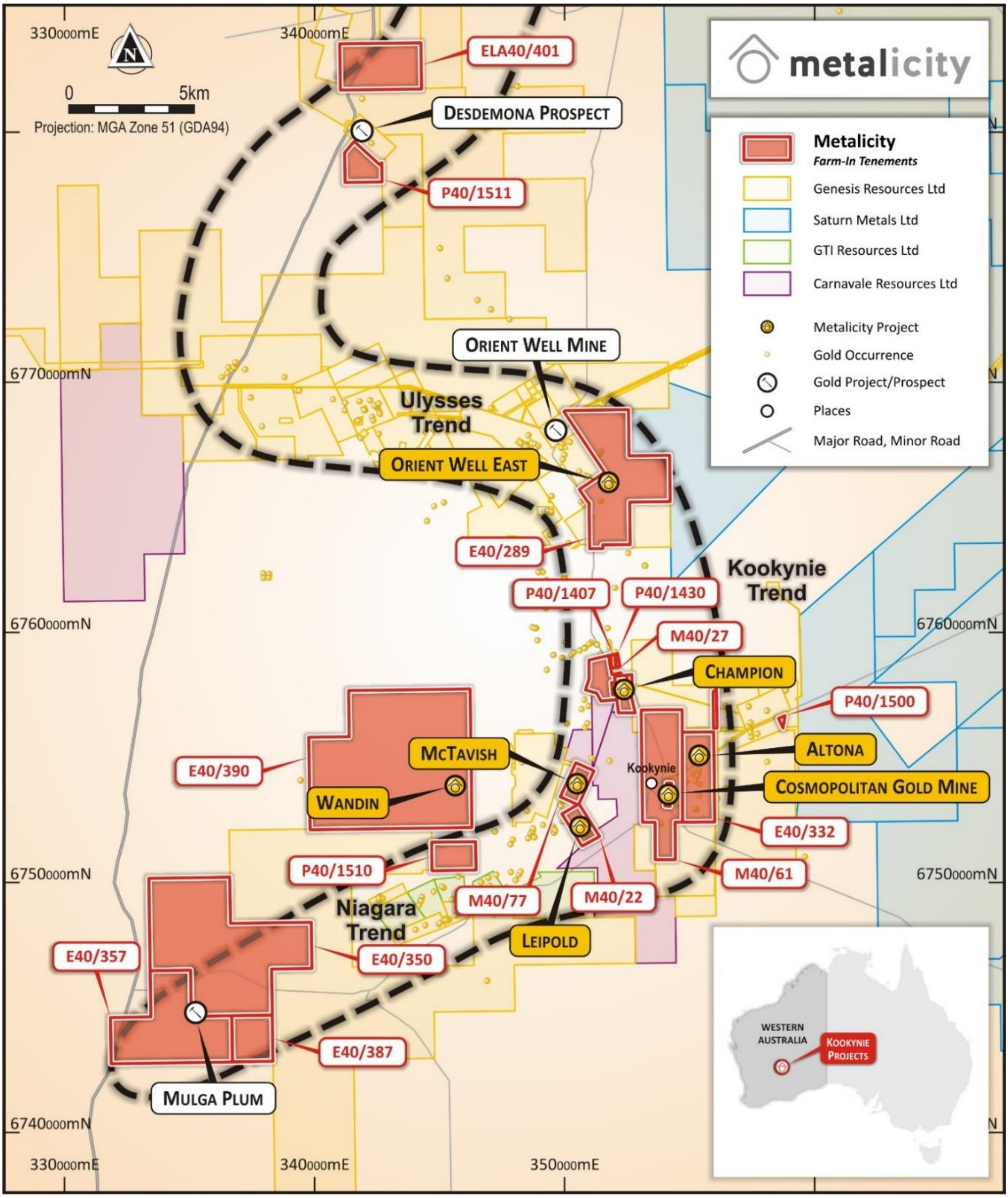


**Figure 1 – Kookynie Prospect Locality Map with mineralised trends.**

These former mining operations have remained untested by modern exploration, particularly the potentially rich plunge extensions of the main mineralised shoots.

A JORC 2012 compliant Exploration Target was announced on the 12th March 2020 based off previous production and exploration work.

| Kookynie Gold Project "Exploration Target" Summation | | | | | | |
|---|---|---|---|---|---|---|
| Prospect | Grade Range | | Tonnage Range | | Ounces | |
| | Lower g/t Au | Upper g/t Au | Lower tonnes | Upper Tonnes | Lower ounce range | Upper Ounce Range |
| Diamantina-Cosmopolitan-Cumberland (DCC) Trend | 10.0 | 15.0 | 300,000 | 600,000 | 100,000 | 290,000 |
| previously excluded area of underground development | 6.0 | 10.0 | 600,000 | 1,000,000 | 115,000 | 320,000 |
| Overall Ounce Range | | | | | 215,000 | 610,000 |
| The Champion Prospect | 3.6 | 6.0 | 200,000 | 400,000 | 25,000 | 80,000 |
| previously excluded area of underground development | 2.0 | 4.0 | 60,000 | 150,000 | 4,000 | 20,000 |
| Overall Ounce Range | | | | | 29,000 | 100,000 |
| The McTavish Prospect | 1.8 | 5.0 | 250,000 | 500,000 | 15,000 | 80,000 |
| previously excluded area of underground development | 1.5 | 5.0 | 100,000 | 200,000 | 5,000 | 32,000 |
| Overall Ounce Range | | | | | 20,000 | 112,000 |
| The Leipold Prospect | 1.5 | 5.0 | 500,000 | 800,000 | 25,000 | 120,000 |
| previously excluded area of underground development | 1.5 | 4.0 | 100,000 | 200,000 | 5,000 | 25,000 |
| Overall Ounce Range | | | | | 30,000 | 145,000 |

**Table 1 – Kookynie Gold Project Exploration Target(1)**

(1) Please note the "*Exploration Target*" cautionary statement: **The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.**

Based on the above tabulation, the Kookynie Gold Project has a total "Exploration Target" of between 294,000 ounces and 967,000 ounces. This includes historically stated mineral resource estimates and previously excluded areas of underground development. Work to date by the Company in drilling, mapping and sampling has supported historical work and provided confidence to including it in the "Exploration Target".

During the financial year, Metalicity completed several rounds of extensive exploration drilling at the Kookynie Gold Project. Since January 2021, the Company has completed a total of 102 drill holes for a total of 12,538 metres. This drilling was designed to extend known mineralisation and to provide additional data that would lead to an updated Mineral Resource Estimates for the Leipold, McTavish and Champion prospects. The tenure and extent of the returned mineralisation bodes exceptionally well for this future initial Mineral Resource Estimate at Champion, McTavish and Leipold. With these results received the Company is making significant headway into completing these updated Resource Estimates.

Of significance, is that all three of these prospects remain open in one or more directions providing clearly defined areas to target in the next drilling programme.

### *The McTavish Prospect*

Assay results from recent drilling at the McTavish Prospect delivered some of the best high-grade results at the Kookynie Project to date, with spectacular intercepts including[1]:

- *McTRC0049 - 5 metres @ 25.9 g/t from 28 metres incl:*
  - *3 metres @ 41.5 g/t from 30 metres,*
  - *1 metre @ 91.2g/t Au from 30 metres);*
- *McTRC0064 - 6 metres @ 20.6 g/t from 19 metres incl*
  - *4 metres @ 29.1 g/t from 20 metres;*
- *McTRC0044 - 3 metres @ 19.1 g/t from 88 metres incl:*
  - *1 metre @ 52.8 g/t from 89 metres;*
- *McTRC0051 - 4 metres @ 3.5 g/t from 8 metres incl:*
  - *1 metre @ 11.4 g/t from 10 metres.*

[1]Please refer ASX announcement "Bonanza Gold Intersections at Kookynie Gold Project" dated 8 July 2021

| | | | MGA 94_Zone 51 South | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Tenement | Hole Type | Easting | Northing | RL | EOH | Dip | Azi | From (m) | To (m) | Down Hole Width (m) | Grade (Au g/t) | Comments |
| McTRC0039 | M40/77 | RC | 350,628 | 6,753,886 | 426 | 84 | -60 | 270 | No significant intersection | | | | |
| McTRC0040 | M40/77 | RC | 350,632 | 6,753,918 | 427 | 42 | -60 | 270 | 19 | 20 | 1 | 1.1 | 1 metre @ 1.1 g/t from 19 metres |
| | | | | | | | | | 23 | 24 | 1 | 2.3 | 1 metre @ 2.3 g/t from 23 metres |
| | | | | | | | | | 31 | 32 | 1 | 1.1 | 1 metre @ 1.1 g/t from 31 metres |
| McTRC0041 | M40/77 | RC | 350,630 | 6,753,942 | 427 | 48 | -60 | 270 | 21 | 22 | 1 | 1.1 | 1 metre @ 1.1 g/t from 21 metres |
| | | | | | | | | | 23 | 25 | 2 | 1.2 | 2 metres @ 1.2 g/t from 23 metres |
| | | | | | | | | | 27 | 28 | 1 | 2.2 | 1 metre @ 2.2 g/t from 22 metres |
| McTRC0042 | M40/77 | RC | 350,622 | 6,754,011 | 429 | 54 | -60 | 270 | No significant intersection | | | | |
| McTRC0043 | M40/77 | RC | 350,614 | 6,754,056 | 430 | 66 | -60 | 270 | No significant intersection | | | | |
| McTRC0044 | M40/77 | RC | 350,664 | 6,754,096 | 430 | 96 | -60 | 270 | 88 | 91 | 3 | 19.1 | **3 metres @ 19.1 g/t from 88 metres incl. 1 metre @ 52.8 g/t from 89 metres** |
| McTRC0045 | M40/77 | RC | 350,576 | 6,754,175 | 437 | 36 | -60 | 270 | 24 | 25 | 1 | 1.2 | 1 metre @ 1.2 g/t from 24 metres |
| McTRC0046 | M40/77 | RC | 350,607 | 6,754,149 | 435 | 54 | -60 | 270 | 37 | 38 | 1 | 1.3 | 1 metre @ 1.3 g/t from 37 metres |
| | | | | | | | | | 39 | 42 | 3 | 1.0 | 3 metres @ 1.0 g/t from 39 metres |
| McTRC0047A | M40/77 | RC | 350,668 | 6,753,848 | 426 | 84 | -60 | 270 | No significant intersection | | | | |
| McTRC0048 | M40/77 | RC | 350,601 | 6,753,886 | 427 | 72 | -60 | 270 | No significant intersection | | | | |
| McTRC0049 | M40/77 | RC | 350,645 | 6,753,916 | 426 | 54 | -60 | 270 | 28 | 33 | 5 | 25.9 | **5 metres @ 25.9 g/t from 28 metres incl. 3 metres @ 41.5 g/t from 30 metres** |
| | | | | | | | | | 36 | 37 | 1 | 1.5 | 1 metre @ 1.5 g/t from 36 metres |
| McTRC0050 | M40/77 | RC | 350,620 | 6,753,916 | 427 | 36 | -60 | 270 | No significant intersection | | | | |
| McTRC0051 | M40/77 | RC | 350,614 | 6,753,943 | 427 | 36 | -60 | 270 | 8 | 12 | 4 | 3.5 | **4 metres @ 3.5 g/t from 8 metres incl. 1 metre @ 11.4 g/t from 10 metres** |
| McTRC0052 | M40/77 | RC | 350,646 | 6,753,938 | 427 | 54 | -60 | 270 | 35 | 36 | 1 | 1.4 | 1 metre @ 1.4 g/t from 35 metres |
| McTRC0053 | M40/77 | RC | 350,623 | 6,753,955 | 428 | 36 | -60 | 270 | 21 | 24 | 3 | 1.0 | 3 metres @ 1.0 g/t from 21 metres |
| McTRC0054 | M40/77 | RC | 350,640 | 6,753,955 | 427 | 54 | -60 | 270 | 32 | 35 | 3 | 2.4 | 3 metres @ 2.4 g/t from 32 metres |
| McTRC0055 | M40/77 | RC | 350,605 | 6,753,958 | 428 | 30 | -60 | 270 | 5 | 7 | 2 | 1.3 | 2 metres @ 1.3 g/t from 5 metres |
| McTRC0056 | M40/77 | RC | 350,669 | 6,754,076 | 429 | 108 | -60 | 270 | 89 | 91 | 2 | 2.0 | 2 metres @ 2.0 g/t from 89 metres |
| McTRC0057 | M40/77 | RC | 350,667 | 6,754,120 | 431 | 108 | -60 | 270 | No significant intersection | | | | |
| McTRC0058 | M40/77 | RC | 350,626 | 6,754,140 | 434 | 54 | -60 | 270 | No significant intersection | | | | |
| McTRC0059 | M40/77 | RC | 350,620 | 6,753,847 | 426 | 84 | -60 | 270 | No significant intersection | | | | |
| McTRC0060 | M40/77 | RC | 350,656 | 6,754,011 | 428 | 78 | -60 | 270 | No significant intersection | | | | |
| McTRC0061 | M40/77 | RC | 350,590 | 6,754,010 | 430 | 36 | -60 | 270 | 17 | 18 | 1 | 1.7 | 1 metre @ 1.7 g/t from 17 metres |
| McTRC0062 | M40/77 | RC | 350,649 | 6,754,058 | 429 | 90 | -65 | 270 | No significant intersection | | | | |
| McTRC0063 | M40/77 | RC | 350,608 | 6,754,176 | 437 | 90 | -60 | 270 | No significant intersection | | | | |
| McTRC0064 | M40/77 | RC | 350,584 | 6,754,148 | 435 | 36 | -60 | 270 | 19 | 25 | 6 | 20.6 | **6 metres @ 20.6 g/t from 19 metres incl. 4 metres @ 29.1 g/t from 20 metres** |

**Table 1 – McTavish Prospect Anomalous Drill Hole Intercepts.**
**Note: Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with "no significant anomalism" means that no sample run returned a value to trigger reporting.**

The intercepts above were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied.

The results above continue to define and expand the mineralisation observed at McTavish (Table 1 above), which given the nature of the mineralisation and the drilling angle, are very close to true widths for the mineralisation observed. The tenure and extent of the returned mineralisation bodes exceptionally well for this future Mineral Resource Estimate at McTavish, and the Company has observed similar structures at Champion and Leipold that correlate with previously observed mineralisation.

Figure 2 details a plane of vein long section for the McTavish drilling to date and intercepts reported in Table 1.

Drilling has recommenced in September 2021, prioritising McTavish and the 2km of untested strike between McTavish and Leipold, which remains open and is becoming increasing prospective for defining high-grade lodes.

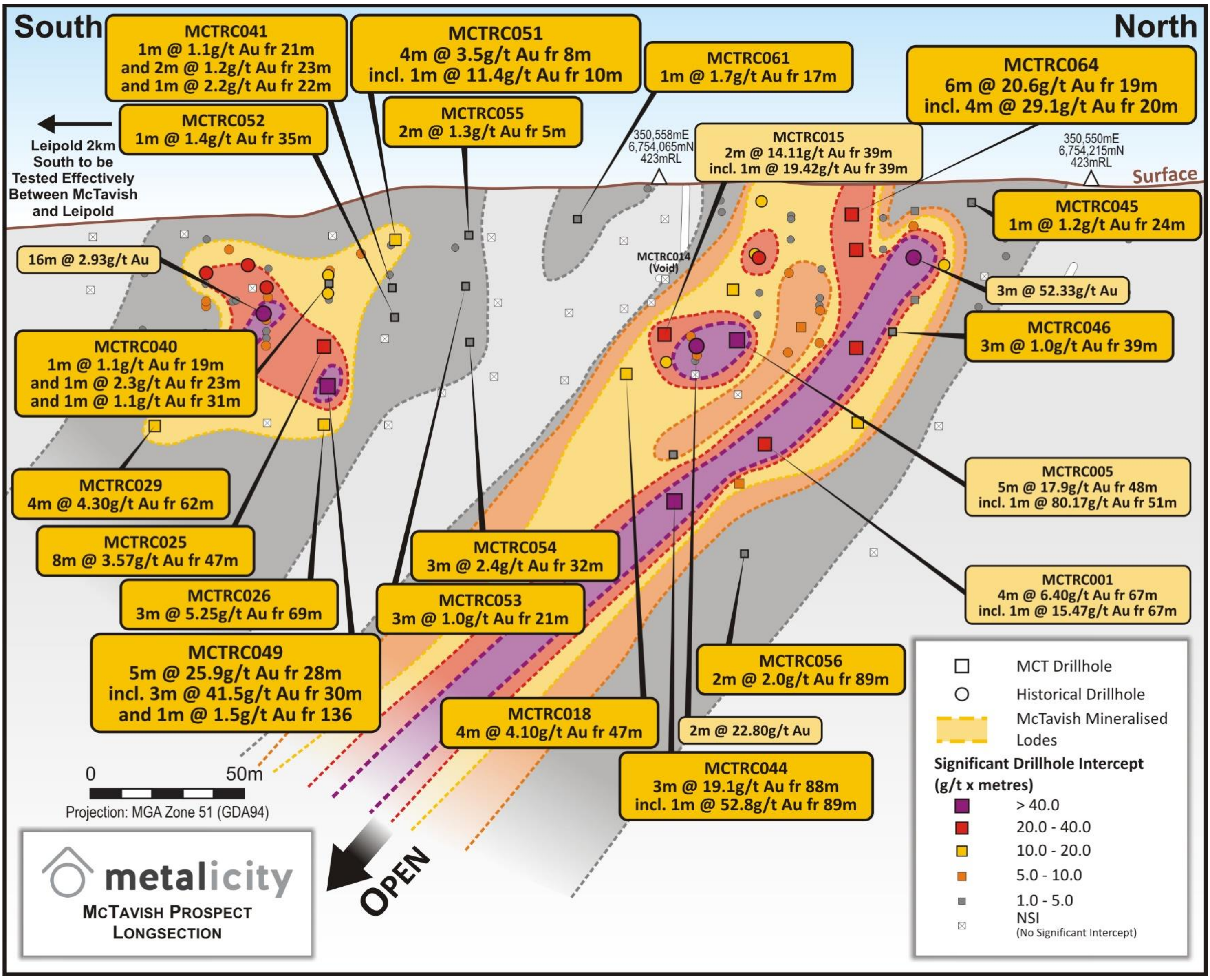


**Figure 2 – McTavish Plane of Vein Section with recent drilling*.**

For Figure Two Drilling Results;*Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020 & Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie dated 21st January 2020.

***The Leipold Prospect***

Drilling during the financial year at the Leipold prospect extended mineralisation a further 200 metres and is now defined over nearly 1km to a vertical depth of only 130 metres, remaining open along strike to the north (towards McTavish) and at depth.

Of the 22 holes drilled at Leipold since January 2021, 17 holes returned mineralised intercepts, which included[1]:

- *LPRC0122 – 2 metres @ 4.7 g/t from 65 metres incl. 1 metre @ 8.4 g/t from 66 metres,*
- *LPRC0114 – 3 metres @ 3.3 g/t from 133 metres incl. 1 metre @ 6.4 g/t from 135 metres,*
- *LPRC0112 – 4 metres @ 3.4 g/t from 127 metres,*
- *LPRC0123 – 6 metres @ 1.7 g/t from 26 metres,*
- *LPRC0118 – 1 metres @ 7.4 g/t from 35 metres, and*
- *LPRC0126 – 10 metres @ 1.1 g/t from 30 metres.*

| | | | MGA 94_Zone 51 South | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Tenement | Hole Type | Easting | Northing | RL | EOH | Dip | Azi | From (m) | To (m) | Down Hole Width (m) | Grade (Au g/t) | Comments |
| LPRC0110 | M40/22 | RC | 350,917 | 6,752,057 | 432 | 170 | -60 | 250 | 137 | 140 | 3 | 1.5 | 3 metres @ 1.5 g/t from 137 metres |
| | | | | | | | | | 142 | 144 | 2 | 1.1 | 2 metres @ 1.1 g/t from 142 metres |
| | | | | | | | | | 148 | 149 | 1 | 1.8 | 1 metre @ 1.8 g/t from 148 metres |
| LPRC0111 | M40/22 | RC | 350,838 | 6,752,052 | 432 | 110 | -60 | 250 | 83 | 84 | 1 | 1.1 | 1 metre @ 1.1 g/t from 83 metres |
| LPRC0112 | M40/22 | RC | 350,899 | 6,752,074 | 432 | 160 | -60 | 250 | 127 | 131 | 4 | 3.4 | 4 metres @ 3.4 g/t from 127 metres |
| | | | | | | | | | 134 | 135 | 1 | 1.3 | 1 metre @ 1.3 g/t from 134 metres |
| | | | | | | | | | 137 | 138 | 1 | 1.6 | 1 metre @ 1.6 g/t from 137 metres |
| LPRC0113 | M40/22 | RC | 350,919 | 6,752,106 | 432 | 176 | -60 | 250 | 134 | 136 | 2 | 2.1 | 2 metres @ 2.1 g/t from 134 metres |
| | | | | | | | | | 147 | 148 | 1 | 1.1 | 1 metre @ 1.1 g/t from 147 metres |
| LPRC0114 | M40/22 | RC | 350,890 | 6,752,116 | 432 | 158 | -60 | 250 | 133 | 136 | 3 | 3.3 | 3 metres @ 3.3 g/t from 133 metres incl. 1 metre @ 6.4 g/t from 135 metres |
| LPRC0115 | M40/22 | RC | 350,865 | 6,752,125 | 432 | 140 | -60 | 250 | 124 | 125 | 1 | 3.4 | 1 metre @ 3.4 g/t from 124 metres |
| LPRC0116 | M40/22 | RC | 350,809 | 6,752,087 | 432 | 94 | -60 | 250 | 65 | 69 | 4 | 1.7 | 4 metres @ 1.7 g/t from 65 metres |
| LPRC0117 | M40/22 | RC | 350,805 | 6,752,146 | 432 | 102 | -60 | 250 | 84 | 86 | 2 | 2.4 | 2 metres @ 2.4 g/t from 84 metres |
| LPRC0118 | M40/22 | RC | 350,749 | 6,752,149 | 431 | 66 | -60 | 250 | 35 | 36 | 1 | 7.4 | 1 metre @ 7.4 g/t from 35 metres |
| | | | | | | | | | 39 | 40 | 1 | 2.9 | 1 metre @ 2.9 g/t from 39 metres |
| | | | | | | | | | 44 | 45 | 1 | 1.2 | 1 metre @ 1.2 g/t from 44 metres |
| LPRC0119 | M40/22 | RC | 350,794 | 6,752,188 | 432 | 118 | -60 | 250 | 82 | 83 | 1 | 3.7 | 1 metre @ 3.7 g/t from 82 metres |
| LPRC0120 | M40/22 | RC | 350,835 | 6,752,180 | 432 | 140 | -60 | 250 | No significant intersection | | | | |
| LPRC0121 | M40/22 | RC | 350,874 | 6,752,160 | 432 | 162 | -60 | 250 | No significant intersection | | | | |
| LPRC0122 | M40/22 | RC | 350,766 | 6,752,200 | 432 | 90 | -60 | 250 | 65 | 67 | 2 | 4.7 | 2 metres @ 4.7 g/t from 65 metres incl. 1 metre @ 8.4 g/t from 66 metres |
| | | | | | | | | | 72 | 74 | 2 | 2.0 | 2 metres @ 2.0 g/t from 72 metres |
| LPRC0123 | M40/22 | RC | 350,717 | 6,752,211 | 431 | 42 | -60 | 250 | 26 | 32 | 6 | 1.7 | 6 metres @ 1.7 g/t from 26 metres |
| | | | | | | | | | 36 | 37 | 1 | 1.1 | 1 metre @ 1.1 g/t from 36 metres |
| LPRC0124 | M40/22 | RC | 350,712 | 6,752,252 | 432 | 60 | -60 | 250 | 38 | 39 | 1 | 1.5 | 1 metre @ 1.5 g/t from 38 metres |
| LPRC0125 | M40/22 | RC | 350,712 | 6,752,273 | 432 | 60 | -60 | 250 | 41 | 42 | 1 | 3.3 | 1 metre @ 3.3 g/t from 41 metres |
| LPRC0126 | M40/22 | RC | 350,717 | 6,752,232 | 431 | 54 | -60 | 250 | 30 | 32 | 2 | 1.4 | 2 metres @ 1.4 g/t from 30 metres, within 10 m @ 1.1 g/t from 30 m anomalous zone |
| | | | | | | | | | 34 | 36 | 2 | 2.1 | 2 metres @ 2.1 g/t from 34 metres, within 10 m @ 1.1 g/t from 30 m anomalous zone |
| | | | | | | | | | 38 | 40 | 2 | 1.6 | 2 metres @ 1.6 g/t from 38 metres, within 10 m @ 1.1 g/t from 30 m anomalous zone |
| LPRC0127 | M40/22 | RC | 350,725 | 6,752,185 | 430 | 48 | -60 | 250 | No significant intersection | | | | |
| LPRC0128 | M40/22 | RC | 350,963 | 6,752,009 | 432 | 186 | -60 | 250 | No significant intersection | | | | |
| LPRC0129 | M40/22 | RC | 350,886 | 6,751,983 | 432 | 126 | -60 | 250 | 107 | 108 | 1 | 1.0 | 1 metre @ 1.0 g/t from 107 metres |
| | | | | | | | | | 111 | 114 | 3 | 1.3 | 3 metres @ 1.3 g/t from 111 metres |
| LPRC0130 | M40/22 | RC | 350,924 | 6,751,996 | 432 | 168 | -60 | 250 | 148 | 149 | 1 | 2.0 | 2 metres @ 2.0 g/t from 148 metres |
| LPRC0131 | M40/22 | RC | 350,798 | 6,752,240 | 432 | 120 | -60 | 250 | No significant intersection | | | | |

**Table 2 – Leipold Prospect Anomalous Drill Hole Intercepts.**

**Note: Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with “no significant anomalism” means that no sample run returned a value to trigger reporting.**

Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied.

[1]Please refer to ASX announcement “New Gold Assays Extend Mineralisation to 1km at Leipold” dated 2 July 2021.

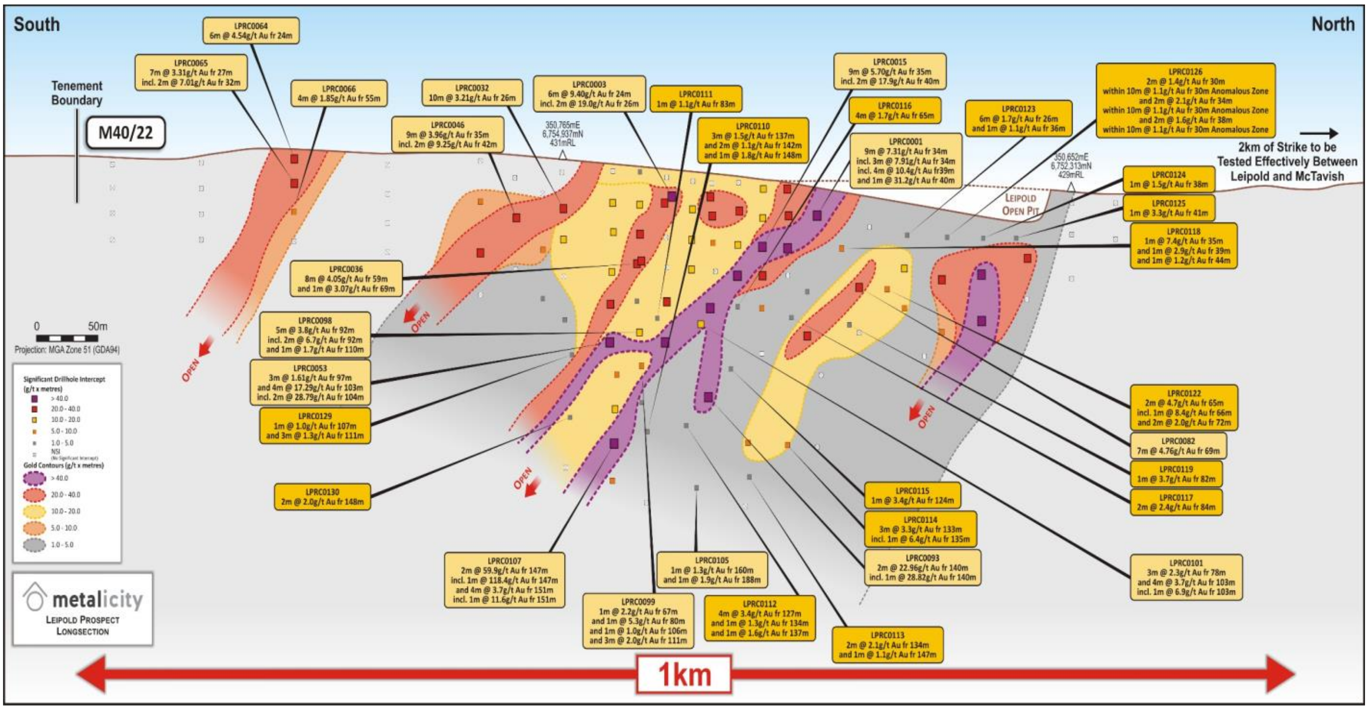


**Figure 3 – Leipold Plane of Vein Section with recent drilling*.**

For Figure Three Drilling Results;*Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020 & Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie dated 21st January 2020.

### *The Champion Prospect*

The Champion prospect has delivered consistent grades over considerable widths from the most recent assays from drilling which commenced in January 2021, returning significant intercepts in 16 of the 24 holes drilled, including[1]:

- *CPRC0023:*
  - *5 metres @ 1.5 g/t from 95 metres and;*
  - *4 metres @ 3.9 g/t from 104 metres incl:*
    - *2 metres @ 6.5 g/t from 105 metres.*
  - *Combined interval of 12 metres @ 2.04 g/t Au from 95 metres.*
- *CPRC0035:*
  - *5 metres @ 2.1 g/t from 117 metres incl:*
    - *1 metre @ 6.3 g/t from 120 metres.*
- *CPRC0034:*
  - *1 metre @ 3.6 g/t from 179 metres & 4 metres @ 2.8 g/t from 185 metres incl:*
    - *1 metre @ 7.2 g/t from 185 metres.*
  - *Combined interval of 10 metres @ 1.6 g/t Au from 179 metres.*

[1]Please refer to ASX announcement “Strong Gold Results Continue at Kookynie Gold Project” dated 15 July 2021.

| | | | MGA 94_Zone 51 South | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hole ID | Tenement | Hole Type | Easting | Northing | RL | EOH | Dip | Azi | From (m) | To (m) | Down Hole Width (m) | Grade (Au g/t) | Comments |
| CPRC0016 | M40/27 | RC | 352,213 | 6,757,476 | 413.6 | 114 | -60 | 270 | No significant intersection | | | | |
| CPRC0017 | M40/27 | RC | 352,185 | 6,757,509 | 413.1 | 90 | -60 | 270 | No significant intersection | | | | |
| CPRC0018 | M40/27 | RC | 352,188 | 6,757,534 | 413.7 | 72 | -60 | 272 | 67 | 68 | 1 | 1.4 | 1 metre @ 1.4 g/t from 67 metres |
| CPRC0019 | M40/27 | RC | 352,181 | 6,757,605 | 413.2 | 48 | -60 | 270 | 22 | 23 | 1 | 1.1 | 1 metre @ 1.1 g/t from 22 metres |
| CPRC0020 | M40/27 | RC | 352,222 | 6,757,641 | 413.8 | 84 | -60 | 280 | No significant intersection | | | | |
| CPRC0021 | M40/27 | RC | 352,180 | 6,757,677 | 414.0 | 48 | -60 | 270 | 32 | 33 | 1 | 1.7 | 1 metre @ 1.7 g/t from 32 metres |
| CPRC0022 | M40/27 | RC | 352,260 | 6,757,601 | 417.1 | 138 | -60 | 270 | 121 | 124 | 4 | 1.7 | 4 metres @ 1.7 g/t from 121 metres |
| | | | | | | | | | 126 | 127 | 1 | 1.1 | 1 metre @ 1.1 g/t from 126 metres |
| CPRC0023 | M40/27 | RC | 352,237 | 6,757,569 | 418.1 | 114 | -60 | 270 | 95 | 101 | 5 | 1.5 | 5 metres @ 1.5 g/t from 95 metres |
| | | | | | | | | | 104 | 108 | 4 | 3.9 | 4 metres @ 3.9 g/t from 104 metres incl. 2 metres @ 6.5 g/t from 105 metres |
| CPRC0024 | M40/27 | RC | 352,167 | 6,757,516 | 417.7 | 60 | -55 | 270 | No significant intersection | | | | |
| CPRC0025 | M40/27 | RC | 352,147 | 6,757,458 | 416.0 | 54 | -60 | 270 | 42 | 43 | 1 | 1.1 | 1 metre @ 1.1 g/t from 42 metres |
| CPRC0026 | M40/27 | RC | 352,242 | 6,757,457 | 414.7 | 150 | -60 | 270 | 140 | 141 | 1 | 8.4 | 1 metre @ 8.4 g/t from 140 metres |
| CPRC0027 | M40/27 | RC | 352,274 | 6,757,476 | 414.1 | 174 | -60 | 270 | 167 | 168 | 1 | 1.0 | 1 metre @ 1.0 g/t from 167 metres |
| CPRC0028 | M40/27 | RC | 352,224 | 6,757,530 | 416.6 | 132 | -75 | 255 | No significant intersection | | | | |
| CPRC0029 | M40/27 | RC | 352,228 | 6,757,529 | 416.7 | 132 | -80 | 305 | No significant intersection | | | | |
| CPRC0030 | M40/27 | RC | 352,236 | 6,757,526 | 417.1 | 156 | -90 | 0 | 116 | 117 | 1 | 2.8 | 1 metre @ 2.8 g/t from 116 metres |
| CPRC0031 | M40/27 | RC | 352,239 | 6,757,571 | 418.9 | 168 | -80 | 305 | 141 | 143 | 2 | 2.7 | 2 metres @ 2.7 g/t from 141 metres |
| | | | | | | | | | 152 | 153 | 1 | 3.5 | 1 metre @ 3.5 g/t from 152 metres |
| CPRC0032 | M40/27 | RC | 352,240 | 6,757,565 | 418.5 | 156 | -80 | 250 | No significant intersection | | | | |
| CPRC0033 | M40/27 | RC | 352,251 | 6,757,563 | 419.7 | 180 | -85 | 225 | No significant intersection | | | | |
| CPRC0034 | M40/27 | RC | 352,259 | 6,757,605 | 416.9 | 198 | -80 | 220 | 179 | 180 | 1 | 3.6 | 1 metre @ 3.6 g/t from 179 metres |
| | | | | | | | | | 185 | 189 | 4 | 2.8 | 4 metres @ 2.8 g/t from 185 metres incl. 1 metre @ 7.2 g/t from 185 metres |
| CPRC0035 | M40/27 | RC | 352,267 | 6,757,637 | 418.2 | 132 | -60 | 270 | 117 | 118 | 5 | 2.1 | 5 metres @ 2.1 g/t from 117 metres incl. 1 metre @ 6.3 g/t from 120 metres |
| CPRC0036 | M40/27 | RC | 352,261 | 6,757,677 | 417.3 | 126 | -60 | 270 | 114 | 115 | 1 | 2.0 | 1 metre @ 2.0 g/t from 114 metres |
| CPRC0037 | M40/27 | RC | 352,203 | 6,757,571 | 417.5 | 60 | -60 | 270 | 45 | 48 | 3 | 2.4 | 3 metres @ 2.4 g/t from 45 metres |
| CPRC0038 | M40/27 | RC | 352,283 | 6,757,481 | 414.5 | 174 | -68.5 | 298 | 133 | 134 | 1 | 1.0 | 1 metre @ 1.0 g/t from 133 metres |
| CPRC0039 | M40/27 | RC | 352,253 | 6,757,608 | 417.9 | 162 | -75 | 270 | 135 | 139 | 4 | 1.3 | 4 metres @ 1.3 g/t from 135 metres |
| | | | | | | | | | 141 | 144 | 3 | 2.5 | 3 metres @ 2.5 g/t from 141 metres incl. 1 metre @ 5.6 g/t from 143 metres |

**Table 3 – Champion Prospect Anomalous Drill Hole Intercepts.**

**Note: Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with "no significant anomalism" means that no sample run returned a value to trigger reporting.**

The intercepts above were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied.

Given the dip and angle of drilling, these incepts are very close to true widths for the mineralisation observed at Champion, which remains open at depth as shown in Figure 4 below.

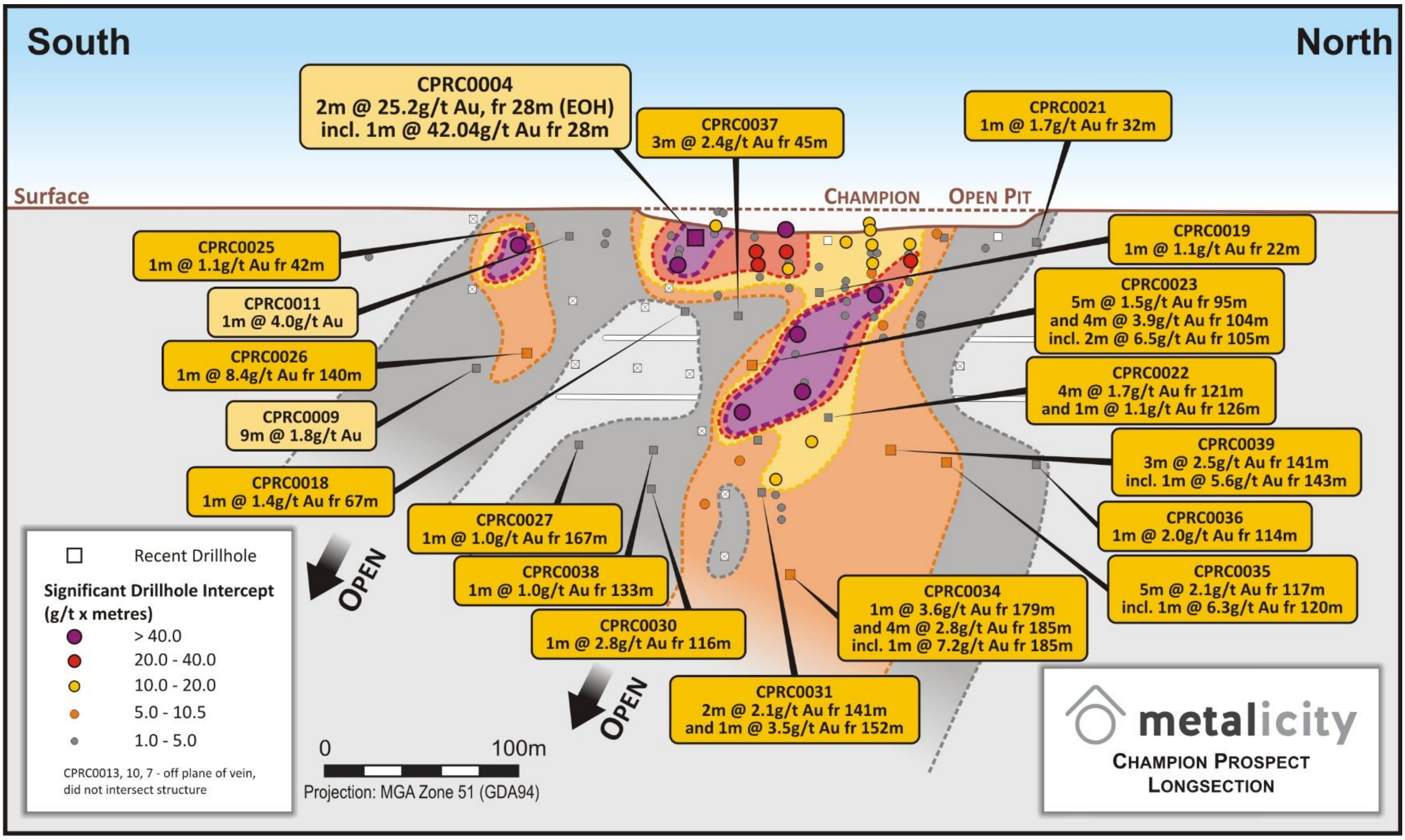


**Figure 4 – Champion Prospect Plane of Vein Section with recent drilling*.**

For Figure Two Drilling Results;*Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020 & Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie dated 21st January 2020.

### *Cosmopolitan Gold Mine*

Seven of the 12 holes drilled at the Cosmopolitan Gold Mine in 2021 have delivered significant intercepts, further highlighting the potential of this prospect[1]. Whilst values returned are not at historical grades, incredibly high variability in re-assaying has been encountered the Cosmopolitan Gold Mine was once one of the largest gold mines in Western Australia during its time, which produced 360,000 ounces at 15 g/t Au[2], it is highly encouraging to intersect the structure that hosted the historical workings continues and is mineralised.

[1]Please refer ASX announced “Cosmopolitan Gold Mine Drilling Results” dated 28 July 2021

**[2]Cautionary Statement Relating to Cosmopolitan Historical Production Data**

The Production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data for the Cosmopolitan Gold Mine has been reported in the Geological Survey of Western Australia records showing the development of the Cosmopolitan Gold Mine in 1905. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. Two documents with WAMEX reference numbers A069774 and A067918 are of particular interest. The previous operator in the early 2000’s, Point Exploration Ltd, digitised these historical maps, including the channel sampling. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012 Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company’s development plan

Figure 5 below details a plane of vein long section for the Cosmopolitan drilling to date and intercepts reported in Table 4 (below).

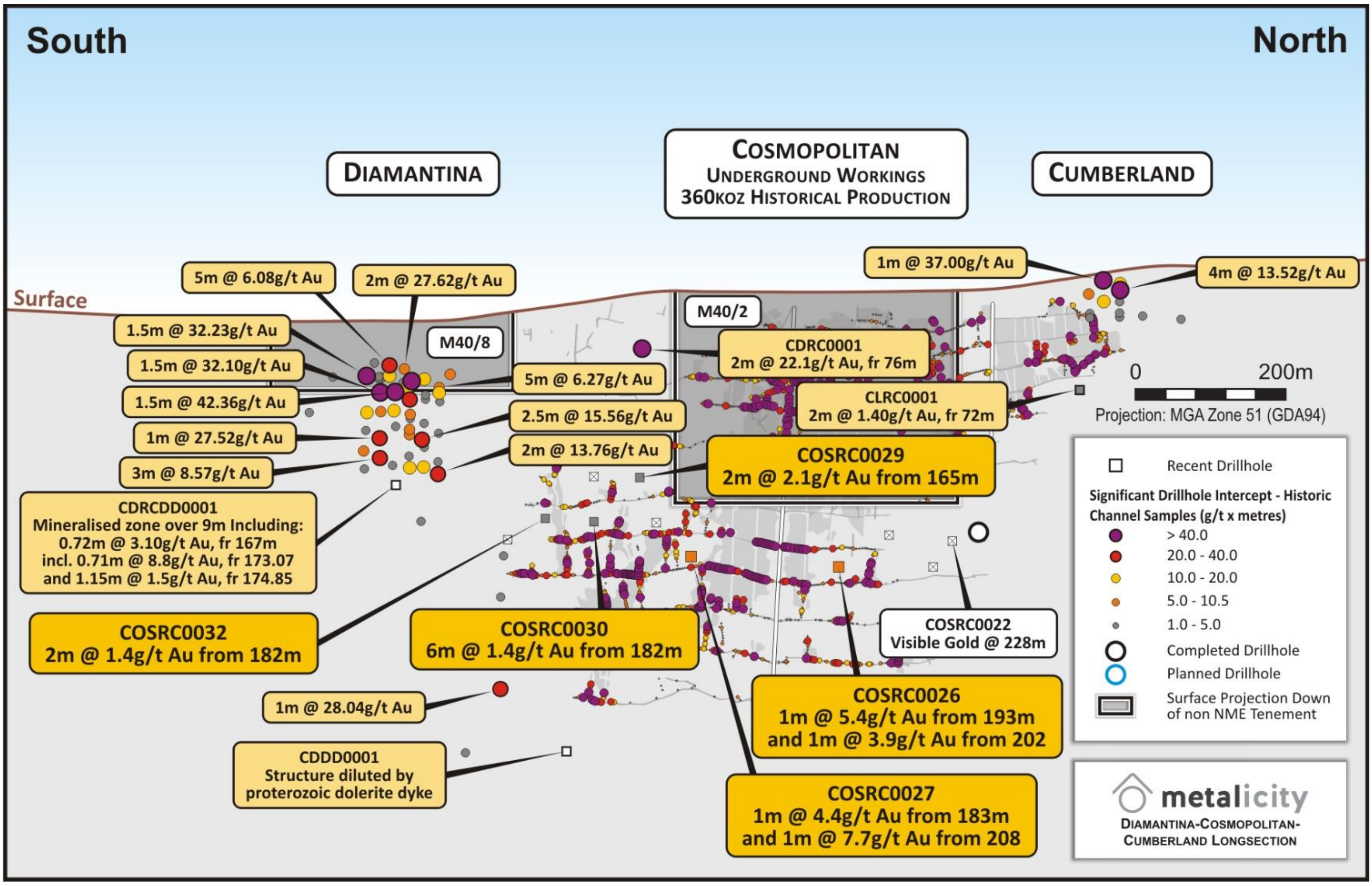


**Figure 5 – Cosmopolitan Gold Mine Plane of Vein Section with recent drilling*.**

For Figure 5 Drilling Results;*Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020 & Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie dated 21st January 2020.

| Hole ID | Tenement | Hole Type | MGA 94_Zone 51 South Easting | Northing | RL | EOH | Dip | Azi | From (m) | To (m) | Down Hole Width (m) | Grade (Au g/t) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| COSRC0022 | M40/61 | RC | 354,346 | 6,753,970 | 431 | 240 | -75 | 270 | No significant intersection | | | | Note this exludes re-assay of COSRC0022 from Viz Au 227 to 228 m where we did get a 1.5 and a 1.2 on 2 samples |
| COSRC0023 | M40/61 | RC | 354,376 | 6,753,930 | 433 | 234 | -72 | 270 | No significant intersection | | | | |
| COSRC0024 | M40/61 | RC | 354,388 | 6,753,890 | 434 | 270 | -70 | 270 | No significant intersection | | | | |
| COSRC0025 | M40/61 | RC | 354,386 | 6,753,850 | 433 | 250 | -70 | 270 | No significant intersection | | | | |
| COSRC0026 | M40/61 | RC | 354,393 | 6,753,780 | 431 | 269 | -80 | 270 | 193 | 194 | 1 | 5.4 | 1 metre @ 5.4 g/t from 193 metres |
| | | | | | | | | | 202 | 203 | 1 | 3.9 | 1 metre @ 3.9 g/t from 202 metres |
| COSRC0027 | M40/61 | RC | 354,371 | 6,753,580 | 429 | 274 | -80 | 270 | 183 | 184 | 1 | 4.4 | 1 metre @ 4.4 g/t from 183 metres |
| | | | | | | | | | 208 | 209 | 1 | 7.7 | 1 metre @ 7.7 g/t from 208 metres |
| COSRC0028 | M40/61 | RC | 354,335 | 6,753,535 | 428 | 252 | -80 | 270 | No significant intersection | | | | |
| COSRC0029 | M40/61 | RC | 354,348 | 6,753,515 | 428 | 232 | -60 | 270 | 165 | 167 | 2 | 2.1 | 2 metres @ 2.1 g/t from 165 metres |
| COSRC0030 | M40/61 | RC | 354,377 | 6,753,450 | 428 | 256 | -70 | 270 | 182 | 188 | 6 | 1.4 | 6 metres @ 1.4 g/t from 182 metres |
| COSRC0031 | M40/61 | RC | 354,377 | 6,753,450 | 428 | 102 | -60 | 270 | No significant intersection | | | | |
| COSRC0032 | M40/61 | RC | 354,371 | 6,753,385 | 428 | 245 | -80 | 270 | 180 | 182 | 2 | 1.9 | 2 metres @ 1.4 g/t from 182 metres |
| COSRC0033 | M40/61 | RC | 354,368 | 6,753,345 | 429 | 275 | -75 | 270 | No significant intersection | | | | |

**Table 4 – Cosmopolitan Gold Mine Anomalous Drill Hole Intercepts.**
**Note: Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with "no significant anomalism" means that no sample run returned a value to trigger reporting.**

The intercepts above were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied.

### *The Yundamindra Gold Project*

The Yundamindra Gold Project hosts high grade historical production of 74kt @ 19.3 g/t Au for 45,000 ounces. Significant intercepts from the Prospects within the Project include[1]:

- *Bound to Rise - 2m @ 7.21 g/t Au from 30 m in HC007,*
- *Pennyweight Point - 8m @ 56.36 g/t Au from 44 m in PV095,*
- *Golden Treasure North - 1m @ 48.1 g/t Au from 12 m in TDN18,*
- *Queen of the May - 2m @ 39.49 g/t Au from 31 m in QMN5, &*
- *Landed at Last - 2m @ 23.29 g/t Au from 30 m in LN11.*

The Company has also arranged a further farm-in agreement at Yundamindra for exploration licenses E39/1773 and E39/1774. The tenements are owned by a private entity and are immediately south of the Yundamindra Gold Project (See Figure 6). The tenements potentially host strike extents of the mineralisation observed at the Queen of May and Bound to Rise prospects.

Whilst all Yundamindra tenure is currently under plaint, Metalicity has been advised by Nex Metals that they can defend this claim and they are tasked with doing so under the Farm-in and Joint Venture Agreement.

[1]**Cautionary Statement Relating to Yundamindra Historical Production Data**
The Production details for the Yundamindra are referenced from publicly available data sources. The source and date of the production data for Yundamindra has been reported in the Geological Survey of Western Australia records showing the development of the Cosmopolitan Gold Mine in 1905. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. Two documents with WAMEX reference numbers A069774 and A067918 are of particular interest. The previous operator in the early 2000's, Point Exploration Ltd, digitised these historical maps, including the channel sampling. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012 Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

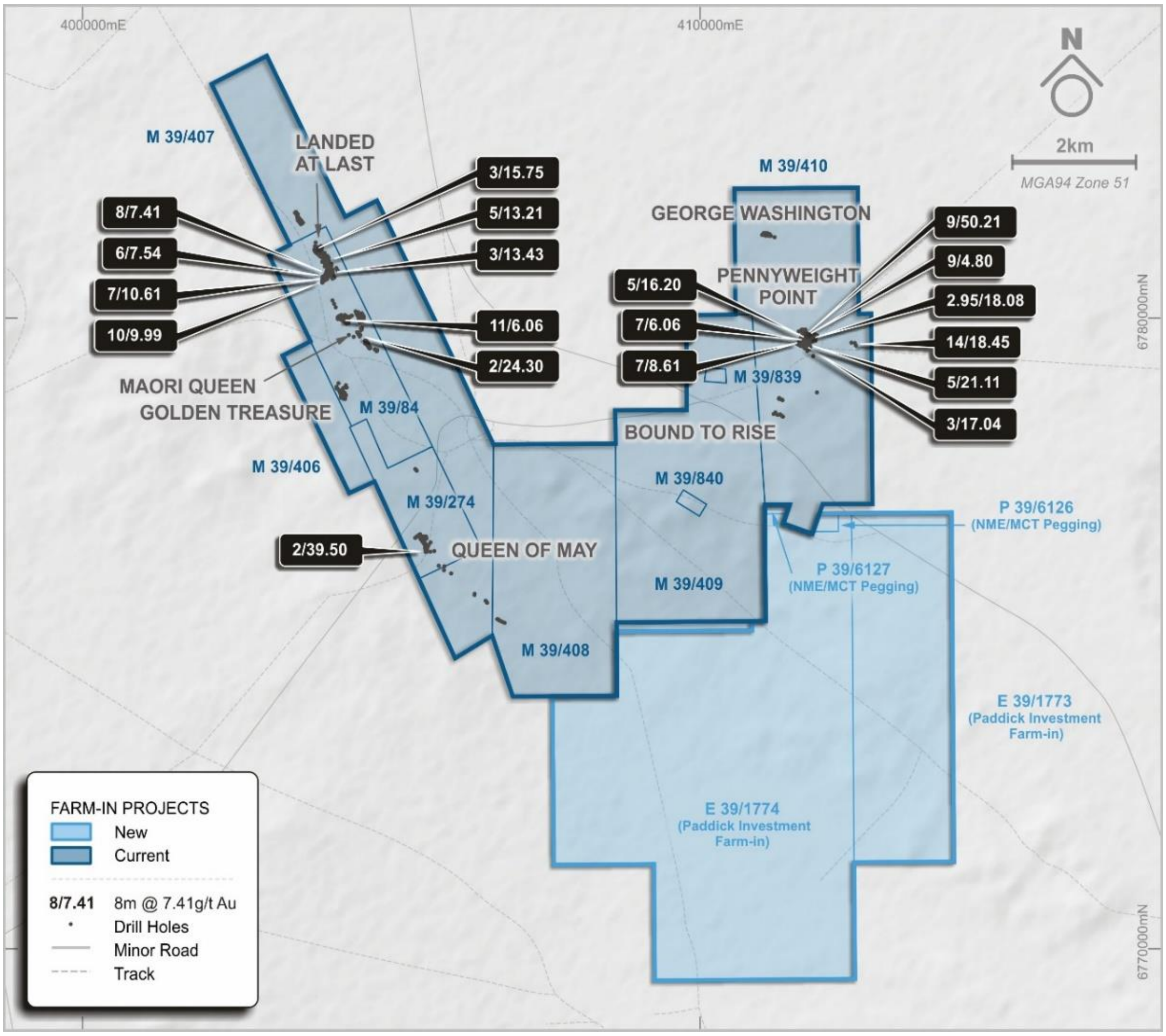


**Figure 6 – Yundamindra Tenement Map***

*Please refer to ASX Announcement "September 2019 Quarterly Activities Report" dated 30 October 2019.

### *Admiral Bay*

The Company currently holds an 80.3% interest in Kimberley Mining Ltd.(KML), that in turn holds 100% of the Admiral Bay Asset. While the asset itself is on care and maintenance, the Company is continuing to look for opportunities to monetise its interest in KML.

As the Company is now looking to concentrate its efforts on the Kookynie and Yundamindra Gold Projects it can confirm that the Admiral Bay Project is no longer core business.

Metalicity continues to provide assistance to KML through this period with a view to maximising benefits to all shareholders.

**Disclaimer and Forward-Looking Statements**

This report is not a prospectus nor an offer of securities for subscription or sale in any jurisdiction nor a securities recommendation. The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Metalicity Limited and consult with their own legal, tax, business and/or financial advisers in connection with any acquisition of securities. The information contained in this report has been prepared in good faith by Metalicity Limited. However, no representation or warranty, express or implied, is made as to the completeness or adequacy of any statements, estimates, opinions or other information contained in this report. To the maximum extent permitted by law, Metalicity Limited, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use of, or reliance on, anything contained in or omitted from this report. Certain information in this report refers to the intentions of Metalicity Limited, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act (Cth, Australia) or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Metalicity Limited's actual results, performance or achievements to differ from those referred to in this report to occur as contemplated. The report contains only a synopsis of more detailed information to be published in relation to the matters described in this document and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you or incurring by you of additional liability. Recipients of this report should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and you should satisfy yourself in relation to such matters. Furthermore, this report may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether because of new information, future events or results or otherwise.

**Competent Person Statements**

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears. In addition, please refer to the referenced ASX Announcements for the Competent Persons Statements applicable.

The Groupis not aware of any new information or data that materially affects the information included in the report and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

## Tenement Schedule

The following table shows the tenements the Group has an interest in at 30 June 2021:

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|---|---|---|---|---|---|---|---|
| Kookynie | | | | | | | |
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Direct Holding | 51% |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.0 | Direct Holding | 51% |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.0 | Direct Holding | 51% |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.0 | Direct Holding | 51% |
| E40/401 | KYM Mining Limited | 100/100 | No | Live | 598.0 | Direct Holding | 51% |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10.0 | Direct Holding | 51% |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Direct Holding | 51% |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185.0 | Direct Holding | 51% |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Direct Holding | 51% |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299.0 | Direct Holding | 51% |
| G40/3 | Nex Metals Explorations Limited | 100/100 | No | Live | 7.2 | Earnt In | 51% |
| L40/9 | Nex Metals Explorations Limited | 100/100 | No | Live | 1.0 | Earnt In | 51% |
| E40/332 | Nex Metals Explorations Limited | 100/100 | No | Live | 600.0 | Earnt In | 51% |
| M40/22 | Nex Metals Explorations Limited | 100/100 | No | Live | 121.7 | Earnt In | 51% |
| M40/27 | Nex Metals Explorations Limited | 100/100 | No | Live | 85.5 | Earnt In | 51% |
| M40/61 | Nex Metals Explorations Limited | 100/100 | No | Live | 832.7 | Earnt In | 51% |
| M40/77 | Nex Metals Explorations Limited | 90,405/90,405 | No | Live | 119.2 | Earnt In | 51% |
| P40/1499 | Nex Metals Explorations Limited | 100/100 | No | Live | 8.3 | Earnt In | 51% |
| P40/1500 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.9 | Earnt In | 51% |
| P40/1501 | Nex Metals Explorations Limited | 100/100 | No | Live | 21.1 | Earnt In | 51% |
| E40/289 | Paris Enterprises Pty Ltd | 100/100 | No | Live | 1,222.7 | Earning In | 51% |
| Kookynie Total Area (ha) | | | | | 11,352.9 | | |
| Yundamindra | | | | | | | |
| L39/34 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 1.0 | Earnt In | 51% |
| L39/52 | Nex Metals Explorations Limited | 96/96 | Yes | Live | 1.0 | Earnt In | 51% |
| L39/258 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 3.2 | Earnt In | 51% |
| M39/84 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 378.0 | Earnt In | 51% |
| M39/274 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 230.0 | Earnt In | 51% |
| M39/406 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 124.0 | Earnt In | 51% |
| M39/407 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 896.0 | Earnt In | 51% |
| M39/408 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 785.0 | Earnt In | 51% |
| M39/409 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 966.0 | Earnt In | 51% |
| M39/410 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 978.0 | Earnt In | 51% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| M39/839 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 7.3 | Earnt In | 51% |
| M39/840 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 9.7 | Earnt In | 51% |
| P39/6126 | Nex Metals Explorations Limited | 100/100 | No | Live | 10.4 | Earnt In | 51% |
| P39/6127 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.6 | Earnt In | 51% |
| E39/1773 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 903.0 | Earning-in | 51% |
| E39/1774 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 2,517.0 | Earning-in | 51% |
| Yundamindra Total Area (ha) | | | | | 7,815.1 | | |

| Tenement | Registered Holder | Status | Area | Nature of Interest | Interest |
|---|---|---|---|---|---|
| Admiral Bay | | | | | |
| E04/1610 | Kimberley Mining Australia Pty Lyd | Live | 42 Blocks | Holding in Subsidiary | 80.3% |
| M04/244 | Kimberley Mining Australia Pty Lyd | Live | 796.4 ha | Holding in Subsidiary | 80.3% |
| M40/249 | Kimberley Mining Australia Pty Lyd | Live | 843.85 ha | Holding in Subsidiary | 80.3% |

**Results**

The net loss after income tax for the year ended 30 June 2021 was $3,170,895 (30 June 2020: loss $1,340,757).

**Significant changes in state of affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

**Environmental regulations**

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

**Dividends**

No dividends have been paid or declared since the beginning of the financial year and none are recommended.

**Subsequent events**

Other than the following, the Directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the Group in future financial years:

- On 2 July 2021, the Company announced final assay results at Leipold Prospect, which extends mineralisation to 1km;
- On 8 July 2021, the Company announced Bonanza Gold intercepts from assays on recent drilling at McTavish Prospect;
- On 14 July 2021, the Company advised that 18,394,499 listed options exercisable at $0.004 had been converted, raising $73,578;
- On 15 July 2021, the Company announced assay results from Champion Prospect, which had delivered consistent grades over good widths close to surface;
- On 28 July 2021, the Company announced the final assay results from drilling programme at Cosmoplitan Gold Mine;
- On 26 August 2021, the Company announced that 7,500,000 options with various exercises prices had expired;
- On 7 and 13 September 2021, the Company announced that drilling recommenced at the McTavish prospect;
- On 14 September 2021, the Company announced a proposal to Nex Metals Shareholders of an off-market script bid for all of the fully paid ordinary shares in Nex Metals. The offer to Nex shareholders is 4.81 Metalicty shares for every 1 Nex Metals share on issue as at the date of the announcement.
- On 24 September 2021, the Company released the Bidders Statement to Nex Metals Shareholders together with proposed issue of securities under the offer.

**Likely developments and expected results of Operations**

The Group will continue to explore and assess its mineral projects.

**Response to COVID-19**

Due to the impact of COVID-19, The Group continued to assess its strategic objectives and funding position to ensure that it can continue to maintain the development momentum at its projects.
In line with its commitments to safeguard the health and well-being of its employees and contractors, the Group introduced company-wide protocols consistent with the ongoing advice from the Government and health authorities. The Group continues to monitor the advice to ensure its protocols remain relevant.

## Information on Directors

**Andrew Daley** - Non-executive Chairman – appointed as a Non-Executive Director in August 2013 and Chairman on 18 May 2021

***Experience and Expertise***

Mr Daley has a Bachelor of Science (Honours), a Grad Dip in Mineral Economics and is a Fellow of the Australasian Institute of Mining and Metallurgy. He has over 50 years' experience in resources worldwide having initially worked with Anglo American Corp, Rio Tinto, Conoco Minerals and Fluor Australia in mining operations, project evaluation and mining development. Mr Daley then moved into resource project financing with National Australia Bank, Chase Manhattan Bank and from 1999 to 2003 was a Director of the Mining Team at Barclays Capital in London. Moving back to Australia, Mr Daley was a Director of Investor Resources Finance Pty Ltd, a company based in Melbourne which provided financial advisory services to the resources industry globally and for the last 20 years has also been a Director and Chairman of the Board of a number of developing public resource companies both in Australia and the UK.

***Other Current Directorships***

None

***Former Directorships in the Last Three Years***

None

***Special Responsibilities***

Chairman of the Audit and Risk Committee and the Remuneration and Nomination Committee.

***Interests in Shares and Options***

13,992,982 ordinary shares and 5,985,055 performance rights.

**Justin Barton** – Chief Executive Officer and Finance Director – appointed Finance Director on 1 January 2018 and Chief Executive Officer on 1 June 2021

***Experience and Expertise***

Mr Barton is a Chartered Accountant with over 20 years' experience in accounting, international finance, M&A and the mining industry. He worked for over 13 years in the Big 4 Accounting firms in Australia and Europe and advised many of the world's largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, Morgan Stanley and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group Tax and Finance Manager. More recently, he has worked as the CFO and has been a Board Member of a number of junior exploration companies.

***Other Current Directorships***

Kimberley Mining Limited (a public unlisted Canadian company)

***Former Directorships in the Last Three Years***

Great Western Exploration Limited (appointed 20 May 2020, resigned 4 June 2020)

Eneabba Gas Limited (appointed 1 March 2017, resigned 10 October 2017)

Interposed Holdings Limited (appointed 10 January 2017, resigned 11 December 2017)

***Special Responsibilities***

Finance Director, member of the Audit Committee and the Remuneration and Nomination Committee.

***Interests in Shares and Options***

15,439,284 ordinary shares and 29,565,220 performance rights

**Jason Livingstone** - Technical Director – resigned as Managing Director on 1 June 2021

***Experience and Expertise***

Mr Livingstone is a geologist with 20 years' experience across exploration through to production environments on four continents. Mr Livingstone holds a Bachelor of Science (Geology) from the West Australian School of Mines, a Masters of Business Administration from the Curtin Graduate School of Business, is a member of the Australian Institute of Geoscientists, and has completed the Company Directors Course at the Australian Institute of Company Directors.

***Other Current Directorships***

None

***Former Directorships in the Last Three Years***

None

***Special Responsibilities***

None

***Interests in Shares and Options***

23,574,348 ordinary shares, 37,531,253 performance rights and 4,000,000 unlisted options

**Mathew Longworth** - Non-executive Chairman – appointed 1 July 2019 and resigned 18 May 2021

***Experience and Expertise***

Mr Longworth is a geologist with 30 years' experience across exploration, project evaluation/development, operations and corporate management. He previously held roles as Exploration Manager, COO and CEO/Managing Director with Australian listed companies, and mining analyst with a boutique investment fund. In his senior corporate roles, Mathew led multidisciplinary project evaluation and development teams. Mr. Longworth is a member of the Australasian Institute of Mining and Metallurgy.

***Other Current Directorships***

Ardea Resources

Greenfields Exploration Limited (a public unlisted company)

***Former Directorships in the Last Three Years***

Kimberley Mining Limited (a public unlisted Canadian company) – resigned 18 May 2021

***Special Responsibilities***

None

**Company Secretary**

**Nicholas Day** – Company Secretary – appointed 24 September 2020

Mr Day has over 20 years' experience as a company Director, CFO and company secretary for a broad range of listed and private exploration, mining and technology companies. Previously he was CFO and company secretary of Battery Minerals, Minbos Resources Limited, Dreadnought Resources Limited, RTG Mining, finance Director at Coventry Resources and company secretary to Paringa Resources Limited and Ebooks Corporation. Qualifications: BCOM(UWA); MBA(UWA); Fellow Finsia, ACPA. Qualifications: BCOM(UWA); MBA(UWA); Fellow Finsia, ACPA.

**Directors' meetings**

The number of meetings of the Company's board held during the year ended 30 June 2021 that each Director was eligible to attend, and the number of meetings attended by each Director were:

| Director | Number of Meetings | |
|---|---|---|
| | Eligible to attend | Attended |
| Andrew Daley | 19 | 18 |
| Justin Barton | 19 | 19 |
| Jason Livingstone | 19 | 19 |
| Mathew Longworth | 16 | 16 |

The whole board undertakes the role of the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee given the size and complexity of the Company.

**Remuneration Report (Audited)**

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001.*

***Executive remuneration***

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;

(ii) acceptability to shareholders;

(iii) performance linkage / alignment of executive compensation;

(iv) transparency; and

(v) capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation, which are designed to align the interests of executives with those of shareholder and costs of:

1) *Fixed remuneration*

The fees and payments to the executive reflect the demands which are made on, and the responsibilities of the executive, and are in line with market. The executives' remuneration is reviewed annually by the board to ensure that the fees and payments remain appropriate and in line with the market.

The Company has entered into standard contracts with executive Directors, the details of which are set out below.

2) *Variable remuneration – Long term incentives*

Being performance shares and/or options issued under the Employees Share Plan. The performance shares and employee options issued under this plan have varying vesting and service conditions and are structured to reward performance that aligns with the creation of shareholder value and confirms to market best practice.

3) *Termination*

Executive Directors currently have a 6 month notice period in ordinary course of business and a 12 month notice period in the event of Change of Control event or for 12 months after such event.

***Non-executive Directors remuneration***

Fees to the non-executive Directors are determined by the board acting as the Remuneration Committee as appropriate having regard to the market and the aggregate remuneration specified in the Company's Constitution ($500,000) and determined by the shareholders in general meeting. The fees are reviewed annually.

It is the Group's policy that service contracts for non-executive Directors are unlimited in term and capable of termination by either party upon written notice.

The amount of remuneration of the Directors of the Company (as defined in AASB 124 *Related Party Disclosures*) and other key management personnel is set out in the following tables.

The Company has entered into standard contracts with Directors, the details of which are set out below.

**Remuneration Report (audited) (continued)**

| 2021 | Salary &, fees | Other | Super-annuation | Options/ Performance Rights[6] | Total | Performance related % |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | |
| **Executive Director** | | | | | | |
| Justin Barton | 182,507 | - | 17,338 | 70,233 | 270,078 | 66.7% |
| Jason Livingstone[1] | 213,321 | 83,482[1,2] | 23,538 | 80,768 | 401,109 | 58.9% |
| **Non-executive Directors** | | | | | | |
| Andrew Daley | 44,638 | - | 4,241 | 17,558 | 66,437 | 67.2% |
| Mathew Longworth[3] | 68,750 | - | - | 26,338 | 95,088 | 68.6% |
| **Other executives** | | | | | | |
| Nick Day[4] | 87,356 | - | - | - | 87,356 | 0.0% |
| Neil Hackett[5] | 12,000 | - | - | - | 12,000 | 0.0% |
| Totals | 608,572 | 83,482 | 45,117 | 194,897 | 932,068 | |

The fees paid to Director related entities were for the provision of services of the particular Director to the Company are as follows:

[1] Jason Livingstone resigned as Managing Director and was appointed Technical Director on 1 June 2021 and was paid out all underpaid leave entitlements totalling $33,482.
[2] Jason Livingstone was paid a bonus of $50,000 during the year.
[3] Mat Mining, an entity associated with Mathew Longworth, was paid $68,750. Mathew Longworth resigned on 18 May 2021.
[4] 133 North Trust, an associate of Nick Day, was paid $87,356 for company secretarial services. Nick Day was appointed company secretary on 24 September 2020.
[5] Corporate Starboard Pty Ltd, an entity associated with Neil Hackett, was paid $12,000 for company secretarial services. Neil Hackett resigned on 24 September 2020.
[6] Performance rights were approved by shareholders at the 2020 AGM and were issued to Directors during the year. The performance rights have vesting hurdles of $0.04 and $0.06 (Please refer share based payment compensation below)

| 2020 | Salary, fees & leave[1] | Other | Super-annuation | Options/ Performance Rights | Total | Performance related % |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | |
| **Executive Director** | | | | | | |
| Jason Livingstone | 220,258 | - | 19,954 | 40,971 | 281,183 | 14.6% |
| Justin Barton | 191,656 | - | 17,348 | 21,510 | 230,514 | 9.3% |
| **Non-executive Directors** | | | | | | |
| Andrew Daley | 45,662 | - | 4,338 | - | 50,000 | 0.0% |
| Mathew Longworth[2] | 75,312 | 22,500 | - | - | 97,812 | 0.0% |
| **Other executives** | | | | | | |
| Neil Hackett[3] | 52,000 | - | - | 2,458 | 54,458 | 4.5% |
| Totals | 584,888 | 22,500 | 41,640 | 64,939 | 713,967 | |

The fees paid to Director related entities were for the provision of services of the particular Director to the Company are as follows:

[1] During the year, the Directors agreed to accrue a portion of salary to preserve cash in the company during Covid-19 and obtained shareholder approval to convert this portion of salary to shares at the general meeting on 13 August 2020. The shareholder approved conversion of accrued Director Fees into 23,882,240 fully paid ordinary shares. The accrued salary converted to shares was $26,256 for Jason Livingstone, $22,831 for Justin Barton, $9,687 for Mat Longworth and $5,708 for Andrew Daley.
[2] Mat Mining Pty Ltd, an entity associated with Mathew Longworth, was paid $75,312 (2019: $199,742) for Director's fees and a further $22,500 for consultancy services.
[3] Corporate Starboard Pty Ltd, an entity associated with Neil Hackett, was paid $52,000.

**Remuneration Report (audited) (continued)**

***Share-based compensation***

During the financial year, the following performance rights for Directors and key management personnel were granted:

**2021**

| Name | Share price hurdle | No. granted | Grant date | Expiry Date | Value of Performance Rights granted at grant date |
|---|---|---|---|---|---|
| Jason Livingstone | $0.04 | 12,299,465 | 26/11/2020 | 30/11/2022 | $132,834 |
| Jason Livingstone | $0.06 | 15,231,788 | 26/11/2020 | 30/11/2022 | $140,132 |
| Justin Barton | $0.04 | 10,695,187 | 26/11/2020 | 30/11/2022 | $115,508 |
| Justin Barton | $0.06 | 13,245,033 | 26/11/2020 | 30/11/2022 | $121,854 |
| Andrew Daley | $0.04 | 2,673,797 | 26/11/2020 | 30/11/2022 | $28,877 |
| Andrew Daley | $0.06 | 3,311,258 | 26/11/2020 | 30/11/2022 | $30,464 |
| Mat Longworth | $0.04 | 4,010,695 | 26/11/2020 | 30/11/2022 | $43,316 |
| Mat Longworth | $0.06 | 4,966,887 | 26/11/2020 | 30/11/2022 | $45,696 |
| | | 66,434,110 | | | $658,681 |

**2020**

| Name | Share price hurdle | No. granted | Grant date | Expiry Date | Value of Performance Rights granted at grant date |
|---|---|---|---|---|---|
| Jason Livingstone | $0.025 | 10,000,000 | 25/11/2019 | 30/01/2023 | $24,583 |
| Jason Livingstone | $0.05 | 10,000,000 | 25/11/2019 | 30/01/2023 | $16,388 |
| Justin Barton | $0.025 | 5,000,000 | 25/11/2019 | 30/01/2023 | $12,291 |
| Justin Barton | $0.05 | 5,625,000 | 25/11/2019 | 30/01/2023 | $9,219 |
| Neil Hackett | $0.025 | 1,000,000 | 25/11/2019 | 30/01/2023 | $2,458 |
| | | 31,625,000 | | | $64,939 |

**Remuneration Report (audited) (continued)**

***Share and option holdings of Key Management Personnel (KMP)***

*(i) Option and performance right holdings*

*Options*

The numbers of options over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

**2021**

| | Balance at the start of the year | Granted during the year | Exercised during the year | Expired /cancelled during the year | Other changes during the year | Balance at the end of the year | Vested and exercisable at the end of the year | Vested but not exercisable at end of year |
|---|---|---|---|---|---|---|---|---|
| **Options** | | | | | | | | |
| **Directors** | | | | | | | | |
| Jason Livingstone | 5,016,667 | - | (1,016,667) | - | | 4,000,000 | 4,000,000 | - |
| Andrew Daley | 14,466,420 | - | (4,216,420) | (10,250,000) | | - | - | - |
| Justin Barton | 362,964 | - | (362,964) | - | | - | - | - |
| Mathew Longworth | 10,495,971 | - | (31,709) | (10,200,024) | (264,238)[(a)] | - | - | - |
| **Other executives** | | | | | | | | |
| Nick Day | - | - | - | - | | - | - | - |
| | 30,342,022 | - | (5,627,760) | (20,450,024) | (264,238) | 4,000,000 | 4,000,000 | - |

[(a)]Balance at time of resignation on 18 May 2021

**2020**

| | Balance at the start of the year | Granted during the year | Exercised during the year | Expired/cancelled during the year | Balance at the end of the year | Vested and exercisable at the end of the year | Vested but not exercisable at end of year |
|---|---|---|---|---|---|---|---|
| **Options** | | | | | | | |
| **Directors** | | | | | | | |
| Jason Livingstone | 4,000,000 | 1,016,667 | | | 5,016,667 | 5,016,667 | |
| Andrew Daley | 12,750,000 | 1,716,420 | - | - | 14,466,420 | 14,466,420 | - |
| Justin Barton | 13,500,000 | 362,964 | - | (13,500,000)[(b)] | 362,964 | 362,964 | - |
| Mathew Longworth | 10,200,000 | 295,971 | - | - | 10,495,971 | 10,495,971 | - |
| **Other executives** | | | | | | | |
| Neil Hackett | 6,000,000 | - | - | (6,000,000)[(c)] | - | - | - |
| | 46,450,000 | 3,392,022 | - | (19,500,000) | 30,342,022 | 30,342,022 | - |

[(b)]Options acquired as part of share holder entitlement issue and placement.
[(c)]Options expired on 31 December 2019 or were cancelled during the year.

## Remuneration Report (audited) (continued)

*Performance rights*

The numbers of performance rights over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below:

**2021**

| | Balance at the start of the year | Granted during the year | Exercised during the year | Balance at the end of the year/date of resignation | Vested and exercisable at the end of the year/date of resignation | Vested but not exercisable at end of year |
|---|---|---|---|---|---|---|
| **Performance Rights** | | | | | | |
| **Directors** | | | | | | |
| Jason Livingstone | 20,000,000 | 27,531,253 | (10,000,000) | 37,531,253 | - | - |
| Justin Barton | 10,625,000 | 23,965,220 [(c)] | (5,000,000) | 29,590,220 | - | - |
| Andrew Daley | - | 5,985,055 | - | 5,985,055 | - | - |
| Mat Longworth | - | 8,977,582 | - | 8,977,582[(a)] | - | - |
| **Other executives** | | | | | | |
| Nick Day | - | - | - | - | - | - |
| Neil Hackett | 1,400,000 | - | (1,000,000) | 400,000[(b)] | - | - |
| | 32,025,000 | 66,459,110 | (16,000,000) | 82,484,110 | - | - |

[(a)]Balance at time of resignation on 18 May 2021.
[(b)]Balance at time of resignation on 24 September 2020, which were cancelled 30 days after.
[(c)] Includes 25,000 performance rights not recognised in prior year.

**2020**

| | Balance at the start of the year | Granted during the year | Exercised during the year | Balance at the end of the year/date of resignation | Vested and exercisable at the end of the year/date of resignation | Vested but not exercisable at end of year |
|---|---|---|---|---|---|---|
| **Performance Rights** | | | | | | |
| **Directors** | | | | | | |
| Jason Livingstone | - | 20,000,000 | - | 20,000,000 | 10,000,000 | - |
| Justin Barton | - | 10,625,000 | - | 10,625,000 | 5,000,000 | - |
| **Other Executives** | | | | | | |
| Neil Hackett | 400,000 | 1,000,000 | - | 1,400,000 | 1,000,000 | - |
| | 400,000 | 31,625,000 | - | 32,025,000 | 16,000,000 | - |

**Remuneration Report (audited) (continued)**

***Share and option holdings of Key Management Personnel (KMP) (continued)***

*(ii) Share holdings*

The numbers of shares in the Company held during the financial year by each Director, including their personally related parties, are set out below:

**2021**

| | Balance at the start of the year | Acquired on the exercise of options/vesting of performance shares | Other changes during the year[b] | Balance at the end of the year |
|---|---|---|---|---|
| **Directors** | | | | |
| Jason Livingstone | 2,833,333 | 11,016,667 | 9,724,348 | 23,574,348 |
| Andrew Daley | 7,662,581 | 4,216,420 | 2,113,981 | 13,992,982 |
| Justin Barton | 1,620,372 | 5,362,964 | 8,455,948 | 15,439,284 |
| Mathew Longworth | 1,321,183 | 31,709 | 3,587,963 | 4,940,855[a] |
| **Other executives** | | | | |
| Nick Day | - | - | - | - |
| Neil Hackett | 340,801 | 1,000,000 | - | 1,340,801[a] |
| | 13,778,270 | 21,627,760 | 23,882,240 | 57,947,470 |

**2020**

| | Balance at the start of the year | Received during the year on the exercise of options | Other changes during the year[c] | Balance at the end of the year |
|---|---|---|---|---|
| **Directors** | | | | |
| Jason Livingstone | - | - | 2,833,333 | 2,833,333 |
| Andrew Daley | 3,678,036 | - | 3,984,545 | 7,662,581 |
| Justin Barton | 777,778 | - | 842,594 | 1,620,372 |
| Mathew Longworth | 634,167 | - | 687,016 | 1,321,183 |
| **Other executives** | | | | |
| Neil Hackett | 340,801 | - | - | 340,801 |
| | 5,430,782 | - | 8,347,488 | 13,778,270 |

[a] Balance at time of resignation

[b] Shares issued in lieu of salary as approved by shareholders at meeting on 13 August 2020

[c] Shares acquired as part of entitlement issue during the year ended 30 June 2020.

**Link between Company performance and Remuneration policy**

There is no direct link between the Company performance and Remuneration policy.

*(End of Remuneration Report)*

**Additional Information**

**(a) Shares under option**

At the date of this report, the Company had 354,671,071 options and 82,084,110 performance rights over ordinary shares under issue. These options are exercisable as follows:

| Details | No of Options | Grant Date | Date of Expiry | Conversion Price $ |
|---|---|---|---|---|
| Management Incentive Options | 2,000,000 | 10/04/2019 | 14/01/2022 | 0.025 |
| | 2,000,000 | 10/04/2019 | 14/01/2022 | 0.035 |
| Other Options | 25,709,467 | 21/02/2018 | 14/02/2023 | 0.08 |
| | 10,785,715 | 10/06/2019 | 31/05/2022 | 0.02 |
| | 25,000,000 | 13/08/2020 | 14/08/2022 | 0.003 |
| | 35,000,000 | 12/10/2020 | 13/10/2023 | 0.03 |
| | 21,000,000 | 21/06/2021 | 22/06/2024 | 0.015 |
| | 225,675,889 | 22/05/2020 | 22/05/2022 | 0.004 |
| | 354,671,071 | | | |

| Details | No of Options | Grant Date | Date of Expiry | Hurdle Price $ |
|---|---|---|---|---|
| Performance Rights | 15,625,000 | 25/11/2019 | 30/01/2023 | 0.05 |
| | 29,679,144 | 26/11/2020 | 26/11/2022 | 0.04 |
| | 36,779,966 | 26/11/2020 | 26/11/2022 | 0.06 |
| | 82,084,110 | | | |

Refer to note 17 for details of options cancelled and exercised during the year.

At the date of this report, Kimberly Mining Limited, a Canadian subsidiary of the Company, had the following warrants on issue that are exercisable at the date of this report as follows:

| Details | No of Options | Grant Date | Date of Expiry | Conversion Price $ |
|---|---|---|---|---|
| Founder Warrants | 5,289,500 | 29/08/2018 | 29/08/2023 | 0.4 |
| Founder Warrants – Tranche 2 | 3,171,500 | 28/09/2018 | 28/09/2023 | 0.4 |
| | 8,461,000 | | | |

**(b) Insurance of officers**

During the financial year, the Group paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, and any executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**(c) Agreement to indemnify officers**

The Group has entered into agreements with the Directors to provide access to Group records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company and or its subsidiaries to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings. No liability has arisen under these indemnities as at the date of this report.

**(d) Proceedings on behalf of the Group**

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Group with leave of the court under Section 237.

**Additional Information (continued)**

**(e) Non-audit services**

No non-audit services were provided by the auditor or any entity associated with the auditor for the year ended 30 June 2021 is $2,000 (2020: Nil).

**(f) Corporate Governance**

The Company and its Board are committed to achieving and demonstrating the highest standards of corporate governance. The Group has reviewed its Corporate Governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2021 Corporate Governance Statement was approved by the Board on 30 September 2021 and is current at this time. A copy of the Company's current Corporate Governance Statement and Plan adopted during the year ended 30 June 2021 can be viewed at https://www.metalicity.com.au/corporate/corporate-governance/ .

**(g) Environmental Liabilities**

The Group's operations are subject to environmental regulation in respect of mineral tenements relating to exploration activities on those tenements. No breaches of any environmental requirements were recorded during the financial year.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 32 of the annual report.

**Rounding amounts**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Director's Report. Amounts in the Director's Report have been rounded off to the nearest dollar.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

Justin Barton
Chief Executive Officer and Finance Director
Perth, Western Australia

30 September 2021

## Corporate Governance Statement

For the year ended 30 June 2021

The Company's Corporate Governance Statement and Appendix 4G can be found on the Company's website at www.metalicity.com.au/corporate/corporate-governance/ and was approved by the Board on 30 September 2020 and is current as at 30 September 2020.

The Board of Directors ("the Board") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Corporate Governance Statement outlines the main Corporate Governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition unless otherwise stated.

## AUDITOR'S INDEPENDENCE DECLARATION

## TO THE DIRECTORS OF METALICITY LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 30 September 2021

**METALICITY LIMITED**
**ABN 92 086 839 992**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**METALICITY LIMITED**

## Report on the Audit of the Financial Report

### *Opinion*

We have audited the financial report of Metalicity Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, 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 Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; 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.

**METALICITY LIMITED**
**ABN 92 086 839 992**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**METALICITY LIMITED**

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| **Key Audit Matter** | **How our audit addressed the key audit matter** |
|---|---|
| Carrying value of exploration and evaluation assets<br>*Refer to Note 2(g), 2(s), 11* | |
| As disclosed in Note 11 of the financial report, as at 30 June 2021, the Group held capitalised exploration and evaluation assets of $5,400,759.<br><br>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.<br><br>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of management judgments including but not limited to:<br>• Whether the Group has tenure of the tenements;<br>• Whether the Group has sufficient funds to meet the tenement minimum expenditure requirements; and<br>• Whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. | Our procedures included, amongst others:<br><br>Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.<br><br>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure and whether the minimum expenditure of the tenements have been met.<br><br>Considering and reviewing the Group's intention to carry out significant exploration and evaluation activity in the relevant are of interest, including assessing the Group's cash-flow forecast models, discussions with management and directors as to the intentions and strategy of the Group.<br><br>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.<br><br>Assessing the adequacy of the disclosures included within the financial report. |

| Share Based Payments<br>*Refer to Note 2(o), 2(t) & 18* | |
|---|---|
| Share based payments represent $194,897 of the Group's expenditure.<br><br>Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.<br><br>Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.<br><br>In calculating the fair value there are a number of judgements management must make, including but not limited to:<br>• Estimating the likelihood that the equity instruments will vest;<br>• Estimating expected future share price volatility;<br>• Expected dividend yield; and<br>• Risk-free rate of interest.<br><br>Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter. | Our procedures included, amongst others:<br><br>Obtaining an understanding of the relevant controls and evaluating the design and implementation of the controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.<br><br>Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information including but not limited to:<br>•Estimating the likelihood that the equity instruments will vest;<br>•Estimating expected future share price volatility;<br>•Expected dividend yield; and<br>•Risk-free rate of interest.<br><br>Assessing the Group's accounting policy as set out within Note 1(o) for compliance with the requirements of AASB 2 *Share-based Payment.*<br><br>Assessing the adequacy of the disclosures included in the financial report. |

**METALICITY LIMITED**
**ABN 92 086 839 992**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**METALICITY LIMITED**

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

*Responsibilities of the Directors for the Financial Report*

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

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

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

**METALICITY LIMITED**
**ABN 92 086 839 992**

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**METALICITY LIMITED**

## Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Metalicity Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 30 September 2021

## Directors' declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 39 to 77 are in accordance with the *Corporations Act 2001*, including:

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

   (b) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

3. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

4. the audited remuneration disclosures set out on pages 23 to 28 of the Directors' Report comply with accounting standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The Directors have been given the declarations required by Section 295(A) of the *Corporations Act 2001* from the Chief Financial Officer and the Company Secretary for the year ended 30 June 2021.

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

Justin Barton
Chief Executive Officer and Finance Director
Perth, Western Australia

30 September 2021

metalicity

# Consolidated statement of profit or loss and other comprehensive income
## for the financial year ended 30 June 2021

| | Note | Consolidated Group 2021 $ | 2020 $ |
|---|---|---|---|
| **Continuing operations** | | | |
| Other Income | 4 | 635,052 | 570,882 |
| Expenses | 5 | (2,222,591) | (1,911,639) |
| Loss from continuing operations before income tax | | (1,587,539) | (1,340,757) |
| Income tax expense | 6 | - | - |
| **Loss after income tax from continuing operations** | | **(1,587,539)** | **(1,340,757)** |
| **Discontinued operations** | | | |
| Net loss from discontinued operations | 12 | (1,583,356) | - |
| **Net Loss** | | **(3,170,895)** | **(1,340,757)** |
| | | | |
| **Other comprehensive income** | | | |
| Items that may be reclassified subsequently to profit or loss | | - | - |
| Foreign currency translation | | 49,098 | (13,076) |
| Other comprehensive loss for the period, net of tax | | 49,098 | (13,076) |
| | | | |
| **Total comprehensive loss for the year** | | **(3,121,797)** | **(1,353,833)** |
| | | | |
| **Loss attributable to:** | | | |
| Owners of the parent | | (2,875,403) | (1,274,669) |
| Non-controlling interest | | (295,492) | (66,088) |
| | | **(3,170,895)** | **(1,340,757)** |
| | | | |
| **Loss attributable to equity holders of the parent entity:** | | | |
| Loss from continuing operations, net of tax | | (1,670,048) | (1,274,669) |
| Loss from discontinued operations, net of tax | | (1,205,355) | - |
| | | **(2,875,403)** | **(1,274,669)** |
| | | | |
| **Loss attributable to non-controlling interest relates to:** | | | |
| Loss from continuing operations, net of tax | | - | (66,088) |
| Loss from discontinued operations, net of tax | | (295,492) | - |
| | | **(295,492)** | **(66,088)** |
| | | | |
| **Total comprehensive loss attributable to:** | | | |
| Owners of the parent | | (2,819,748) | (1,301,384) |
| Non-controlling interest | | (302,049) | (52,449) |
| | | **(3,121,797)** | **(1,353,833)** |
| | | | |
| **Total comprehensive loss attributable to equity holders of the parent entity:** | | | |
| Total comprehensive loss from continuing operations, net of tax | | (1,614,393) | (1,301,384) |
| Total comprehensive loss from discontinued operations, net of tax | | (1,205,355) | - |
| | | **(2,819,748)** | **(1,301,384)** |

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## Consolidated statement of profit or loss and other comprehensive income for the financial year ended 30 June 2021

| | Note | Consolidated Group 2021 $ | 2020 $ |
|---|---|---|---|
| **Total comprehensive loss attributable to non-controlling interest relates to:** | | | |
| Total comprehensive loss from continuing operations, net of tax | | - | (52,449) |
| Total comprehensive loss from discontinued operations, net of tax | | (302,049) | - |
| | | **(302,049)** | **(52,449)** |
| **Loss per share from continuing operations attributable to the equity holders of the parent entity:** | | | |
| Basic loss per share (cents | 25(a) | (0.10) | (0.17) |
| Diluted loss per share (cents) | 25(a) | (0.10) | (0.17) |
| **Loss per share from discontinued operations attributable to the equity holders of the parent entity:** | | | |
| Basic loss per share (cents | 25(a) | (0.09) | - |
| Diluted loss per share (cents) | 25(a) | (0.09) | - |
| **Loss per share attributable to the equity holders of the parent entity:** | | | |
| Basic loss per share (cents | 25(a) | (0.19) | (0.17) |
| Diluted loss per share (cents) | 25(a) | (0.19) | (0.17) |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## Consolidated statement of Financial Position
## for the financial year ended 30 June 2021

| | Note | Consolidated Group 2021 $ | 2020 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 7(a) | 4,048,592 | 1,108,285 |
| Trade and other receivables | 8 | 216,638 | 121,200 |
| Other assets | 9 | 157,190 | 270,804 |
| Assets held for sale | 10 | - | 1,420,616 |
| Total current assets | | 4,422,420 | 2,920,905 |
| **Non-current assets** | | | |
| Exploration and evaluation expenditure | 11 | 5,400,759 | 1,160,907 |
| Right of use asset | 13 | 27,402 | - |
| Plant & equipment | | 26,584 | 1,127 |
| Total non-current assets | | 5,454,745 | 1,162,034 |
| **Total assets** | | 9,877,165 | 4,082,939 |
| **Current liabilities** | | | |
| Trade and other payables | 14 | 991,699 | 730,255 |
| Provisions | 15 | 56,335 | 38,299 |
| Shares to be issued | | - | 35,654 |
| Lease liability | 13 | 20,404 | - |
| Total current liabilities | | 1,068,438 | 804,208 |
| **Non-current liabilities** | | | |
| Lease liability | 13 | 7,212 | - |
| Total non-current liabilities | | 7,212 | 804,208 |
| **Total liabilities** | | 1,075,650 | 804,208 |
| **Net assets** | | 8,801,515 | 3,278,731 |
| **Equity** | | | |
| Issued capital | 16(a) | 56,023,942 | 48,568,493 |
| Other reserves | | 5,485,343 | 4,240,556 |
| Accumulated losses | | (52,623,591) | (49,748,188) |
| Parent Entity Interest | | 8,885,694 | 3,060,861 |
| Non Controlling Interest | 26 | (84,179) | 217,870 |
| **Total equity** | | 8,801,515 | 3,278,731 |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

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# Consolidated statement of changes in equity
# for the financial year ended 30 June 2021

| | Issued capital | Share Based Payments Reserve | Other Reserves | Foreign Currency Reserve | Accumulated losses | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Balance at 1 July 2020 | 48,568,493 | 4,229,772 | 66,439 | (55,655) | (49,748,188) | 217,870 | 3,278,731 |
| (Loss) for the year | - | - | - | - | (2,875,403) | (295,492) | (3,170,895) |
| Other comprehensive loss | - | - | - | (26,856) | - | (6,557) | (33,413) |
| Reclassification adjustment transfer of foreign currency translation reserve to profit and loss | - | - | - | 82,511 | - | - | 82,511 |
| Total comprehensive loss for the year | - | - | - | 55,655 | (2,875,403) | (302,049) | (3,121,797) |
| Issue of share capital | 8,000,000 | - | - | - | - | - | 8,000,000 |
| Conversion of options | 818,423 | - | - | - | - | - | 818,423 |
| Issue of performance rights | - | 194,897 | - | - | - | - | 194,897 |
| Issue of broker options | - | 879,654 | - | - | - | - | 879,654 |
| Issue of shares for tenements | - | 50,000 | - | - | - | - | 50,000 |
| Issue in lieu of salary | - | 64,581 | - | - | - | - | 64,581 |
| Issue costs | (1,362,974) | - | - | - | - | - | (1,362,974) |
| | 7,455,449 | 1,189,132 | - | - | - | - | 8,644,581 |
| **Balance at 30 June 2021** | 56,023,942 | 5,418,904 | 66,439 | - | (52,623,591) | (84,179) | 8,801,515 |

| | Issued capital | Share Based Payments Reserve | Other Reserves | Foreign Currency Reserve | Accumulated losses | Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Balance at 1 July 2019 | 46,955,647 | 4,563,534 | 1,500 | (35,676) | (48,692,932) | - | 2,792,073 |
| Correction of error | - | (476,085) | - | 6,736 | 219,413 | 249,936 | - |
| Balance at 1 July 2019 (restated) | 46,955,647 | 4,087,449 | 1,500 | (28,940) | (48,473,519) | 249,936 | 2,792,073 |
| (Loss) for the year | - | - | - | - | (1,274,669) | (66,088) | (1,340,757) |
| Other comprehensive loss | - | - | - | (26,715) | - | 13,639 | (13,076) |
| Total comprehensive loss for the year | | | | (26,715) | (1,274,669) | (52,449) | (1,353,833) |
| Issue of share capital | 1,968,133 | - | - | - | - | - | 1,968,133 |
| Issue of options | - | 162,706 | - | - | - | - | 162,706 |
| Issue of employee rights | - | - | 64,939 | - | - | - | 64,939 |
| Movement due to increase in NCI | - | (20,383) | - | - | - | 20,383 | - |
| Issue costs | (355,287) | - | - | - | - | - | (355,287) |
| | 1,612,846 | 142,323 | 64,939 | | | 20,383 | 1,840,491 |
| **Balance at 30 June 2020** | 48,568,493 | 4,229,772 | 66,439 | (55,655) | (49,748,188) | 217,870 | 3,278,731 |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Consolidated statement of cash flows
## for the financial year ended 30 June 2021

| | Note | Consolidated Group 2021 $ | Consolidated Group 2020 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | (2,490,680) | (752,277) |
| Payments for exploration and evaluation | | (108,220) | |
| R&D Rebate | | 88,851 | - |
| Lease income | | - | 22,937 |
| Government stimulus | | 72,870 | 16,572 |
| Interest received | | 1,727 | 1,040 |
| Interest expense | | 12,264 | - |
| Net cash used in operating activities | **7(b)** | (2,423,188) | (711,728) |
| **Cash flows from investing activities** | | | |
| Payment for exploration and in relation to tenements | | (3,268,837) | (992,464) |
| Payments for acquisition of tenements | | (152,558) | - |
| Payments for Plant and Equipment | | (29,251) | - |
| Payments for applications | | (1,862) | - |
| Proceeds from sale of shares | | 459,340 | 78,872 |
| Proceeds from sale of royalty | | - | 200,000 |
| Proceeds from sale of tenements | | - | 64,870 |
| Payments for assets held for sale | | - | - |
| Net cash (used in)/provided by investing activities | | (2,993,168) | (648,722) |
| **Cash flows from financing activities** | | | |
| Proceeds from shares issued | | 8,000,000 | 1,927,709 |
| Proceeds from option conversions | | 848,872 | 36,257 |
| Proceeds from option conversions to be issued | | 33,894 | 35,654 |
| Lease payments | | (12,074) | - |
| Transaction costs | | (513,769) | (192,571) |
| Net cash provided by financing activities | | 8,356,923 | 1,807,049 |
| **Net increase/(decrease) in cash and cash equivalents** | | 2,940,567 | 446,599 |
| **Cash and cash equivalents at the beginning of the financial year** | | 1,108,285 | 666,560 |
| **Effect of exchange rates on cash holdings in foreign currencies** | | (260) | (4,874) |
| **Cash and cash equivalents at the end of the financial year** | **7(a)** | 4,048,592 | 1,108,285 |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1. General information

Metalicity Limited ("the Company") is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange. The Company and its wholly owned subsidiaries, Metalicity Energy Pty Ltd and KYM Mining Pty Ltd and its approximate 80.3% interest in Kimberly Mining Limited, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Ridgecape Holdings Pty Ltd, are referred to as the 'Group'.

The Financial Report of the Company for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2021.

## 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

### (a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the *Corporations Act 2001* as appropriate for for-profit oriented entities.

It is recommended that this financial report be read in conjunction with the public announcements made by the Company during the year in accordance with the continuous disclosure requirements arising under the ASX Listing Rules.

*Compliance with IFRS*
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Report of the Group complies with International Financial Reporting Standards (IFRS).

*Historical cost convention*
These financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 2(t).

*Comparative figures*
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

*Going concern basis*
The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. For the year ended 30 June 2021 the Group incurred a loss after tax of $3,170,895 (2020: $1,340,757) and a net cash outflow from operations of $2,423,188 (2020: $711,728). At 30 June 2021, the Group has working capital surplus of $3,353,982 (2020: working capital of $2,116,697) and current cash holding was $4,048,592 (2020: $1,108,285).

## 2. Significant accounting policies (continued)

### (a) Basis of preparation (continued)

In the view of the Directors that the Group has sufficient funds to meet its commitments as and when they fall due in the next 12 months. The Directors will continue to monitor case reserves and reduce exploration and evaluation expenditure accordingly should the need arise.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group has raised sufficient cash to continue operating beyond 12 months and will continue to raise further funds through subsequent capital raisings and will meet its expenditure commitments as required.

### (b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of the Company as at 30 June 2021 and the results of the subsidiaries for the year then ended.

Metalicity Energy Pty Ltd, KYM Mining Pty Ltd, Ridgecape Holdings Pty Ltd, Kimberly Mining Australia Pty Ltd, Kimberly Mining Holdings Pty Ltd and Kimberly Mining Limited are the subsidiaries over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiaries are fully consolidated from the date of acquisition of the subsidiary. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interest". The Group initially recognises non-controlling interests that are present ownership interest in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## 2. Significant accounting policies (continued)

### (c) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets less liabilities transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Noncurrent Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest.

### (c) Business combinations

in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

***Sale of Goods***

Revenue from sale of goods in the course of ordinary activities is brought to account when delivered to the customer and selling prices are known or can be reasonably estimated.

***Government Tax Credits and Rebates***

Government tax credits and rebates, inclusive of research and development tax credit, are recognised as income at their fair value where there is a reasonable assurance that the grant or rebate will be received and the Group will comply with all attached conditions.

***Royalties Income***

Revenue from the sale of Royalties rights accounted during the year due to disposal of royalties to third party.

## 2. Significant accounting policies (continued)

### (d) Revenue recognition (continued)

***Interest Income***

Interest revenue is recognised on a time proportionate basis using the effective interest method.

***Sale of tenement income***

Revenue from the sale of tenements accounted during the year due to disposal of tenements to third party.

### (e) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### (f) Income Tax

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

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

### (g) Exploration Expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

### (h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. Trade and other receivables are generally receivable within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

## 2. Significant accounting policies (continued)

### (i) Trade and other payables

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

### (j) Borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

### (k) Contributed equity

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

### (l) Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year. Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

### (n) Employee Benefits

Provision is made for the Group’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

## 2. Significant accounting policies (continued)

### (o) Equity-Settled Compensation

The Group operates equity-settled share-based payment share and option schemes to Directors and employees. The fair value of the equity to which Directors and employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Binomial or Black and Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### (p) Financial Instruments

**Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and subsequent measurement**

**Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

## 2. Significant accounting policies (continued)

### (p) Financial Instruments (continued)

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

**Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

**Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Valuation techniques**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

## 2. Significant accounting policies (continued)

### (p) Financial Instruments (continued)

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

## 2. Significant accounting policies (continued)

### (q) Foreign Currency Transactions and Balances

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency. The functional currency of Canadian subsidiary is Canadian Dollars. Other entities part of the Group operate in AUD.

***Transaction and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non- monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity when the exchange difference arises on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

***Group companies***

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

— Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— Income and expenses are translated at average exchange rates for the period; and
— Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is discontinued.

### (r) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposures to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of the joint operations are included in the respective line items of the financial statements. Information about the joint arrangements is set out in Note 11.

### (s) Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

## 2. Significant accounting policies (continued)

### (t) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. This includes as assessment of the carrying values of intangibles and capitalised exploration and evaluation costs

Key Estimates – Share based payment transactions

The Group measures the cost of equity-settled transactions with employees (including the Directors) by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Monte Carlo option pricing model, using the assumptions detailed in Note 16.

Key Estimates – Exploration expenditure

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves.

Key Estimates – Deferred taxation

Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

### (u) Application of new and revised Accounting Standards

Application of new and revised Accounting Standards effective

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group and effective for the current annual reporting period. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group.

Application of new and revised Accounting Standards not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

## 2. Significant accounting policies (continued)

***AASB 2020-3 Amendments to Australian Standards – Annual Improvements 2018 – 2020 and Other Amendments***

AASB 2020-3 amends AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 3 *Business Combinations*, AASB 9 *Financial Instruments*, AASB 116 *Property, Plant and Equipment*, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and AASB 141 *Agriculture.* The main amendments relate to:

(a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;

(b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;

(c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

### (u) Application of new and revised Accounting Standards not yet effective (continued)

***AASB 2020-3 Amendments to Australian Standards – Annual Improvements 2018 – 2020 and Other Amendments (continued)***

(d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;

(e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and

(f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

*"The likely impact of this accounting standard on the financial statements of the Group has not been determined"*

***AASB 2014-10: Amendments to Australia Accounting Standards – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections***

AASB 2014-10 amends AASB 10: *Consolidated Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures* to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:

(g) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and

(h) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

*"This accounting standard is not expected to have a material impact on the financial statements of the Group"*

## 2. Significant accounting policies (continued)

### (u) Application of new and revised Accounting Standards not yet effective (continued)

***AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date***

AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

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

*"The likely impact of this accounting standard on the financial statements of the Group has not been determined"*

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

AASB 2020-1 amends AASB 7 *Financial Instruments: Disclosures*, AASB 101 *Presentation of Financial Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 134 *Interim Financial Reporting* and AASB Practice Statement 2 *Making Materiality Judgements*. The main amendments relate to:

(a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

(b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;

(c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;

(d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and

(e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

*"The likely impact of this accounting standard on the financial statements of the Group has not been determined"*

### Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 3. Segment information

**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group has two geographic segment being Australia and Canada and operates in one industry being the exploration of minerals.

| | Consolidated | |
|---|---|---|
| **Segment result** | **30 June 2021 $** | **30 June 2020 $** |
| **Segment revenue** | | |
| Australia | 635,052 | 570,882 |
| Canada | - | - |
| | 635,052 | 570,882 |
| **Segment expenses** | | |
| Australia | (2,222,591) | (1,466,170) |
| Canada | (1,583,356) | (445,469) |
| | (3,805,947) | (1,911,639) |
| Income tax | - | - |
| (Loss) after tax | (3,170,895) | (1,340,757) |

| **Segment assets and liabilities** | Consolidated | | Consolidated | |
|---|---|---|---|---|
| | **Non-current assets** | | **Non-current liabilities** | |
| | **30 June 2021 $** | **30 June 2020 $** | **30 June 2021 $** | **30 June 2020 $** |
| Australia | 5,560,667 | 1,162,034 | 7,212 | - |
| Canada | - | - | - | - |
| | 5,560,667 | 1,162,034 | 7,212 | - |
| | **Total assets** | | **Total liabilities** | |
| | **30 June 2021 $** | **30 June 2020 $** | **30 June 2021 $** | **30 June 2020 $** |
| Australia | 9,877,165 | 2,641,202 | 1,075,650 | 804,208 |
| Canada | - | 1,441,737 | - | - |
| | 9,877,165 | 4,082,939 | 1,075,650 | 804,208 |

## 4. Other Income

An analysis of the Group's other income for the year is as follows:

| | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Profit from sale of shares | 459,340 | 4,795 |
| R&D Rebate | 88,851 | - |
| Government stimulus | 72,870 | 16,572 |
| Joint arrangement management fee | 12,264 | - |
| Finance income | 1,727 | 1,040 |
| Sale of Royalty | - | 200,000 |
| Gain on revaluation of shares | - | 233,833 |
| Lease Income | - | 22,937 |
| Foreign exchange gain | - | 4,874 |
| Sale of tenements | - | 64,870 |
| Other | - | 21,961 |
| | 635,051 | 570,882 |

## 5. Expenses

| | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Accounting & audit | 128,227 | 38,974 |
| ASX | 100,453 | 34,409 |
| Company secretarial fees | 99,356 | 52,000 |
| Consulting fees | 80,000 | 72,129 |
| Depreciation | 16,082 | 63 |
| Employee benefits | 574,511 | 396,768 |
| Exploration written-off | 14,901 | 124,795 |
| Investor relations | 42,620 | 50,873 |
| KML costs | - | 166,086 |
| Legal fees | 323,467 | 170,333 |
| Project work & generation - cash | 119,069 | 91,179 |
| Rent & office costs | 13,618 | 157,190 |
| Share based payments | 194,897 | 64,939 |
| Share registry fees | 121,001 | 39,823 |
| Superannuation costs | 58,804 | 37,604 |
| Impairment of assets held for sale | - | 279,383 |
| Loss on financial asset at fair value through profit or loss | 205,052 | - |
| Other | 130,533 | 135,091 |
| Total expenses | 2,222,591 | 1,911,639 |

## 6. Income tax expense

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| **a) Numerical reconciliation of income tax expense to prima facie tax payable** | | |
| Loss from continuing operations before income tax expense | (1,587,539) | (1,340,757) |
| Loss from discontinued operations before income tax expense | (1,583,356) | - |
| | (3,170,895) | (1,340,757) |
| Tax at the Australian tax rate of 26% (2020: 27.5%) | (824,433) | (368,708) |
| Tax effect of amounts which are not deductible in calculating taxable income | 51,086 | 59,583 |
| Tax effect of amounts which are non (taxable) in calculating taxable income | (29,738) | (368,055) |
| Tax losses not recognised | 803,084 | 677,180 |
| Prior year losses not recognised, now recognised | - | - |
| Income tax expense | - | - |

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| **b) Deferred tax assets/liabilities** | | |
| Unused tax losses for which no deferred tax asset has been recognised | 17,962,328 | 10,293,144 |
| Temporary Differences | (4,705,141) | (2,462,008) |
| Potential tax benefit at 26% (2020: 26%) | 3,446,869 | 2,036,095 |

Tax losses and other temporary differences have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There is a net deferred tax liability of approximately $1,223,337 relating to capitalised exploration costs and other minor temporary differences. These are offset with the deferred tax assets that have been recognised to the extent of the deferred tax liabilities.

## 7. Cash and cash equivalents

### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows are reconciled to the related items in the consolidated statement of financial position as follows:

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| Cash and cash equivalents | 4,048,592 | 1,108,285 |

## 7. Cash and cash equivalents (continued)

**(b) Reconciliation of loss for the year to net cash flows from operating activities**

| | | |
|---|---|---|
| Loss for the year | (3,170,895) | (1,340,757) |
| Share based payments | 194,897 | 64,939 |
| Foreign exchange loss/(gain) | (139,075) | (4,874) |
| Depreciation | 16,082 | 63 |
| Disposal of Shares | (459,340) | - |
| Exploration written-off | 14,901 | 124,795 |
| Loss/(Gain) on revaluation | 205,052 | (233,833) |
| Gain on sale of listed securities | - | (4,795) |
| Impairment of asset held for sale | 1,392,626 | 279,383 |
| Gain on sale of shares | - | - |
| (Increase) in trade and other receivables and other asset | (80,954) | (44,477) |
| Increase in trade and other payables | (525,019) | 431,599 |
| (Decrease)/increase in provisions | 18,036 | 16,229 |
| Exchange differences on translation of foreign operations | 110,501 | - |
| Net cash (used in) operating activities | (2,423,188) | (711,728) |

**(c) Non-cash investing and financing activities**

2,615,837 shares amounting to $50,000 was issued as payment for tenement E40/350 and E40/357 for exercise of Mulga Plum option.

## 8. Trade and other receivables

| | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| GST Receivable | 129,365 | 66,300 |
| JV contributions | 66,101 | - |
| Other | 21,172 | - |
| Shares to be issued | - | 54,900 |
| | 216,638 | 121,200 |

None of these receivables are past due or impaired.

## 9. Other assets

| | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Tenement applications and deposits | - | 9,558 |
| Prepayments | 29,782 | - |
| Rental security | 21,486 | 271 |
| Shares held for sale[1] | 105,922 | 260,975 |
| | 157,190 | 270,804 |

[1]The Group held 4,073,941 shares in NEX Metals Explorations Limited. This financial asset is carried at fair value through profit and loss for year ended 30 June 2021.

## 10. Current Assets Held for Sale

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| ***Assets Held for sale*** | | |
| Balance at beginning of the period | 1,420,616 | 2,734,940 |
| Impairment of Assets Held for Sale[1] | (1,399,418) | (279,383) |
| Sale of tenements | - | (1,034,941) |
| Foreign exchange difference | (21,198) | - |
| Balance of assets held for sale | - | 1,420,616 |

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| ***Liabilities Related to Non-Current Assets Held for Sale*** | | |
| Balance at beginning of the period | - | 1,034,941 |
| Translation difference | - | - |
| Settlement of liability | | (1,034,941) |
| Balance at period end | - | - |

[1]During the financial year ended 30 June 2021, the Directors decided to impair the carrying value of the Admiral Bay Project to nil, following an extensive process to divest the project which resulted in no offers.

## 11. Exploration and evaluation expenditure

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| Exploration at cost at the beginning of the period | 1,160,907 | 204,133 |
| Acquisition costs | 202,558 | 10,000 |
| Expenditure incurred | 3,983,397 | 1,071,569 |
| Impairment of exploration expenditure | (14,901) | (124,795) |
| Joint arrangement interest^ | 68,798 | - |
| Tenements sold | - | - |
| Closing balance | 5,400,759 | 1,160,907 |
| | | |
| Total expenditure incurred and carried forward in respect of specific projects | | |
| - Kookynie/Yundamindra Area of interests | 5,400,759 | 1,152,449 |
| - Other | - | 8,458 |
| Total carried forward exploration expenditure | 5,400,759 | 1,160,907 |

^ On 6 May 2019, The Company announced that it has entered into a farm-in agreement with Nex Metals Exploration Ltd (“NME”) for the Kookynie and Yundamindra projects in the Eastern Goldfields, Western Australia. On 20 May 2021, MCT announced that it has been achieved the required $5 million spend to achieve a 51% earn-in on the Kookynie and Yundamindra tenements. The Joint arrangement is classified as a joint operation.

The Group’s share of assets in the Joint arrangement is $68,798 as at 30 June 2021.
The recoverability of the carrying amount of the exploration development expenditure is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

## 12. Discontinued operations

| | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Kimberley Mining Limited – Admiral Bay Project | 1,500,845 | - |
| Transfer of foreign currency translation reserve to profit and loss (discontinued operation) | 82,511 | - |
| | 1,583,356 | - |

During the financial year end 30 June 2021, following an extensive process to divest the Admiral Bay project, which is currently held by the ~80% owned subsidiary, Kimberley Mining Limited, the Board elected to put the Admiral Bay project on care and maintenance and impair the carrying value of the Project to nil.

| **(i) Financial performance information** | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Exploration expenses written off | (105,699) | - |
| Impairment of exploration and expenditure assets | (1,392,626) | - |
| Loss on transfer of foreign currency translation reserve | (82,511) | - |
| Others | (2,520) | - |
| | (1,583,356) | - |
| Income tax expense | - | - |
| Loss after income tax of discontinued operations | (1,583,356) | - |

| **(ii) Cash flow information** | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Net cash used in operating activities | (106,790) | - |
| Net cash used in investing activities | - | - |
| Net cash used in financing activities | - | - |
| Net cash outflow | (106,790) | - |

| **(iii) Carrying amount of assets and liabilities** | Consolidated Group | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| Other receivables | 21,083 | - |
| Asset classified as held for sale | 21,083 | - |
| Liabilities held for sale | (448,642) | - |
| Net liabilities attributable to discontinued operations | (427,559) | - |

## 13. Leases

### (a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

| | Consolidated Group | |
|---|---|---|
| | 2021 $ | 2020 $ |
| **Right of use asset** | | |
| Building – at initial recognition | 39,689 | - |
| Less: Accumulated depreciation | (12,287) | - |
| | 27,402 | - |
| **Lease liability** | | |
| Current | 20,404 | - |
| Non-current | 7,212 | - |
| | 27,616 | - |

### (b) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

| | Consolidated Group | |
|---|---|---|
| | 2021 $ | 2020 $ |
| **Depreciation charge of right of use assets** | | |
| Building | (12,287) | - |
| | (12,287) | - |
| Interest expense | 760 | - |

### (c) The Group's leasing activities and how these are accounted for

The Group leases an office premises which has a 2 year fixed term commencing on 16 November 2020, with an option to extend.

Contracts contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 3%.

## 14. Trade and other payables

| | Consolidated Group 2021 $ | Consolidated Group 2020 $ |
|---|---|---|
| Trade payables and accruals | 969,031 | 730,255 |
| PAYG payable | 22,668 | - |
| | 991,699 | 730,255 |

## 15. Provisions

| | Consolidated Group 2021 $ | Consolidated Group 2020 $ |
|---|---|---|
| Employee benefits – annual leave | 56,335 | 38,299 |

## 16. Issued capital

### (a) Issued share capital

| | 2021 $ | 2020 $ |
|---|---|---|
| 2,124,777,033(2020: 1,397,793,904) fully paid ordinary shares | 56,023,942 | 48,568,493 |

### (b) Movement in ordinary share capital

| Date | Details | Number of shares | $ |
|---|---|---|---|
| 01/07/2020 | Opening balance | 1,397,793,904 | 48,568,493 |
| 15/07/2020 | Option exercise at $0.015 | 4,888,439 | 73,327 |
| 15/07/2020 | Option exercise at $0.025 | 2,500,000 | 62,500 |
| 15/07/2020 | Option exercise at $0.02 | 471,429 | 9,428 |
| 15/07/2020 | Option exercise at $0.004 | 87,772,592 | 351,090 |
| 14/08/2020 | Vesting and exercise of performance rights (note 17) | 15,000,000 | - |
| 14/08/2020 | Shares issued to Directors in lieu of salaries at $0.0027 per share | 23,882,240 | - |
| 08/09/2020 | Vesting and exercise of performance rights (note 17) | 1,000,000 | - |
| 11/09/2020 | Share placement at $0.0024 | 208,333,333 | 5,000,000 |
| 03/12/2020 | Shares issued as part of consideration for tenement acquisition at $0.019 per share | 2,615,837 | - |
| 10/02/2021 | Option exercise at $0.004 | 22,736,481 | 90,946 |
| 08/03/2021 | Option exercise at $0.004 | 130,000 | 520 |
| 07/05/2021 | Option exercise at $0.004 | 5,166,667 | 20,667 |
| 17/05//2021 | Option exercise at $0.004 | 17,523,149 | 70,093 |
| 02/06/2021 | Option exercise at $0.004 | 1,250,000 | 5,000 |
| 16/06/2021 | Option exercise at $0.004 | 33,712,962 | 134,852 |
| 22/06/2021 | Share placement at $0.01 | 300,000,000 | 3,000,000 |
| | Share issue costs | - | (1,362,974) |
| **30/06/2021** | **Balance at the end of the year** | **2,124,777,033** | **56,023,942** |

## 16. Issued capital

### (b) Movement in ordinary share capital (continued)

| Date | Details | Number of shares | $ |
|---|---|---|---|
| 01/07/2019 | Opening balance | 624,422,474 | 46,955,647 |
| 12/09/2019 | Share placement at $0.06 | 19,966,668 | 119,800 |
| 4/10/2019 | Share placement at $0.06 | 33,843,825 | 203,063 |
| 18/10/2019 | Share placement at $0.06 | 44,976,970 | 269,861 |
| 14/02/2020 | Share placement at $0.006 | 2,027,777 | 12,167 |
| 22/05/2020 | Entitlement issue at $0.002 | 483,491,811 | 966,985 |
| 22/05/2020 | Share placement at $0.002 | 180,000,000 | 360,000 |
| 15/06/2020 | Conversion of options at $0.004 | 8,104,170 | 32,416 |
| 29/06/2020 | Conversion of options at $0.004 | 960,209 | 3,841 |
| | Issue costs* | - | (355,287) |
| **30/06/2020** | **Balance at the end of the year** | **1,397,793,904** | **48,568,493** |

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

*Included in issue costs $162,706 of which relates to options to be issued to brokers.

## 17. Options, Performance Rights and Warrants

**Options**

At year end 30 June 2021, the Company had 373,665,570 options over ordinary shares under issue (30 June 2020: 347,689,002). These options are exercisable as follows:

| Details | No of Options | Grant Date | Date of Expiry | Conversion Price $ |
|---|---|---|---|---|
| Management Incentive Options | 2,500,000 | 27/07/2018 | 26/08/2021 | 0.06 |
| | 2,500,000 | 27/07/2018 | 26/08/2021 | 0.08 |
| | 2,500,000 | 27/07/2018 | 26/08/2021 | 0.10 |
| | 2,000,000 | 10/04/2019 | 14/01/2022 | 0.025 |
| | 2,000,000 | 10/04/2019 | 14/01/2022 | 0.035 |
| Other Options | 25,709,467 | 21/02/2018 | 14/02/2023 | 0.08 |
| | 10,785,715 | 10/06/2019 | 31/05/2022 | 0.02 |
| | 25,000,000 | 13/08/2020 | 14/08/2022 | 0.003 |
| | 35,000,000 | 12/10/2020 | 13/10/2023 | 0.03 |
| | 21,000,000 | 21/06/2021 | 22/06/2024 | 0.015 |
| | 244,670,388 | 22/05/2020 | 22/05/2022 | 0.004 |
| | 373,665,570 | | | |

The weighted average exercise price of the above options is $0.012 (2020: $0.021)

| | 2021 No. | 2020 No. |
|---|---|---|
| Balance at beginning of the year | 347,689,002 | 175,538,837 |
| Granted during the year (see note 18) | 258,500,000 | 261,770,100 |
| Exercised during the year | (176,151,719) | (9,064,379) |
| Forfeited/expired/cancelled during the year | (56,371,713) | (80,555,556) |
| Balance at the end of the year | 373,665,570 | 347,689,002 |

## 17. Options, Performance Rights and Warrants (continued)

**Performance Rights**

At year end 30 June 2021, the Company had 82,084,110 performance rights over ordinary shares under issue (30 June 2020: 32,025,000). These performance rights are exercisable as follows:

| Details | No of Options | Grant Date | Date of Expiry | Hurdle Price $ |
|---|---|---|---|---|
| Performance Rights | 15,625,000 | 25/11/2019 | 30/01/2023 | 0.05 |
| | 29,679,144 | 26/11/2020 | 26/11/2022 | 0.04 |
| | 36,754,966 | 26/11/2020 | 26/11/2022 | 0.06 |
| | 82,084,110 | | | |

| | 2021 No. | 2020 No. |
|---|---|---|
| Balance at beginning of the year | 32,025,000 | 2,274,713 |
| Prior year adjustment[1] | 25,000 | - |
| Granted during the year (Refer 18(a)) | 66,434,110 | 31,625,000 |
| Exercised during the year | (16,000,000) | - |
| Forfeited/expired/cancelled during the year | (400,000) | (1,874,713) |
| Balance at the end of the year | 82,084,110 | 32,025,000 |

[1]Prior year closing balance excluded 25,000 performance rights.

**Kimberly Mining Limited Warrants**

As at 30 June 2021, there were 31,128,738 in issued common shares in Kimberly Mining Limited and 8,461,000 under warrants (30 June 2020: 31,128,738 common shares and 8,734,370 warrants). These warrants are exercisable/convertible as follows:

| Details | No of Warrants | Date of Expiry | Conversion Price $ |
|---|---|---|---|
| Special Warrants | 5,289,500 | 23/08/2023 | 0.4 |
| Special Warrants – Tranche 2 | 3,171,500 | 23/09/2023 | 0.4 |
| | 8,461,000 | | |

Special warrants and broker warrants are convertible to 1 ordinary share in Kimberly Mining Limited upon exercise.

| | 30 June 2021 No. | 30 June 2020 No. |
|---|---|---|
| Balance at beginning of the period | 8,734,370 | 8,734,370 |
| Granted during the period | - | - |
| Exercised during the period | - | - |
| Forfeited/expired during the period | (273,370) | - |
| Balance at the end of the period | 8,461,000 | 8,734,370 |

**Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group’s debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

## 17. Options, Performance Rights and Warrants (continued)

The Group is not subject to any externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

## 18. Share Based Payments

### (a) Share-based payment reserve

| | Consolidated | |
|---|---|---|
| | **2021** **$** | **2020** **$** |
| Shared based payment reserve | 5,418,904 | 4,229,772 |
| Foreign currency translation reserve | - | (55,655) |
| Total | 5,418,904 | 4,174,117 |

| **Movement of Shared based payment reserve** | **30 June 2021** $ |
|---|---|
| Balance at beginning of the period | 4,229,772 |
| Issue of shares for tenements (note 7 c) | 50,000 |
| Issue of shares in lieu of salary^ | 64,581 |
| Issue of options (note 18 b (ii)) | 879,654 |
| Issue of employee rights (note 18 b (i)) | 194,897 |
| Balance at the end of the period | **5,418,904** |

^23,882,240 shares were issued to Directors in lieu of salaries at $0.0027 per share, total amounting to $64,581. Refer to remuneration report page 24 for details.

| **Movement of Foreign currency translation reserve** | **30 June 2021** $ |
|---|---|
| Balance at beginning of the period | (55,655) |
| Foreign currency translation reserve movement during the period | (26,856) |
| Transfer of foreign currency translation reserve to profit and loss (discontinued operation) | 82,511 |
| Balance at the end of the period | - |

## 18. Share Based Payments (continued)

The following option and performance right arrangements were issued during the current and prior reporting periods:

**30 June 2021**

| Options/Performance Rights | Number | Grant Date | Expiry Date | Exercise Price | Fair Value at Grant Date |
|---|---|---|---|---|---|
| **Options** | | | | | |
| Issued 17/08/2020 | 25,000,000 | 13/08/2020 | 14/08/2022 | 0.003 | $0.0065 |
| Issued 13/10/2020 | 35,000,000 | 15/09/2020 | 13/09/2023 | 0.003 | $0.0206 |
| Issued 22/06/2021 | 21,000,000 | 22/06/2021 | 21/06/2024 | 0.015 | $0.00756 |
| | 81,000,000 | | | | |
| **Performance rights** | | | | | |
| Issued 18/12/2020(1) | 29,679,144 | 26/11/2020 | 18/12/2022 | 0.00 | $0.0108 |
| Issued 18/12/2020(2) | 36,754,966 | 26/11/2020 | 18/12/2022 | 0.00 | $0.0092 |
| | 66,434,110 | | | | |

| Free attaching options | Number | Grant Date | Expiry Date | Exercise Price | Fair Value at Grant Date |
|---|---|---|---|---|---|
| Issued 20/08/2020 | 177,500,000 | 13/08/2020 | 22/05/2022 | 0.004 | $0.00^ |

^No fair value attributable to these options as these were listed options issued during the year as free attaching to share placement.

(1)Performance rights, with zero exercise price, were granted to employees on 26 November 2020, which vest when the 20 day VWAP of the share price of the Company exceeds $0.04.
(2)Performance rights, with zero exercise price, were granted to employees on 26 November 2020, which vest when the 20 day VWAP of the share price of the Company exceeds $0.06.

**30 June 2020**

| Options/Performance Rights | Number | Grant Date | Expiry Date | Exercise Price | Fair Value at Grant Date |
|---|---|---|---|---|---|
| **Free attaching Options^** | | | | | |
| Issued 12/09/2019 | 3,993,333 | 09/09/2019 | 09/09/2020 | 0.015 | $0.00 |
| Issued 04/10/2019 | 6,768,765 | 04/10/2019 | 04/10/2020 | 0.015 | $0.00 |
| Issued 18/10/2019 | 8,995,430 | 18/10/2019 | 18/10/2020 | 0.015 | $0.00 |
| Issued 14/02/2020 | 266,667 | 14/02/2020 | 18/10/2020 | 0.015 | $0.00 |
| Issued 10/04/2019 | 241,745,905 | 22/05/2020 | 22/05/2022 | 0.004 | $0.00 |
| | 261,770,100 | | | | |
| **Performance rights** | | | | | |
| Issued 14/01/2020 | 16,000,000 | 25/11/2019 | 30/01/2023 | 0.00 | $0.00245 |
| Issued 14/01/2020 | 15,625,000 | 25/11/2019 | 30/01/2023 | 0.00 | $0.00164 |
| | 31,625,000 | | | | |

^No fair value attributable to these options as these were listed options issued during the year as free attaching to share placement.

## 18. Share Based Payments (continued)

### (b) Types of share-based payment plans

### (i) Performance rights

There were $194,897 share based payments relating to performance rights in 2021 (2020: $64,939).

The following tables lists the inputs to the Monte Carlo model used to value the performance rights issued during the financial year:

**30 June 2021**

| No of Performance Rights | 29,679,144 | 36,754,966 |
|---|---|---|
| Grant date | 26/11/20 | 26/11/20 |
| Share price | $0.017 | $0.017 |
| Exercise price | $0.00 | $0.00 |
| Risk-free interest rate | 0.09% | 0.09% |
| Vesting Conditions and Period | If 20 day VWAP exceeds $0.04 | If 20 day VWAP exceeds $0.06 |
| Expiry date | 26/11/22 | 26/11/22 |
| Volatility | 123% | 123% |
| Fair value at grant date (cents) | 0.0108 | 0.0092 |
| Useful life | 730 days | 730 days |

**30 June 2020**

| No of Performance Rights | 16,000,000 | 15,625,000 |
|---|---|---|
| Grant date | 25/11/19 | 25/11/19 |
| Share price | $0.004 | $0.004 |
| Exercise price | $0.00 | $0.00 |
| Risk-free interest rate | 0.765% | 0.765% |
| Vesting Conditions and Period | If 20 day VWAP exceeds $0.025 | If 20 day VWAP exceeds $0.05 |
| Expiry date | 30/01/23 | 30/01/23 |
| Volatility | 138% | 138% |
| Fair value at grant date (cents) | 0.00246 | 0.00164 |
| Useful life | 1,162 days | 1,162 days |

## 18. Share Based Payments (continued)

### (b) Types of share-based payment plans (continued)
### (ii) Options

The 35,000,000 option issued to advisors during the year ended 30 June 2021 have been valued applying a Black Scholes model, $720,980 is fully recognised directly in equity as transaction costs during the financial year ended, with the following inputs.

The 21,000,000 option issued to advisors during the year ended 30 June 2021 have been valued applying a Black Scholes model, $158,674 is fully recognised directly in equity as transaction costs during the financial year ended, with the following inputs.

**30 June 2021**

| No of Options | 35,000,000 | 21,000,000 |
|---|---|---|
| Grant date | 15/09/20 | 22/06/21 |
| Share price | $0.026 | $0.01 |
| Exercise price | $0.03 | $0.015 |
| Risk-free interest rate | 0.23% | 0.14% |
| Vesting Conditions and Period | Nil | Nil |
| Expiry date | 13/10/2023 | 21/06/24 |
| Volatility | 147.5% | 143% |
| Fair value at grant date (cents) | 0.0206 | 0.00756 |

**30 June 2020**
The 25,000,000 option was accounted for during the year ended 30 June 2020. $162,706 was fully recognised directly in equity in 30 June 2020 as transactions costs which relates to options to be issued to brokers, who completed capital raising during the prior year, with the following inputs.

| No of Options | 25,000,000 |
|---|---|
| Grant date | 13/08/20 |
| Share price | $0.003 |
| Exercise price | $0.003 |
| Risk-free interest rate | 0.23% |
| Vesting Conditions and Period | Nil |
| Expiry date | 14/08/22 |
| Volatility | 176% |
| Fair value at grant date (cents) | 0.0065 |

No fair value is attributable to any other options issued in the prior year as all other options were either free attaching options issued in relation to the Placement and Entitlement issues during each year or were listed options issued during the years.

## 18. Share Based Payments (continued)

### (c) Summary of share based payment options granted

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued during the year:

| | 2021 No | 2021 WAEP | 2020 No | 2020 WAEP |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 347,689,002 | 0.021 | 175,538,837 | 0.062 |
| Granted during the year | 258,500,000 | 0.005 | 261,770,100 | 0.0048 |
| Exercised during the year | (176,151,719) | 0.005 | (9,064,379) | 0.004 |
| Expired/forfeited/cancelled during the year | (56,371,759) | 0.046 | (80,555,556) | 0.058 |
| Outstanding at the end of the year | 373,665,524 | 0.012 | 347,689,002 | 0.021 |

### (d) Weighted average of remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 is 1.48 years (2020: 1.48 years).

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2021 is 1.21 years (2020: 1.49 years)

### (e) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.003-$0.10 (2020: $0.015-$0.02).

The performance rights do not have an exercise price.

### (f) Weighted average fair value

The weighted average fair value of options granted during the year, excluding free attaching options, was $0.0129 (2020: Nil).

The weighted average fair value of performance rights granted during the year was $0.0108 (2020: Nil)

### (g) Share options exercised during the year

The following options were exercised during the year.

**2021**

| Option Series | Number | Grant Date | Expiry Date | Exercise Price | Fair Value at Grant Date |
|---|---|---|---|---|---|
| Issued 22/05/2020 | 168,291,851 | 22/05/2020 | 22/05/2022 | $0.004 | 0.004 |
| Issued 18/10/2019 | 4,888,439 | 18/10/2019 | 18/10/2020 | $0.015 | 0.00[1] |
| Issued 10/06/2019 | 471,429 | 10/06/2019 | 31/05/2022 | $0.02 | 0.00[1] |
| Issued 02/07/2015 | 2,500,000 | 02/07/2015 | 23/07/2020 | $0.025 | 0.00568 |
| | 176,151,719 | | | | |

## 18. Share Based Payments (continued)

### (g) Share options exercised during the year (continued)

**2020**

| Option Series | Number | Grant Date | Expiry Date | Exercise Price | Fair Value at Grant Date |
|---|---|---|---|---|---|
| Issued 22/05/2020 | 9,064,379 | 22/05/2020 | 22/05/2022 | $0.004 | 0.004 |

[1] No fair value attributable to these options as these were issued as free attaching to share placement.

## 19. Financial Risk Management

Risk management is the role and responsibility of the Board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks.

### (a) Interest Rate Risk

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

| | Floating interest rate<br>$ | 1 year or less<br>$ | Over 1 year to 5 years<br>$ | More than 5 years<br>$ | Non interest bearing<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|
| **30 June 2021** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash and deposits | 3,982,650 | - | - | - | 65,942 | 4,048,592 |
| Trade and other receivables | - | - | - | - | 216,638 | 216,638 |
| Rental Security | | | | | 21,486 | 21,486 |
| | 3,982,650 | - | - | - | 304,066 | 4,286,716 |
| Weighted average interest rate | 0.05% | | | | | 0.05% |
| **Financial liabilities** | | | | | | |
| Trade and other payables | - | - | - | - | 944,381 | 944,381 |
| | - | - | - | - | 944,381 | 944,381 |
| **30 June 2020** | | | | | | |
| **Financial Assets** | | | | | | |
| Cash and deposits | 1,078,677 | - | - | - | 29,608 | 1,108,285 |
| Trade and other receivables | - | - | - | - | 121,200 | 121,200 |
| Rental Security | | | | | 271 | 271 |
| | 1,078,677 | - | - | - | 151,079 | 1,229,756 |
| Weighted average interest rate | 0.40% | | | | | 0.35% |
| **Financial liabilities** | | | | | | |
| Trade and other payables | - | - | - | - | 730,255 | 730,255 |
| | - | - | - | - | 730,255 | 730,255 |

## 19. Financial Risk Management (continued)

### (a) Interest Rate Risk (continued)

The Group has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- $39,826 (2020: $10,786) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

### (b) Market risk

The Group's listed investments are susceptible to market risk arising from uncertainties about its fair value. This risk is managed by investing decisions conducted by the Board. The Group held 4,073,941 shares in NEX Metals Explorations Limited valued at $105,922 as at 30 June 2021 (2020: $260,975). This is a level 1 measurement in accordance with the AASB 13 Fair Value hierarchy.

Sensitivity analysis

If share prices were to increase/decrease by 100 basis points from share price used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

| | Consolidated | |
|---|---|---|
| | **2021** | **2020** |
| +/- 100 basis points | **$** | **$** |
| Impact on profit/(loss) after tax | 10,592 | 26,097 |
| Impact on equity | (10,592) | (26,097) |

### (c) Credit risk

The Group has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Group. Credit risk related to balances with banks is managed by ensuring that the surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

None of the Group's trade and other receivables are past due (2020: nil). As at 30 June 2021, the Group does not have any collective impairment on its other receivables (2020: nil).

### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with ANZ which is available as required.

The material liquidity risk for the Group is the ability to raise equity in the future.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflects management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

## 19. Financial Risk Management (continued)

### (d) Liquidity risk (continued)

| | Within 1 Year | | 1 to 5 Years | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | $ | $ | $ | $ | $ | $ |
| **Financial liabilities due for payment.** | | | | | | |
| Trade and other payables | 944,381 | 730,255 | - | - | 944,381 | 730,255 |
| Lease liabilities | 20,404 | - | 7,212 | - | 27,616 | - |
| Total expected outflows | **964,785** | **730,255** | **7,212** | **-** | **971,997** | **730,255** |
| **Financial asset - cash flows realisable** | | | | | | |
| Cash and cash equivalent | 4,048,592 | 1,108,285 | - | - | 4,048,592 | 1,108,285 |
| Trade, term and loan receivables | 216,638 | 121,200 | - | - | 216,638 | 121,200 |
| Investments - financial assets at amortised cost | 105,992 | 2,620,975 | - | - | 105,992 | 2,620,975 |
| Rental Security | 21,486 | 271 | - | - | 21,486 | 271 |
| Total anticipated inflows | 4,392,708 | 3,850,731 | - | - | 4,392,708 | 3,850,731 |
| Net (outflow)/inflow on financial instruments | **3,427,923** | **3,120,476** | **(7,212)** | **-** | **3,420,711** | **3,120,476** |

### (e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Group.

### (f) Currency risk

Currency risk arises from investments that are denominated in a currency other than the respective functional currencies of Group entities.

The Group is exposed to foreign currency risk in the form of financial instruments held in US Dollars (USD). The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

| | 2021 USD$ | 2020 USD$ |
|---|---|---|
| Cash and cash equivalents | 521 | 660 |
| **Total Exposure** | **521** | **660** |

Assuming all other variables remain constant, a 10% strengthening of the Australian dollar at 30 June 2021 against the USD would have resulted in an increased loss of $52 (2020: $85). A 10% weakening of the AUD would have resulted in a decreased loss of $52 (2020: $94), assuming all other variables remain constant. The Group does not currently hedge against currency risk.

## 20. Key management personnel disclosures

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| **Key management personnel compensation** | $ | $ |
| Short-term employee benefits | 692,054 | 607,388 |
| Post-employment benefits | 45,117 | 41,640 |
| Share based payments | 194,897 | 64,939 |
| | **932,068** | **713,967** |

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report.

Apart from the Company's Directors, the Group had 1 employee as at 30 June 2021 (30 June 2020: no employees).

## 21. Remuneration of auditors

| | Consolidated Group | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Group: | | |
| **Audit services** | | |
| - Audit and review of financial report and other audit work under the *Corporations Act 2001* | 48,418 | 39,425 |
| - Over provision of audit fees for prior year | - | (770) |
| **Non-audit services** | | |
| - Other services provided | 2,000 | - |
| Total remuneration for audit and other services | 50,418 | 38,655 |

The auditors of Metalicity Limited and its subsidiaries is Pitcher Partners BA&A Pty Limited (2020: Stantons International).

## 22. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2021.

## 23. Commitments for expenditure

### (a) Exploration Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report and are payable.

Outstanding exploration commitments are as follows (other than detailed below, no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the Directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

| | Consolidated Group | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| Not longer than 1 year | 823,427 | 321,580 |
| Longer than 1 year and not longer than 5 years | - | 3,847,551 |
| Longer than 5 years | - | - |
| | 823,427 | 4,169,131 |

## 24. Related Party transactions

### (a) Key management personnel

During the year ended 30 June 2021, there were no related party transactions with key management personnel.

All other disclosures relating to key management personnel are set out in Note 20 and in the detailed remuneration disclosures in the Directors' Report.

### (b) Transaction with related parties

There were no transactions with related parties other than with key management personnel as noted above.

### (c) Outstanding balances arising from sales / purchases of goods and services

There are no balances owing to or from related parties at 30 June 2021 (2020: $Nil).

## 25. Earnings per share

| | Consolidated Group | |
|---|---|---|
| **(a) Basic earnings per share** | **2021 Cents** | **2020 Cents** |
| Loss from continuing operations attributable to the ordinary equity holders of the Company | (0.19) | (0.17) |
| | (0.19) | (0.17) |
| **(b) Diluted earnings/(loss) per share** | | |
| Loss from continuing operations attributable to the ordinary equity holders of the Company | (0.19) | (0.17) |
| | (0.19) | (0.17) |

| **(c) Reconciliation of profit/(loss) used in calculating earnings per share** | **2021 $** | **2020 $** |
|---|---|---|
| *Basic and diluted profit/(loss) per share* | | |
| Loss from continuing operations attributable to the ordinary equity holders of the Company | (2,875,403) | (1,274,669) |
| Loss from discontinued operations | - | - |
| | (2,875,403) | (1,274,669) |

| **(d) Weighted average number of shares used as the denominator** | **2021 Number** | **2020 Number** |
|---|---|---|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share | 1,699,333,137 | 770,501,748 |
| Adjustment for calculation of diluted profit/(loss) per share - Options | - | - |
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share | 1,699,333,137 | 770,501,748 |

As the Group made a loss for the years ended 30 June 2021 and 30 June 2020, the options on issue have no dilutive effect. Therefore, dilutive loss per share is equal to basic loss per share.

## 25. Group entities

| | Country of incorporation | Interest 2021 | Interest 2020 |
|---|---|---|---|
| **Parent entity** | | | |
| Metalicity Limited | Australia | | |
| **Subsidiary** | | | |
| Metalicity Energy Pty Ltd | Australia | 100% | 100% |
| KYM Mining Pty Ltd | Australia | 100% | 100% |
| Kimberley Mining Limited(1) | Canada | ~80.3% | ~80.3% |
| Ridgecape Holdings Pty Ltd(1) | Australia | ~80.3% | ~80.3% |
| Kimberley Mining Australia Pty Ltd(1) | Australia | ~80.3% | ~80.3% |
| Kimberley Mining Holdings Pty Ltd(1) | Australia | ~80.3% | ~80.3% |

(1) Metalicity Limited holds ~80.3% interest in Kimberley Mining Limited ("KML"), and its wholly owned subsidiaries, with outside equity interest holding the remaining ~19.7%. The outside equity interest in Kimberley Mining Limited equates to ~0.95% of the net assets of the Group, being $84,179 at 30 June 2021 (2020: $217,870). Please refer to note 12 for further details on the summarised financial information of KML.

## 27. Parent entity information

**Statement of financial position**

**As at 30 June 2021**

| | Parent 2021 $ | Parent 2020 $ |
|---|---|---|
| **ASSETS** | | |
| Total current assets | 4.362,056 | 1,279,724 |
| Total non-current assets | 5,463,600 | 2,990,986 |
| **TOTAL ASSETS** | 9,825,656 | 4,270,710 |
| **LIABILITIES** | | |
| Total current liabilities | 1,068,700 | 804,449 |
| Total non-current liabilities | 7,212 | - |
| **TOTAL LIABILITIES** | 1,075,912 | 804,449 |
| **NET ASSETS** | 8,749,744 | 3,466,261 |
| **EQUITY** | | |
| Contributed equity | 56,182,616 | 48,568,493 |
| Other reserves | 3,460,175 | 2,271,043 |
| Accumulated losses | (50,893,047) | (47,373,275) |
| **TOTAL EQUITY** | 8,749,744 | 3,466,261 |
| Profit/(Loss) of the parent entity | (3,402,100) | (4,695,136) |
| Total comprehensive (loss) of the parent entity | (3,402,100) | (4,695,136) |

The parent entity has not provided any guarantees or become responsible for contingent liabilities or contractual commitments of its subsidiaries, other than those disclosed in this financial report.

## 28. Subsequent events

Other than the following, the Directors are not aware of any significant events since the end of the reporting period which significantly affect or could significantly affect the operations of the Group in future financial years:

- On 2 July 2021, the Company announced final assay results at Leipold Prospect, which extends mineralisation to 1km;
- On 8 July 2021, the Company announced Bonanza Gold intercepts from assays on recent drilling at McTavish Prospect;
- On 14 July 2021, the Company advised that 18,394,499 listed options exercisable at $0.004 had been converted, raising $73,578;
- On 15 July 2021, the Company announced assay results from Champion Prospect, which had delivered consistent grades over good widths close to surface;
- On 28 July 2021, the Company announced the final assay results form drilling programme at Cosmoplitan Gold Mine;
- On 26 August 2021, the Company announced that 7,500,000 options with various exercises prices had expired;
- On 7 and 13 September 2021, the Company announced that drilling at recommenced at the McTavish prospect;
- On 14 September 2021, the Company announced a proposal to Nex Metals Shareholders of an off-market script bid for all of the fully paid ordinary shares in Nex Metals. The offer to Nex shareholders is 4.81 Metalicity shares for every 1 Nex Metals share on issue as at the date of the announcement.

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## ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 17 September 2021.

**(a) Substantial Shareholder**

There are no substantial shareholders at the date of this report.

**(b) Voting Rights**

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

**(c) Distribution of Equity Security Holders**

**(i) Ordinary Shares**

| Category | Ordinary Fully Paid Shares | % Issued Capital |
|---|---|---|
| 1 – 1,000 | 293,727 | 0.01 |
| 1,001 – 5,000 | 783,400 | 0.04 |
| 5,001 – 10,000 | 881,847 | 0.04 |
| 10,001 – 100,000 | 99,480,252 | 4.64 |
| 100,001 and over | 2,042,332,306 | 95.27 |
| **Total** | **2,143,771,532** | **100.00** |

There were 28,520,146 unmarketable parcel of ordinary shares.

**(ii) Listed Options**

| Category | Listed Options | % of Listed Options |
|---|---|---|
| 1 – 1,000 | 6,945 | 0.00 |
| 1,001 – 5,000 | 37,223 | 0.02 |
| 5,001 – 10,000 | 102,916 | 0.05 |
| 10,001 – 100,000 | 4,898,124 | 2.17 |
| 100,001 and over | 220,630,681 | 97.76 |
| **Total** | **225,675,889** | **100.00** |

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(d) **Equity Security Holders**
(i) **Ordinary Shares**

The names of the twenty largest ordinary fully paid shareholders at 17 September 20201 are:

| | | Number Held | Percentage of Issued Shares |
|---|---|---|---|
| 1. | BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C> | 52,351,330 | 2.44 |
| 2. | CITICORP NOMINEES PTY LIMITED | 43,003,460 | 2.01 |
| 3. | HISHENK PTY LTD | 40,000,000 | 1.87 |
| 4. | E C DAWSON SUPER PTY LTD <THE DAWSON SUPER FUND A/C> | 30,000,000 | 1.40 |
| 5. | ARDEA RESOURCES LIMITED | 23,843,825 | 1.11 |
| 6. | MR JASON NEWTON LIVINGSTONE | 22,559,905 | 1.05 |
| 7. | RAINMAKER HOLDINGS (WA) PTY LTD <THE MACRI INVESTMENT A/C> | 19,424,640 | 0.91 |
| 8. | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 19,319,282 | 0.90 |
| 9. | MR ZHANGHE CHEN | 16,544,409 | 0.77 |
| 10 | COVENTINA HOLDINGS PTY LTD <COVENTINA FAMILY A/C> | 15,439,285 | 0.72 |
| 11. | 1215 CAPITAL PTY LTD | 15,431,298 | 0.72 |
| 12. | HOGHTON SUPERFUND PTY LTD <HOGHTON SUPERFUND A/C> | 15,256,481 | 0.71 |
| 13. | FMG PILBARA PTY LTD | 15,000,000 | 0.70 |
| 14. | LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C> | 14,819,742 | 0.69 |
| 15. | MR ANDREW DALEY & MRS INEKE DALEY <MOTHERLODE SUPER FUND A/C> | 13,992,982 | 0.65 |
| 16. | HAWKSBURN CAPITAL PTE LTD <METHUSELAH STRATEGIC FND A/C> | 12,699,090 | 0.59 |
| 17. | MR ARUN KUMAR NATARAJAN | 11,371,428 | 0.53 |
| 18. | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 11,361,566 | 0.53 |
| 19. | TROMSO PTY LIMITED | 11,000,000 | 0.51 |
| 19. | WIP FUNDS MANAGEMENT PTY LTD <PORTER FAMILY S/F A/C> | 11,000,000 | 0.51 |
| 20. | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 10,834,945 | 0.51 |
| | | **425,253,668** | **19.84** |

### (ii) Listed Option Holders

The names of the twenty largest listed option holders shareholders at 17 September 2021 are:

| | | Number Held | Percentage of Issued Shares |
|---|---|---|---|
| 1. | CG NOMINEES (AUSTRALIA) PTY LTD | 25,000,000 | 11.08 |
| 2. | HISHENK PTY LTD | 21,750,000 | 9.64 |
| 3. | UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C> | 16,856,481 | 7.47 |
| 4. | GEORDIE BAY HOLDINGS PTY LTD | 8,000,000 | 3.54 |
| 5. | MR DAVID KENLEY <INVROS INVESTMENTS A/C> | 6,250,000 | 2.77 |
| 6. | LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C> | 6,019,217 | 2.67 |
| 7. | M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C> | 5,863,892 | 2.60 |
| 8. | MS EILEEN LILIAN COLLINS & MR ADAM JAMES CHAMPION <THE EILEEN COLLINS UNIT A/C> | 5,113,333 | 2.27 |
| 9. | CRAZY DINGO PTY LTD | 4,889,145 | 2.17 |
| 9. | MR ANTHONY JAMES HAWKINS | 4,650,000 | 2.06 |
| 9. | DKH WA PTY LTD <HOGHTON FAMILY> | 4,000,000 | 1.77 |
| 10 | YUNKI PTY LIMITED | 4,000,000 | 1.77 |
| 11. | MR MARK ANDREW TKOCZ | 3,333,335 | 1.48 |
| 12. | PAUL THOMSON FURNITURE PTY LTD <THOMSON S/F A/C> | 3,250,000 | 1.44 |
| 13. | MR NATHAN LAWRENCE CAMMERMAN & MR JAMES EDWARD DILLON | 3,215,000 | 1.42 |
| 13. | MR GREGORY JAMES MILLER | 3,000,000 | 1.33 |
| 14. | TL POKADOM PTY LTD | 3,000,000 | 1.33 |
| 15. | TROMSO PTY LIMITED | 2,980,000 | 1.32 |
| 16. | AAEI INVESTMENTS PTY LTD | 2,945,372 | 1.31 |
| 17. | MR PETER FABIAN HELLINGS | 2,800,000 | 1.24 |
| 18. | MR MATTHEW GAVIN BATTYE <OLD CHESTNUTS A/C> | 2,750,000 | 1.22 |
| 19. | MR TIMOTHY PANGBOURNE BIRD | 2,500,000 | 1.11 |
| 20. | **Total** | **25,000,000** | **11.08** |

### (ii) Unlisted Options

| **Unquoted equity securities** | **Number on Issue** |
|---|---|
| (ASX: MCTAY) Options exercisable at $0.025 on or before 14 Jan 2022 (Sub code: MCTOP40) | 2,000,000 |
| (ASX: MCTAY) Options exercisable at $0.035 on or before 14 Jan 2022 (Sub code: MCTOP41) | 2,000,000 |
| (ASX: MCTAY) Options exercisable at $0.02 on or before 31 May 2022 (Sub code: MCTOP42) | 10,785,715 |
| (ASX: MCTAY) Options exercisable at $0.08 on or before 14 Feb 2023 (Sub code: MCTOP34) | 25,709,467 |
| (ASX: MCTAY) Options exercisable at $0.003 on or before 14 Aug 2022 (Sub code: MCTOP46) | 25,000,000 |
| (ASX: MCTAY) Options exercisable at $0.003 on or before 13 October 2023 (Sub code: MCTOP47) | 35,000,000 |
| (ASX: MCTAY) Options exercisable at $0.015 on or before 22 June 2024 (Sub code: MCTOP48) | 21,000,000 |
| | |
| (ASX: MCTAD) Performance Rights Vesting at $0.05 expiring on 30 January 2023 (Sub code: MCTPERF2) | 15,650,000 |
| (ASX: MCTAD) Performance Rights Vesting at $0.04 expiring on 18 December 2022 (Sub code: MCTPERF3) | 29,679,144 |
| (ASX: MCTAD) Performance Rights Vesting at $0.06 expiring on 18 December 2022 (Sub code: MCTPERF4) | 36,754,966 |

**(e) Tenement List:**

As at 17 September 2021

| Tenement | Registered Holder | Shares Held | Plainted | Stat us | Area (ha) | Nature of Interest | Interest |
|---|---|---|---|---|---|---|---|
| Kookynie | | | | | | | |
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Direct Holding | 51% |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.0 | Direct Holding | 51% |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.0 | Direct Holding | 51% |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.0 | Direct Holding | 51% |
| E40/401 | KYM Mining Limited | 100/100 | No | Live | 598.0 | Direct Holding | 51% |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10.0 | Direct Holding | 51% |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Direct Holding | 51% |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185.0 | Direct Holding | 51% |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Direct Holding | 51% |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299.0 | Direct Holding | 51% |
| G40/3 | Nex Metals Explorations Limited | 100/100 | No | Live | 7.2 | Earnt In | 51% |
| L40/9 | Nex Metals Explorations Limited | 100/100 | No | Live | 1.0 | Earnt In | 51% |
| E40/332 | Nex Metals Explorations Limited | 100/100 | No | Live | 600.0 | Earnt In | 51% |
| M40/22 | Nex Metals Explorations Limited | 100/100 | No | Live | 121.7 | Earnt In | 51% |
| M40/27 | Nex Metals Explorations Limited | 100/100 | No | Live | 85.5 | Earnt In | 51% |
| M40/61 | Nex Metals Explorations Limited | 100/100 | No | Live | 832.7 | Earnt In | 51% |
| M40/77 | Nex Metals Explorations Limited | 90,405/90,405 | No | Live | 119.2 | Earnt In | 51% |
| P40/1499 | Nex Metals Explorations Limited | 100/100 | No | Live | 8.3 | Earnt In | 51% |
| P40/1500 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.9 | Earnt In | 51% |
| P40/1501 | Nex Metals Explorations Limited | 100/100 | No | Live | 21.1 | Earnt In | 51% |
| E40/289 | Paris Enterprises Pty Ltd | 100/100 | No | Live | 1,222.7 | Earning In | 51% |
| Kookynie Total Area (ha) | | | | | 11,352.9 | | |
| Yundamindra | | | | | | | |
| L39/34 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 1.0 | Earnt In | 51% |
| L39/52 | Nex Metals Explorations Limited | 96/96 | Yes | Live | 1.0 | Earnt In | 51% |
| L39/258 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 3.2 | Earnt In | 51% |
| M39/84 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 378.0 | Earnt In | 51% |
| M39/274 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 230.0 | Earnt In | 51% |
| M39/406 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 124.0 | Earnt In | 51% |
| M39/407 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 896.0 | Earnt In | 51% |
| M39/408 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 785.0 | Earnt In | 51% |
| M39/409 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 966.0 | Earnt In | 51% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| M39/410 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 978.0 | Earnt In | 51% |
| M39/839 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 7.3 | Earnt In | 51% |
| M39/840 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 9.7 | Earnt In | 51% |
| P39/6126 | Nex Metals Explorations Limited | 100/100 | No | Live | 10.4 | Earnt In | 51% |
| P39/6127 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.6 | Earnt In | 51% |
| E39/1773 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 903.0 | Earning-in | 51% |
| E39/1774 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 2,517.0 | Earning-in | 51% |
| Yundamindra Total Area (ha) | | | | | 7,815.1 | | |

| Tenement | Registered Holder | Status | Area | Nature of Interest | Interest |
|---|---|---|---|---|---|
| Admiral Bay | | | | | |
| E04/1610 | Kimberley Mining Australia Pty Lyd | Live | 42 Blocks | Holding in Subsidiary | 80.3% |
| M04/244 | Kimberley Mining Australia Pty Lyd | Live | 796.4 ha | Holding in Subsidiary | 80.3% |
| M40/249 | Kimberley Mining Australia Pty Lyd | Live | 843.85 ha | Holding in Subsidiary | 80.3% |