

Green Technology Metals Limited

ABN 99 648 657 649

Interim Report – 31 December 2021

For personal use only

Green Technology Metals Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Green Technology Metals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Green Technology Metals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John Young (appointed 25 May 2021)
Cameron Henry (appointed 12 March 2021)
Pat Murphy (appointed 6 September 2021)
Robin Longley (appointed 3 November 2021)
Jeremy Robinson (appointed 12 March 2021, retired 20 July 2021)
Joel Ives (appointed 20 July 2021, retired 6 September 2021)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of Exploration and Evaluation activities in Canada.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,556,046.

The consolidated entity's current accounting period is the half-year ended 31 December 2021 and there is no comparative accounting period. The company was incorporated on 12 March 2021.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



John Young
Chair

23 February 2022
Perth

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Green Technology Metals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 23 February 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Green Technology Metals Limited

Contents

31 December 2021

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	12
Independent auditor's review report to the members of Green Technology Metals Limited	13

General information

The financial statements cover Green Technology Metals Limited as a consolidated entity consisting of Green Technology Metals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Green Technology Metals Limited's functional and presentation currency.

Green Technology Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Unit 5, 94 Rokeby Rd
SUBIACO
WA 6008
Australia

Principal place of business

Unit 5, 94 Rokeby Rd
SUBIACO
WA 6008
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2022.

Green Technology Metals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$
Expenses		
Administrative expenses		(189,936)
Compliance and regulatory expenses		(153,236)
Consulting and legal fees		(294,701)
Employee benefit expenses		(334,602)
Option agreements		(109,155)
Occupancy costs		(2,711)
Share-based payments expense	3	(336,735)
Foreign exchange (loss)		(23,245)
Depreciation expense		(2,918)
Interest expense		(4,437)
Convertible note interest	4	(104,370)
Loss before income tax expense		<u>(1,556,046)</u>
Income tax expense		<u>-</u>
Loss after income tax expense for the half-year		(1,556,046)
		Cents
Basic loss per share		(2.83)
Diluted loss per share		(2.83)

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

Green Technology Metals Limited
Statement of financial position
As at 31 December 2021

	Note	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		19,301,500	1,918,980
Trade and other receivables		211,868	6,371
Prepayments & Deposits		317,009	-
Other		35,244	-
Total current assets		<u>19,865,621</u>	<u>1,925,351</u>
Non-current assets			
Exploration and Evaluation	5	6,394,831	200,000
Property, plant and equipment		144,094	-
Total non-current assets		<u>6,538,925</u>	<u>200,000</u>
Total assets		<u>26,404,546</u>	<u>2,125,351</u>
Liabilities			
Current liabilities			
Trade and other payables		192,126	64,567
Accruals		85,393	63,213
Other		98,124	-
Convertible notes	4	-	1,384,529
Total current liabilities		<u>375,643</u>	<u>1,512,309</u>
Total liabilities		<u>375,643</u>	<u>1,512,309</u>
Net assets		<u>26,028,903</u>	<u>613,042</u>
Equity			
Issued capital	6	26,881,498	682,813
Reserves	3	830,880	57,658
Retained profits		<u>(1,683,476)</u>	<u>(127,429)</u>
Total equity		<u>26,028,903</u>	<u>613,042</u>

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

Green Technology Metals Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Options & Rights Reserves \$	Convertible Notes Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2021	682,813	-	57,658	(127,429)	613,042
Loss after income tax expense for the half-year	-	-	-	(1,556,046)	(1,556,046)
Other comprehensive loss for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(1,556,046)	(1,556,046)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share capital (Note 6)	24,000,000	-	-	-	24,000,000
Share issue costs (Note 6)	(1,972,872)	494,145	-	-	(1,478,728)
Shares issued to Ardiden in consideration of tenements (Note 6)	2,250,000	-	-	-	2,250,000
Issue of shares to Convertible Note holders (Note 4)	1,817,187	-	-	-	1,817,187
Issue of interest shares to Convertible Note holders (Note 4)	104,370	-	(57,658)	-	46,712
Share-based payments (Note 3)	-	336,735	-	-	336,735
Balance at 31 December 2021	26,881,498	830,880	-	(1,683,476)	26,028,903

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

Green Technology Metals Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		(1,182,860)
Interest and other finance costs paid		(4,437)
Option agreements		<u>(109,155)</u>
Net cash used in operating activities		<u>(1,296,453)</u>
Cash flows from investing activities		
Payments for exploration and evaluation		(4,070,286)
Payments for property, plant and equipment		<u>(147,012)</u>
Net cash used in investing activities		<u>(4,217,299)</u>
Cash flows from financing activities		
Proceeds from issue of shares	6	24,000,000
Share issue costs	6	(1,478,727)
Proceeds from convertible notes	4	<u>375,000</u>
Net cash from financing activities		<u>22,896,273</u>
Net increase in cash and cash equivalents		17,382,521
Cash and cash equivalents at the beginning of the financial half-year		<u>1,918,979</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>19,301,500</u></u>

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

Green Technology Metals Limited
Notes to the financial statements
31 December 2021

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting period

The consolidated entity's current accounting period is the half-year ended 31 December 2021 and there is no comparative accounting period. The company was incorporated on 12 March 2021.

Note 2. Operating segments

The Company operates only in one reportable segment being mineral exploration in Canada.

The chief operating decision making, being the Chief Executive Officer, analyses profit or loss, net assets, total assets and total liabilities of the Company as a whole.

Note 3. Reserves

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Performance rights reserve	128,736	-
Share option reserve	702,144	-
Convertible note reserve	-	57,658
	<hr/>	<hr/>
Closing balance	830,880	57,658

Share option reserve

The Company issued 3,950,000 Joint Lead Managers options exercisable at \$0.375 per share expiring four years from the admission period and 1,815,000 unlisted options to LCP Corporate Pty Ltd exercisable at \$0.375 per share expiring three years from the date of issue of which \$207,999 was expensed during the period.

Numbers of options issued	Grant date	Expiry date	Spot price	Exercise price	Volatility	Risk-free interest rate	Dividend yield	Fair value
1,815,000	10/09/2021	09/09/2024	\$0.25	\$0.375	100%	0.14%	0%	\$0.1146
3,950,000	04/11/2021	03/11/2025	\$0.25	\$0.375	100%	0.56%	0%	\$0.1251

Green Technology Metals Limited
Notes to the financial statements
31 December 2021

Performance rights reserve

The Company issued 12,500,000 Performance Rights to the CEO and Directors of the company, comprising of three tranches, details of which are disclosed in the Company's IPO Prospectus, of which \$128,736 was expensed during the period.

Grant date	Class	Number of rights	Vesting conditions
10/09/2021	A	4,166,666	The holder has been continuously employed by the Company for not less than 12 months.
10/09/2021	B	4,166,666	The hold has been continuously employed by the Company for not less than 18 months
10/09/2021	C	4,166,666	The hold has been continuously employed by the Company for not less than 24 months

Note 4. Convertible Notes

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Opening balance	1,384,529	-
Proceeds from issue	375,000	1,625,000
Equity component at inception	-	(57,658)
Interest shares issued	(46,712)	(182,813)
Conversion of convertible notes into share capital	(1,817,187)	-
Interest expensed (Note 6)	104,370	-
Closing balance	<u>-</u>	<u>1,384,529</u>

Note 5. Exploration and evaluation expenditure

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Opening balance	200,000	-
Expenditure capitalised during the period ¹	6,194,831	200,000
Closing balance	<u>6,394,831</u>	<u>200,000</u>

¹During the period, the Company paid \$3.25m in cash and issued 9,000,000 shares at 25c per share (\$2.25m) to acquire 80% interest in the lithium assets (see note 7 below) to Ardiden Limited (ADV) under the Binding Terms Sheet Option Agreement.

Note 6. Share Capital

	31 December 2021		30 June 2021	
	\$	No.	\$	No.
Ordinary shares	26,881,498	197,500,000	682,813	68,281,250

The reconciliation is set out as follows:

<i>Movement in ordinary shares on issue</i>	\$	No.
Shares on issue 1 July 2021	682,813	68,281,250
Interest on shares from Convertible Notes (Note 4)	104,370	4,218,750
Proceeds from General Offer (at \$0.25 per share)	20,000,000	80,000,000
Proceeds from Priority Offer (at \$0.25 per share)	4,000,000	16,000,000
Tranche 1 Consideration Shares (at \$0.25 per share)	2,250,000	9,000,000
Conversion of Tranche 1 and Tranche 2 Convertible Notes (Note 4)	1,817,187	20,000,000
Cash costs associated with the Offers	(1,478,727)	-
Cost of JLM Options	(494,145)	-
Shares on issue at 31 December 2021	26,881,498	197,500,000

Note 7. Contingent Liabilities

On 3 May 2021, the Company entered into an option agreement to purchase 80% of the lithium assets from Ardiden Limited ("ADV") ("Acquisition"). On 27 July 2021, the Company signed a variation deed with ADV to amend the terms of the Acquisition. As part of Tranche 2 Consideration, the Company will pay \$3,500,000 in Shares, at the election of the Company, with a total value (on a VWAP basis) of \$3,500,000 12 months after Admission.

During the period, the Company completed Tranche 1 Consideration by paying \$3.25m in cash and the issue of 9,000,000 shares (at a deemed issued price of \$0.25 per Share).

If the Company is unable to deliver the Tranche 2 Consideration within 12 months Admission, the option to acquire a further 21% interest in the Projects will lapse and the Company will retain a 51% interest in the Project.

Note 8. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 10 January 2022, the company issued 1,000,000 unlisted performance rights under an employee incentive scheme, under three classes.

On 17 January 2022, the company announced a substantial thick 40m intersection @ 1.54% Li₂O (from 244m downhole) that confirmed pegmatite continuity, confirming GT1's geological modelling and drill targeting.

On 21 January 2022, the company announced the Performance Rights Milestones had been met for 12,500,000 Performance Rights (refer Note 3).

On 24 January 2022, the company announced a substantial increase in its strategic lithium footprint in NW Ontario to 35,576 ha (from 9,467ha) via strategic pegging and option agreements.

On 16 February 2022, the company announced the progress of the Phase 1 drilling at Seymour as approximately 70% complete, with Phase 2 drilling to commence shortly, comprising of a 31-hole, 5,100m diamond program focused on Central Aubry LCT pegmatite Zone.

Apart from the information disclosed above, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.


Green Technology Metals Limited
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Young
Chair

23 February 2022
Perth



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GREEN TECHNOLOGY METALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Green Technology Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Green Technology Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Green Technology Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Green Technology Metals Limited is not in accordance with the *Corporations Act 2001*, including:

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

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 23 February 2022

For personal use only