Eastern Metals Limited

ABN 29 643 902 943
C/-Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000
Telephone 0412 234 684
www.easternmetals.com.au
info@easternmetals.com.au

Financial Report for the year ended 30 June 2022 (comparative period commences 2 September 2020, incorporation date, to 30 June 2021)

Corporate Directory

Directors

Robert (Bob) Duffin – Non-Executive Chairman

Wayne Rossiter – CEO & Managing Director

Dr Jason Berton – Independent Non-Executive Director

Company Secretary and Chief Financial Officer

Ian Morgan

Registered Office

Level 12, 225 George Street

Sydney NSW 2000

Telephone

+1300 737 760 or +61 2 9290 9600

Principal Place of Business

94A Louisa Road

Birchgrove NSW 2041

Email

info@easternmetals.com.au

Website

www.easternmetals.com.au

Securities Exchange (to be confirmed)

Australian Securities Exchange (ASX)

ASX Code: EMS

Securities Registry

Boardroom Pty Ltd

Level 12

225 George Street

SYDNEY NSW 2000

Telephone

1300 737 760 (in Australia)

+61 2 9290 9600 (International)

Auditor

RSM Australia Partners

Level 13

60 Castlereagh Street

SYDNEY NSW 2000

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Chairman's Letter

Dear Shareholders,

Welcome to Eastern Metals' (ASX: EMS) first Annual Report since listing on the Australian Securities Exchange (ASX) last year.

Following completion of our Initial Public Offering (IPO) which raised $6 million and the listing in October 2021, we have established a strong platform to execute the Company's exploration strategy at our flagship assets – Browns Reef in the Cobar Project in New South Wales and the Home of Bullion deposit in the Arunta Project in the Northern Territory.

Browns Reef and Home of Bullion are both classified as Advanced Exploration Projects under the Valmin Code and have provided Eastern Metals with ready-made opportunities to explore and expand.

Despite the ongoing impact of COVID-19, industry challenges such as skills shortages, and severe weather interruptions, our management and employees can be proud of what they have achieved over the past year.

Notably, Browns Reef emerged as an exciting opportunity after maiden company drilling potentially discovered a high-grade zinc zone, known as the Evergreen Zone. To date, our exploration at Browns Reef has focused on the Evergreen Zone as we endeavour to rapidly expand our understanding of this promising discovery. Follow-up drilling has encouragingly extended the lode, which now has a strike length of more than 150m and vertical depth of at least 300m, while remaining open along strike in both directions and at depth.

In the Northern Territory, Eastern Metals is well placed to ramp up exploration at Arunta, having secured the necessary approvals to conduct field operations. We are expecting to see an acceleration of activity in the Northern Territory now the path is clear to undertake our plans.

Our team has been busy reviewing historical exploration over the Arunta area and has completed initial visits to Barrow Creek. We have also expanded our presence in this province since listing by acquiring a portfolio of significant exploration assets, including the Neutral Junction Project, providing further optimism about what we can achieve.

I would like to thank all of our management team and employees for their efforts over the past year. You have already proven that Browns Reef has the makings of an outstanding project and set up the opportunity at Arunta. Having exploration programs underway at both sites is an exciting prospect.

I would also like to thank our shareholders for the confidence you have placed in us through the IPO in 2021 and up until today. With a busy period ahead for Eastern Metals, the Company looks forward to you joining it on this journey and keeping you updated on progress.

Robert (Bob) Duffin
Chairman
Sydney
30 September 2022

Directors' Report

The Directors present their report, together with the financial statements of Eastern Metals Limited ('**the Company'** or **"Eastern Metals"**) at the end of and during the year ended 30 June 2022.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Bob Duffin BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM (Non-Executive Chairman)

Appointed 2 September 2020

He is a company director with more than 45 years' experience in resource exploration, project assessment, mining investment analysis, and company management.

Bob commenced his career with the Geological Survey of New South Wales and has held senior positions in the exploration divisions of Peko-Wallsend Limited and MIM Holdings Limited, two of Australia's largest mining companies at the time. He is a former managing director of an international resource exploration consulting and contracting firm, and general manager of a listed mining investment company. He has lived and worked in mining communities, including periods in Kalgoorlie in Western Australia and Mount Isa in Queensland, where he worked on exploration programs for many commodities, including copper, other base metals, gold, uranium and iron ore. He later worked as a mining analyst with three stockbroking firms and was head of research at one of Australia's leading brokers in the 1980s.

Bob is a former Non-Executive Director of several listed companies, including Centennial Coal, Midwest Corporation, Ferrowest, Burmine, Austmin Gold, Mt Lyell, the UK resources investment company Europa Minerals Group, and Mancala, a mining contractor. Most recently, he was Chairman of WPG Resources Limited.

Wayne Rossiter BE (Mining), CA, MAppFin, MAusIMM, GMAICD CEO & Managing Director

Appointed 2 September 2020

He is a mining engineer and chartered accountant. Wayne has held senior finance and management roles in resource and energy companies, developing knowledge and experience in transitioning companies from the exploration stage through to development and into production. His range of experience includes precious metals, gold, iron ore, underground coal gasification, coal seam gas, coal, and conventional oil and gas, with global experience covering Australia, Africa, China, Indonesia, the USA, the UK, the former Soviet Republic of Georgia and the Middle East.

Most recently, Wayne is also an advisor at Novus Capital and he is former Chief Executive Officer of WPG Resources Limited.

Cathy Moises BSc (Hons), Dip SIA Deputy Chair and Independent Non-Executive Director

Appointed 26 July 2021 Resigned 28 September 2022

She is a geologist and mining investment analyst who has transitioned to corporate roles and a career more recently as an independent non-executive director of several listed companies. In her career as a mining analyst, she worked with McIntosh (now Merrill Lynch), County Securities (now Citigroup), Evans and Partners, and Patersons Securities, where she was head of research. She then moved to the corporate sector where she became head of investor relations and business development at Perseus Mining.

She is independent chair of Pacific Gold and an independent non-executive director of WA Kaolin, Arafura Resources, Australian Potash, Podium Minerals, and Pearl Gull. She is also an independent member of the investment committee at Argonaut Securities. Her key areas of industry experience include gold, base metals, mineral sands and the rare earths sector.

Jason Berton BEc BSc (Hons) PhD Independent Non-Executive Director

Appointed 26 July 2021

He is a geologist and company director. He started his career as an exploration and mine geologist at the Plutonic gold mine in Western Australia then moved to BHP Billiton in South Australia, where he worked on the Olympic Dam mine expansion project. He has also worked with SRK, an international firm of consulting geologists, and spent two years in private equity assessing resource sector investment opportunities. He is a former Managing Director of Estrella Resources, and is a director of PolarX, where he played a major role in negotiating the acquisition of key tenements in North America. He is also a non-executive director of Lithium Plus Minerals Limited.

Jason's honours thesis was focussed on the geology of the Lake Cargelligo area in New South Wales, close to the Company's Browns Reef deposit, and his doctorate was in structural geology. He has strong entrepreneurial and corporate skills, as well as a very firm understanding of structural geology and its role in the formation of metalliferous orebodies.

Gary Jones, BSc FAusIMM Non-Executive Director

Appointed 2 September 2020 Resigned 13 August 2021

He is a geologist with more than 50 years professional experience in mineral exploration and resource and reserve estimation for various type of mineral deposits including porphyry copper-gold, epithermal gold, base metals and iron ore. He is Managing Director of Geonz Associates Ltd, a leading New Zealand firm of consulting geologists, and has been an independent consultant to the mining industry for more than 30 years during which time he completed assignments in many parts of the world including Australia, Indonesia, North and South America, Canada, and New Zealand.

Company Secretary and Chief Financial Officer

Ian Morgan B Bus, M Com Law, Grad Dip App Fin, CA, AGIA, MAICD, F Fin

Appointed 1 July 2021

Ian is a member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia, with over 35 years of experience. Ian provides secretarial and advisory services to a range of companies, including holding the position of Company Secretary and CFO for other listed public companies.

Nature of Operations and Principal Activities

Eastern Metals Limited is an early-stage mineral exploration company.

Dividends

There were no dividends paid or declared by the Company to members during or since the end of the financial year.

Review of Operations and Outlook

Eastern Metals (ASX: EMS) is an Australian exploration company which owns three projects in the Northern Territory and New South Wales. Our portfolio covers critical minerals which include our zinc-dominant polymetallic project at Browns Reef and our copper-dominant Home of Bullion Mine. These Advanced Exploration assets were acquired from Wesfarmers Limited and were previously explored by Kidman Resources, which spent more than $9 million on them including extensive drilling activities. Our tenements are also prospective for nickel, lithium, rare earths and precious metals.

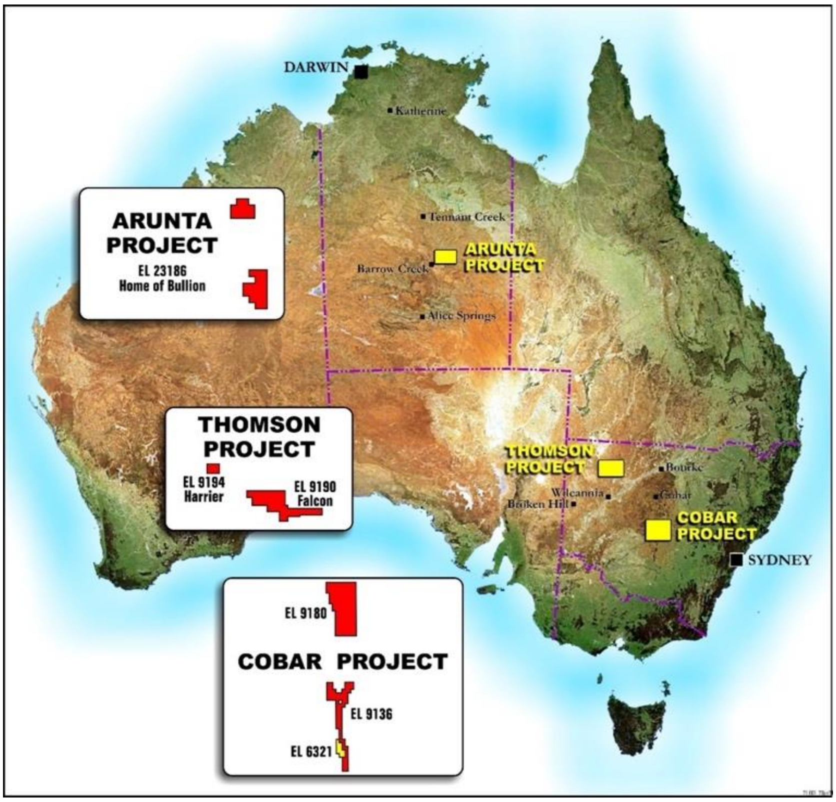

Figure 1 *Location of Eastern Metals' Project Portfolio.*

We listed on the Australian Securities Exchange (ASX) on 25 October last year having raised $6 million through a fully subscribed Initial Public Offer (IPO). Though our field activities were delayed due to COVID-19 travel restrictions and flooding we have now drilled at both of our flagship assets, resulting in the Evergreen discovery at Browns Reef and a potential extension of the resource estimate at the Home of Bullion Mine.

These highly successful programs will continue in the coming year along with other lower capital intensity programs designed to identify further copper targets complementary to the Home of Bullion Mine and the advance of our earlier stage critical minerals portfolio.

We have also acquired a complementary tenement package in the Northern Territory which expands our footprint around the Home of Bullion Mine in areas of known copper anomalism and within the Barrow Creek pegmatite field. This acquisition also includes a separate contiguous tenement package within the broader Arunta pegmatite province which is adjacent to the Sandover copper project and is prospective for base and precious metals, rare earths (REEs) and lithium.

COBAR PROJECT

Our Cobar Project is located in the southern Cobar Basin which is a prolific mining district with a long history of primarily base and precious metals mining. Our flagship asset is the Browns Reef zinc-silver-lead deposit which has an exploration target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6-0.7% lead, 9-10g/t silver and 0.2-0.3% copper. The Company also holds other tenure in the area including over areas of the Woorara fault, which is believed to be the controlling structure for the Browns Reef deposit.

The Browns Reef base metal deposit lies 5km west of the town of Lake Cargelligo, approximately 470km west of Sydney in New South Wales. The area surrounding the Browns Reef deposit is used for agricultural purposes, including grazing and cropping.

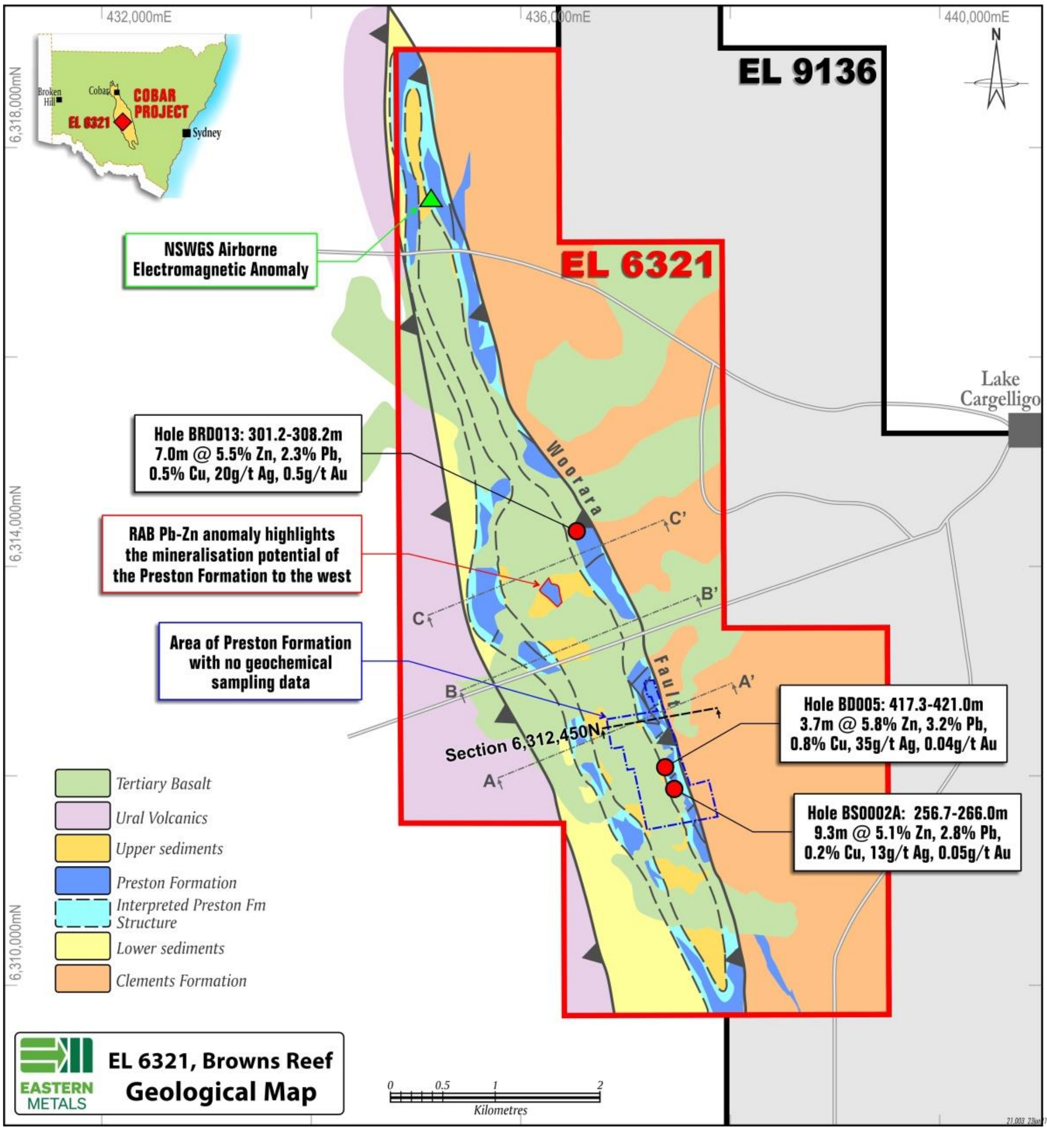

Figure 2 *Interpreted Browns Reef structure with the location of the previous high-grade broad intersections which are the initial focus of Eastern Metals' exploration.*

The known deposit at Browns Reef occupies a small part of the tenement. Most of the historical deeper drilling to date has been confined to a zone approximately 2.7km long in the central to southern part of the tenement and is situated on the eastern flank of the interpreted 8km long syncline structure.

Eastern Metals’ strategy at Browns Reef has been to identify, based on previous drilling, areas within the exploration target envelope where higher grade zones of base metal mineralisation may occur. Two primary targets areas being the Browns Reef North and the Browns Reef South High Grade Target zones were identified. Landholder access was obtained over the Browns Reef North target zone which is where the drilling was undertaken during the reporting period.

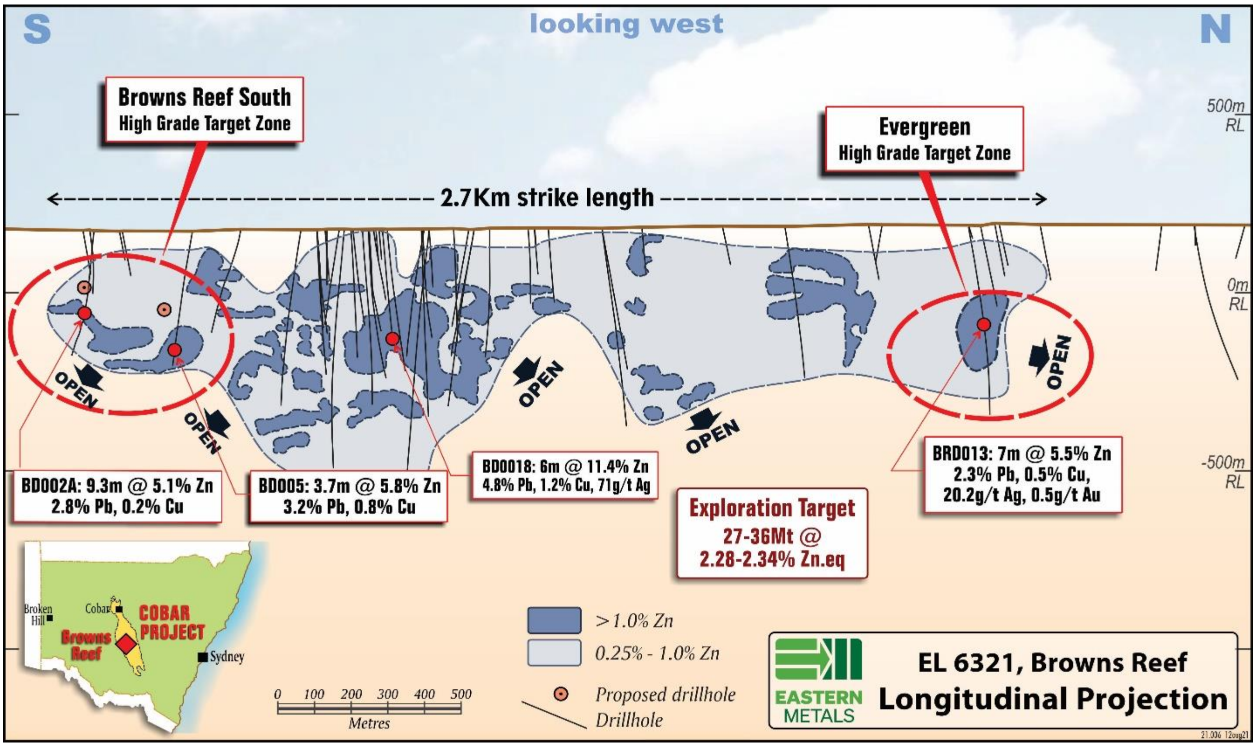

Figure 3 *Long section of Browns Reef deposit previously drilled which identifies the Browns Reef North “High Grade Target Zone”, now known as the Evergreen Zone.*

The Company’s initial drilling program at Browns Reef was completed in March 2022 with ore grade and width mineralisation in all four holes drilled. A second round of drilling commenced at Browns Reef in late May and involved step-out drilling along strike from the Evergreen Zone discovery. This round was designed to extend the Evergreen Zone along strike to both the north and the south. Drilling of the northern holes has been deferred due to wet inaccessible ground conditions, however, the southern holes again delivered ore grade and width intersections.

Mineralised intervals included:

- BRD016: **6.0m @ 3.2% Zn**, 1.3% Pb, 0.12% Cu, 8.6g/t Ag and 0.3g/t Au from 453.5m;
- BRD017: **13m @ 5.4% Zn**, 2.3% Pb, 0.14% Cu, 11.5g/t Ag and 0.9g/t Au from 225m

  including **2m @ 14.6% Zn**, 5.1% Pb, 0.22% Cu, 22.5g/t Ag and 0.5g/t Au from 225m;
- BRD018: **16m @ 4.1% Zn**, 1.6% Pb, 0.33% Cu, 27.5g/t Ag and 0.4g/t Au from 251m

  including **6m @ 7.3% Zn**, 2.3% Pb, 0.58% Cu, 47.7g/t Ag and 0.9g/t Au from 251m;
- BRD019: **12.5m @ 8.1% Zn**, 2.6% Pb, 0.10% Cu, 17.3g/t Ag and 0.5g/t Au from 269.5m including **8.5m @ 9.8% Zn**, 2.7% Pb, 0.12% Cu, 22.9g/t Ag and 0.6g/t Au from 269.5m,

  and two significant Cu-rich zones which averaged 1.9% Cu over 4m from 279m and 1.4% Cu over 3m from 295m.
- BRD020: **5.0m @ 2.89% Zn**, 1.50% Pb, 0.08% Cu, 8.64 g/t Ag and 0.14 g/t Au from 200m downhole

- BRD021: **16m @ 4.18% Zn**, 1.86% Pb, 0.12% Cu, 11.63 g/t Ag and 0.29 g/t Au from 292m downhole including **3m @ 9.89% Zn**, 3.75% Pb, 0.06% Cu, 21.7 g/t Ag and 0.23 g/t Au from 292m; **1m @ 16.45% Zn**, 4.8% Pb, 0.09% Cu, 41.4 g/t Ag and 0.53 g/t Au from 294m and **3m @ 5.55% Zn**, 2.3% Pb, 0.47% Cu, 25.9 g/t Ag and 0.4 g/t Au from 305m

This drilling has resulted in the **discovery of the Evergreen Zone**, which is potentially a significant high-grade zinc zone with elevated levels of Pb, Cu, Ag and Au. The Evergreen Zone been defined over a strike length of 150 metres and a depth of 300 metres. The discovery remains open along strike and down dip.

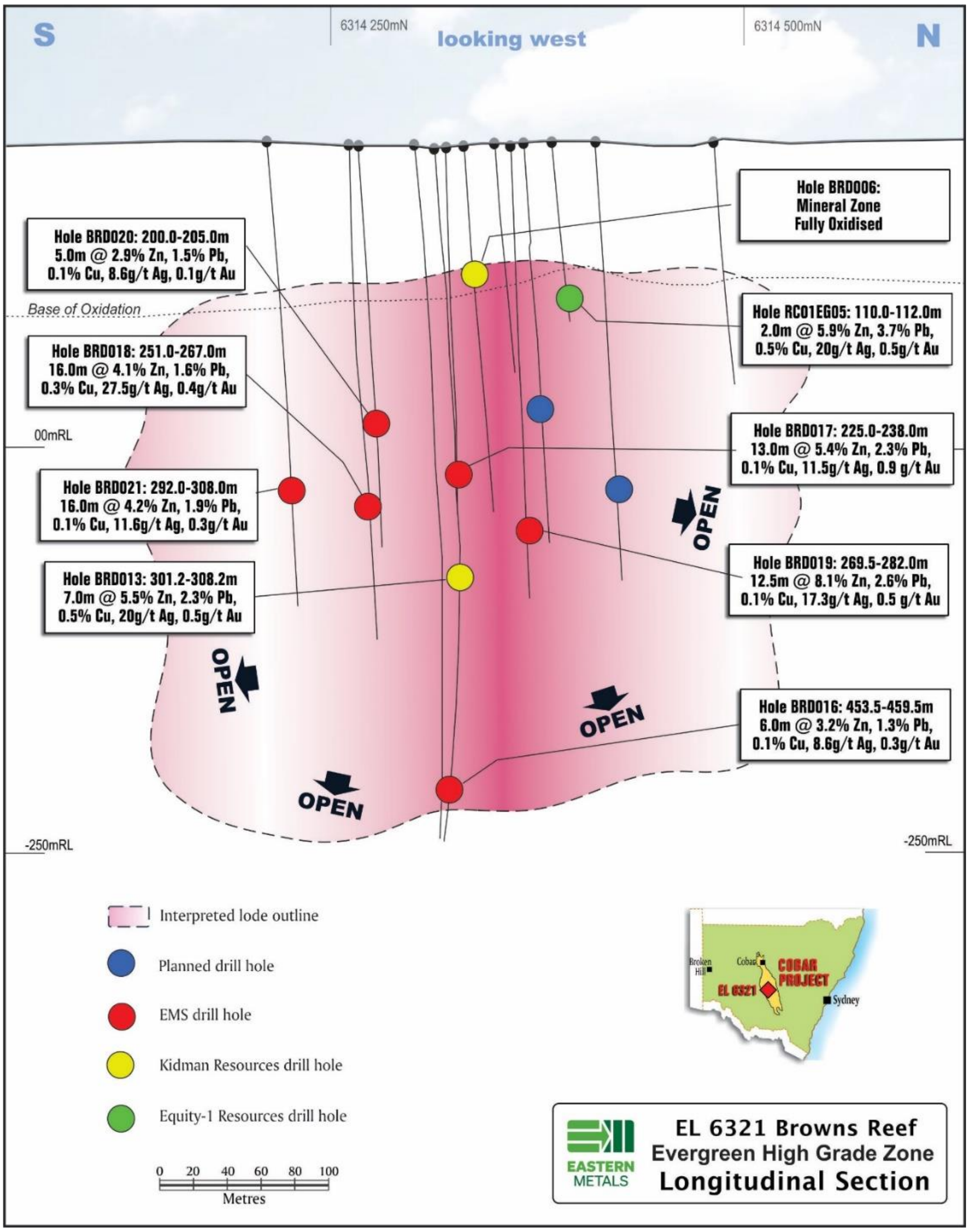

Figure 4 *Long Section of Browns Reef Evergreen Zone.*

A long section for the Evergreen Zone is shown in Figure 4. This drawing shows in red the pierce points for the six holes drilled to date by Eastern Metals, those drilled by other companies are in yellow and green, and the two additional holes intended to be drilled by Eastern Metals as part of the current program are in blue.

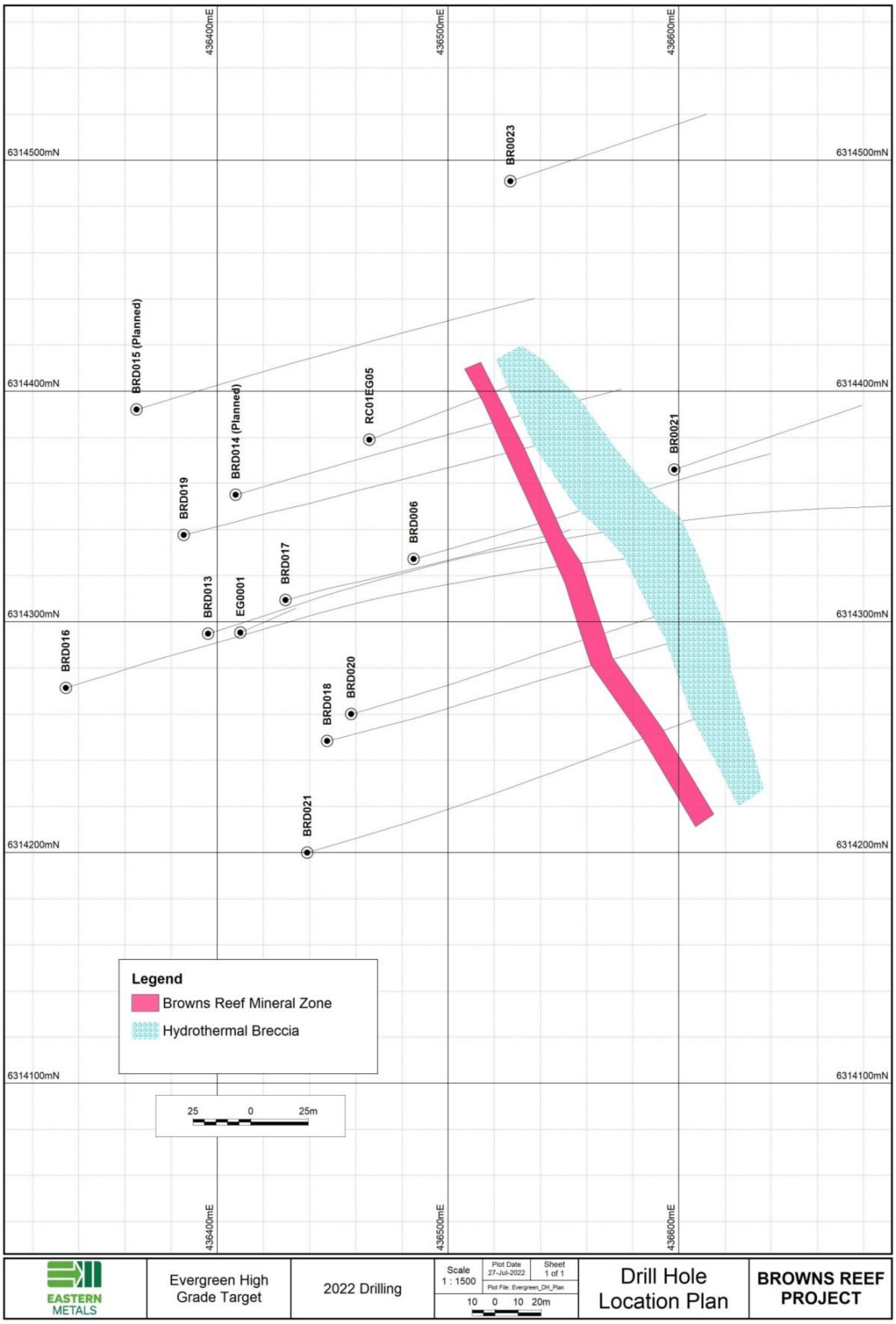

Figure 5 *Browns Reef Project drill hole location plan showing interpreted mineralised lode and hydrothermal breccia zone at -70m RL.*

The surface projections of these holes and holes drilled earlier by Kidman Resources and another previous tenement holder, Equity 1, in the Evergreen Zone area are shown in Figure 5.

Figures 6 and 7 are cross sections spaced at 50m intervals along strike and show each of the new holes drilled by Eastern Metals together with logged sulphide intervals and the interpreted lode and footwall hydrothermal breccia.

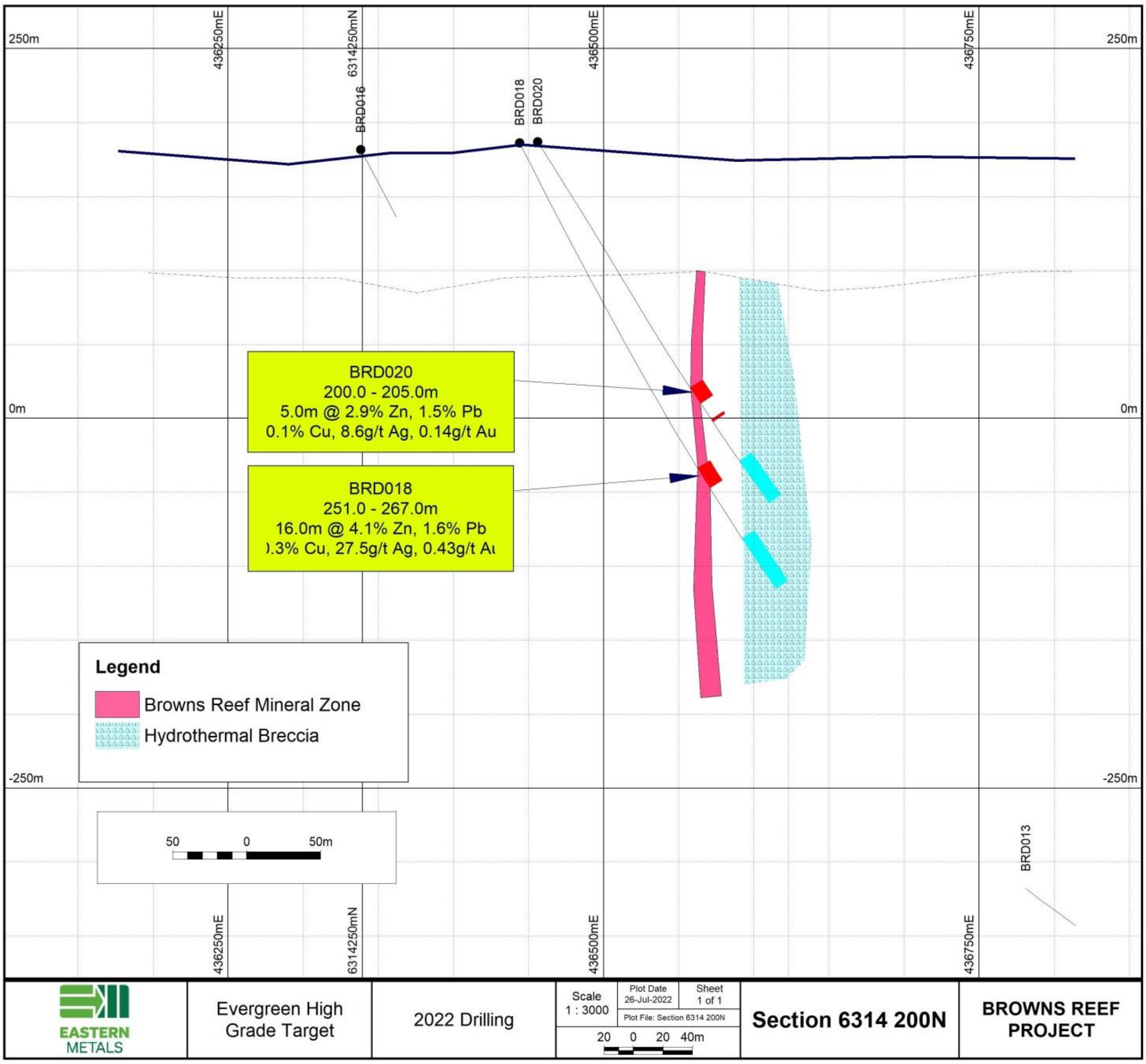

Figure 5 *Interpreted cross section* ***6314 200N*** *through the Browns Reef deposit showing previous drill hole traces and hole BRD020.*

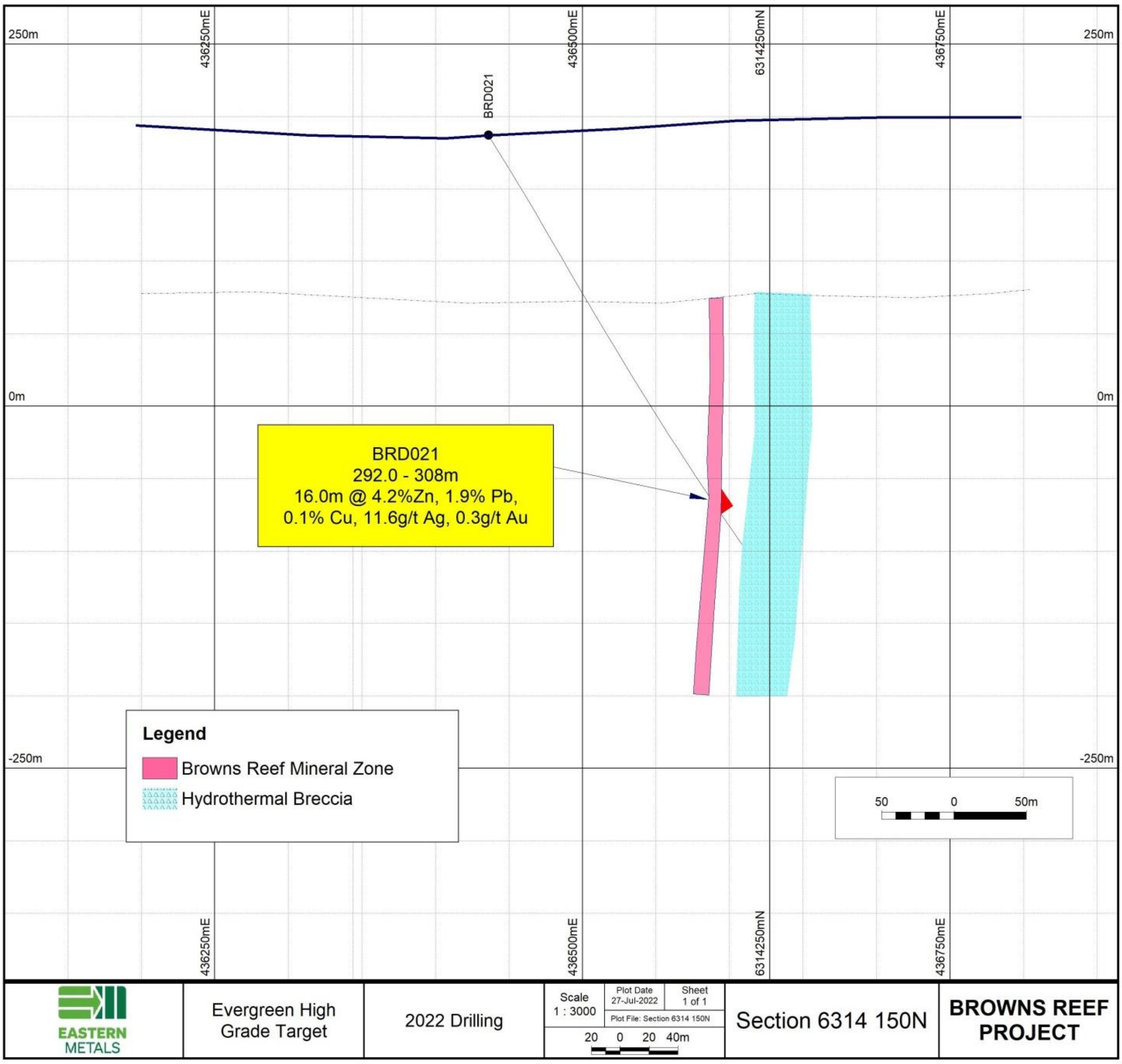

Figure 6 *Interpreted cross section* ***6314 150N*** *through the Browns Reef deposit showing the drill hole trace for hole BRD021.*

ARUNTA PROJECT

Eastern Metals' flagship asset at the Arunta Project is the Home of Bullion Mine at Barrow Creek on EL23186, which was acquired from Kidman Resources. Home of Bullion hosts a total **Indicated and Inferred Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold**. The Home of Bullion Mine is classified as an Advanced Exploration Project under the Valmin Code. Prospect D, which hosts both high-grade copper and nickel intersected in drilling, is also located on the Barrow Creek tenement.

Eastern Metals expanded its position at the Arunta Project during the reporting period with the acquisition of six exploration licences from the unlisted Bowgan Minerals Limited. All of the tenements lie within the Arunta pegmatite province. The acquisition included tenure immediately adjacent to and along trend from the Home of Bullion Mine in areas of known copper anomalism, including the Mulbangas copper prospect which also lies within the Barrow Creek pegmatite field. The broader tenement package is prospective for base metals, lithium, REEs and gold.

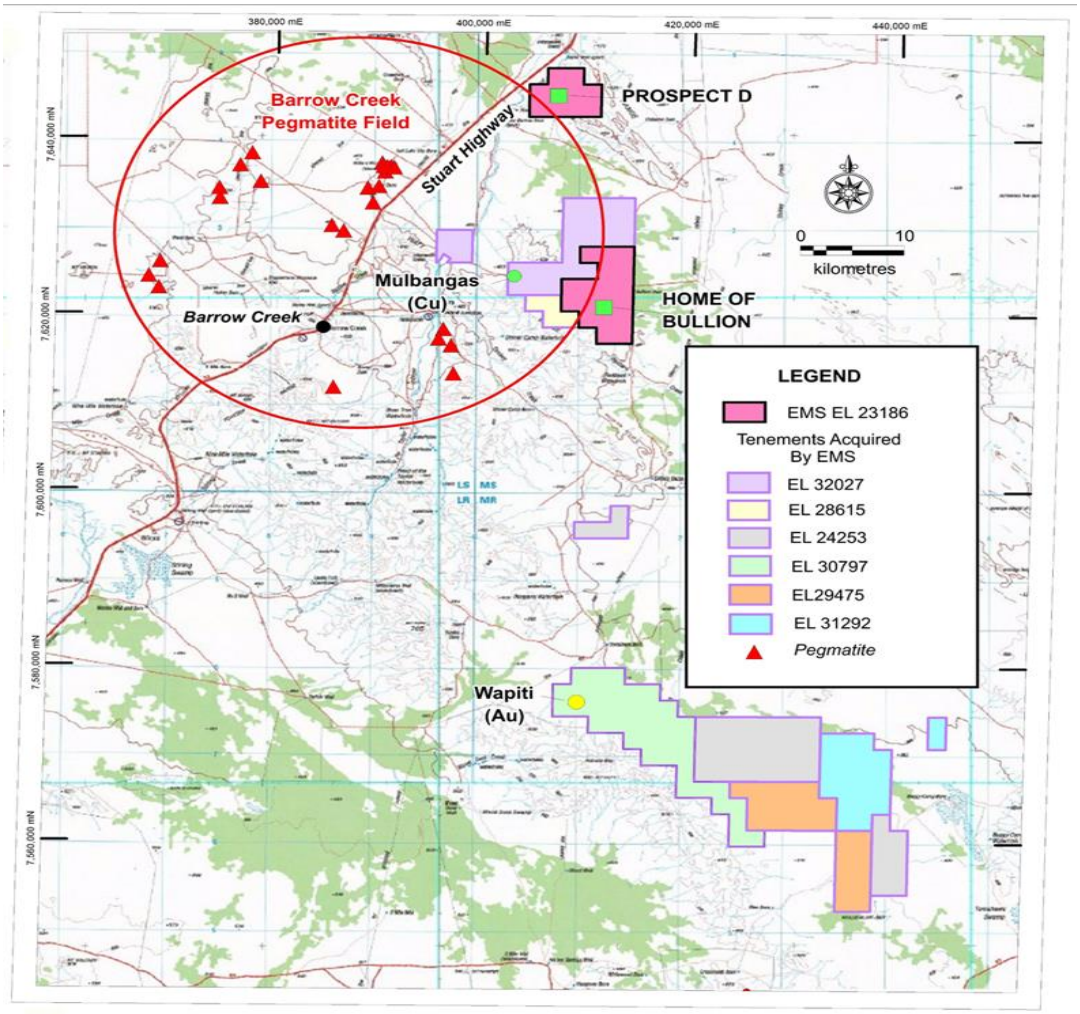

Figure 7 *Eastern Metals expanded Arunta Project tenure showing interpreted Barrow Creek pegmatite field.*

The Company's strategy at Arunta is to conduct resource expansion drilling on the Home of Bullion Mine, where the existing resource remains open along strike and down dip. In addition, several potential VMS (volcanic massive sulphide) and targets exist along trend, principally to the west and northwest of the deposit. This drilling commenced following the reporting period.

This copper trend continues from the existing tenure into the Home of Bullion-Donkey Creek tenement package acquired from Bowgan, which includes the Mulbangas copper prospect on EL32027. During 1995-1996, this area was explored by Aberfoyle, which outlined anomalous levels of copper-lead-zinc mineralisation, along with gold and silver. Targets have not been followed up with deep drilling. Eastern Metals has reviewed historical exploration information over the area and is planning a drone magnetic survey over targets on and around Home of Bullion and near the Mulbangas copper prospect.

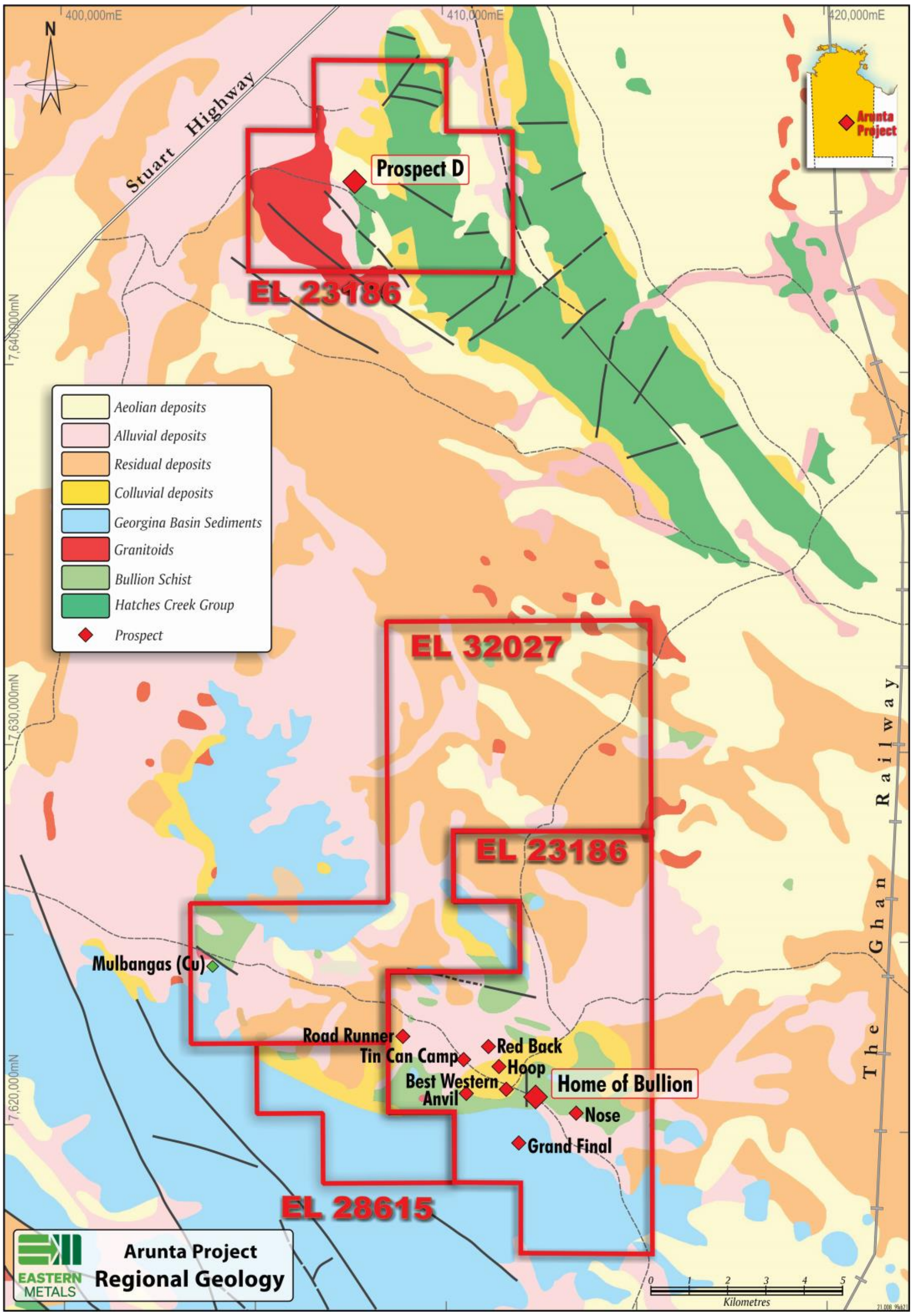

Figure 8 *Home of Bullion-Donkey Creek tenement area showing named copper prospects.*

In addition to the metalliferous exploration opportunities at Barrow Creek, EL 23186 holds potential for the discovery of hard rock lithium deposits developed in pegmatites. Accordingly, Eastern Metals elevated its priorities to identify potentially lithium-bearing pegmatites at Barrow Creek. The pegmatites are related to the Barrow Creek granite complex, which occurs widely throughout the Barrow Creek area, including at Prospect D where it outcrops. Pegmatites have now been visually identified in granite outcrops in the vicinity of tenure and also pegmatite specimens have been found on and around the Home of Bullion Mine site.

During the reporting period, Eastern Metals obtained all requisite approvals to conduct field operations in the Northern Territory. A Land Access and Compensation Agreement was entered into with the owners of Neutral Junction in late 2021 and the Mine Management Plan for Home of Bullion was approved by the Northern Territory Government. New Sacred Site Clearances Certificates (SSCCs) were received in late June 2022 and a soil sampling orientation program along with drilling operations at Home of Bullion both commenced in July. The Neutral Junction Station on which the Home of Bullion-Donkey Creek tenements are situated was sold on 2 August 2022 with a Deed of Assignment of the Land Access and Compensation Agreement pending execution. Application for renewal of EL23186, which was due to expire on 14 July 2022, has been applied for with the Northern Territory Government.

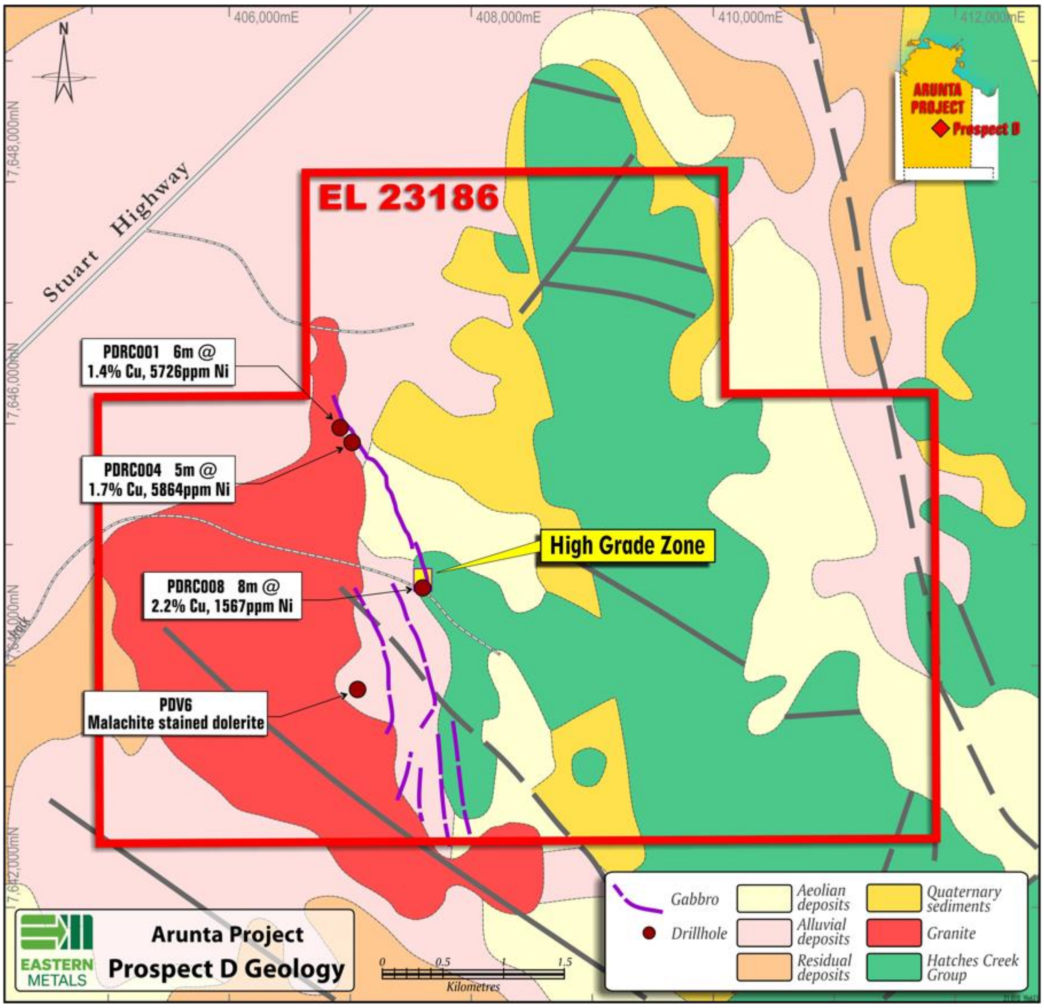

Figure 9 *Prospect D with high grade copper and nickel intercepts*

Up to $142,000 in Northern Territory Government funding has been granted for resource extension drilling at the Home of Bullion Mine project from the Geophysics and Drilling Collaborations (GDC) program.

Phase 1 of the resource expansion drilling at Home of Bullion was completed in late August and comprised three diamond drill holes totaling 1,474 metres which were designed to test potential extensions to the existing resource. Hole HDD049B encountered copper mineralisation over a total continuous interval of 13.6 metres outside of the existing resource estimate wireframes. Intervals of mineralisation intersected as follows:

- 9.1m from 537.4m to 546.5m downhole with banded and disseminated chalcopyrite and galena;
- 3.9m from 546.5m to 550.4m downhole with strong to intense visible chalcopyrite, galena, pyrrhotite and granular sphalerite; and
- 0.7m from 550.4m to 551.1m downhole with banded and disseminated chalcopyrite

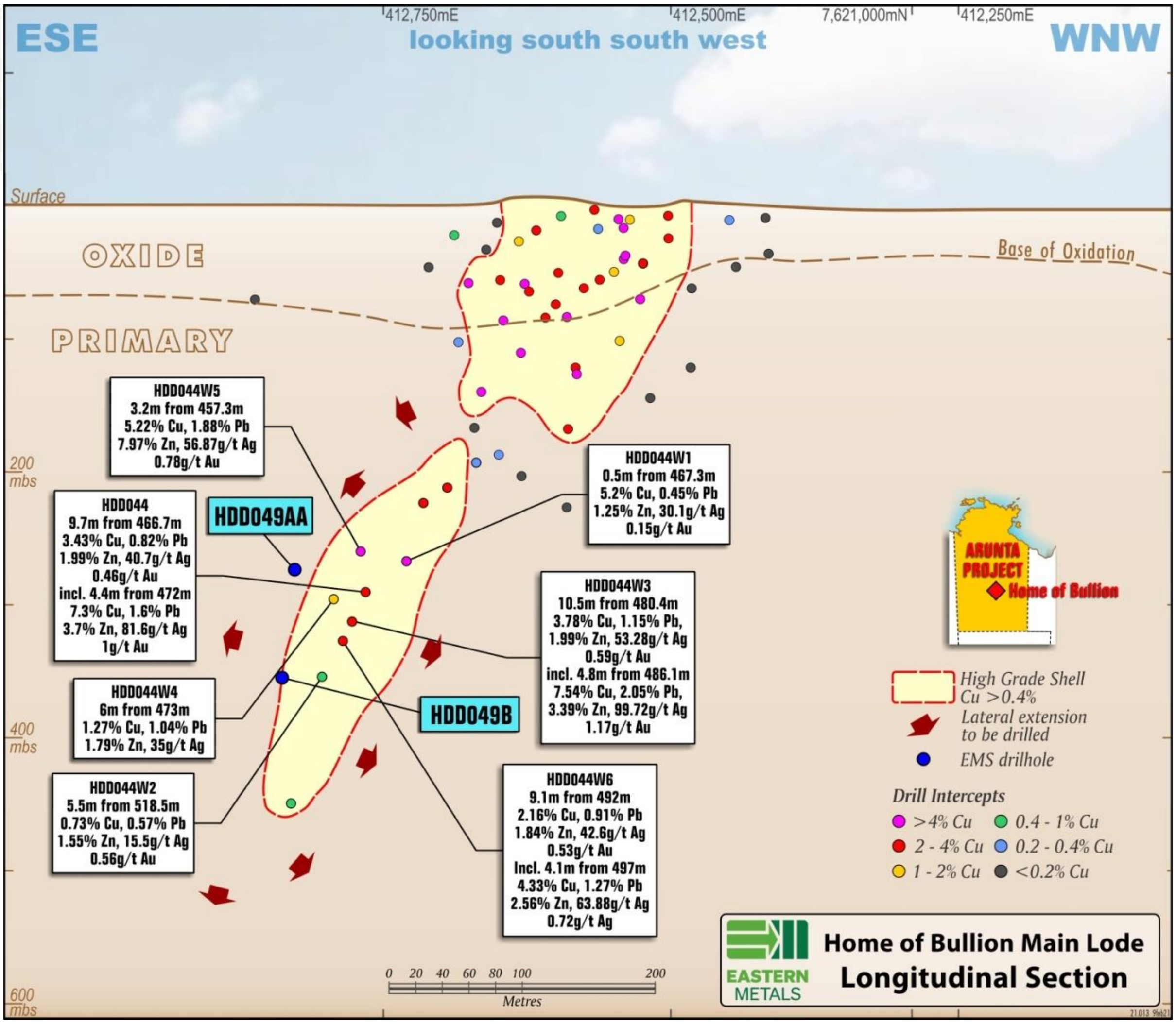

Figure 10 *Long Section, Main Lode, Home of Bullion showing location of HDD049B.*

Figure 11 shows the drilling traces of both HDD049AA and HDD049B. **Neither of the intercepts in these holes pierce the current resource estimate wireframes but extend it**. The strong to intense mineralisation in HDD049B appears to be cut off by a large quartz vein with possible faulting having truncated mineralisation continuity downhole. Future drill holes will be designed to test for intersections of intense mineralisation laterally and vertically to HDD049B where the mineralised area may have been displaced due to possible faulting. The diamond core has been dispatched from site for processing and subsequent assaying.

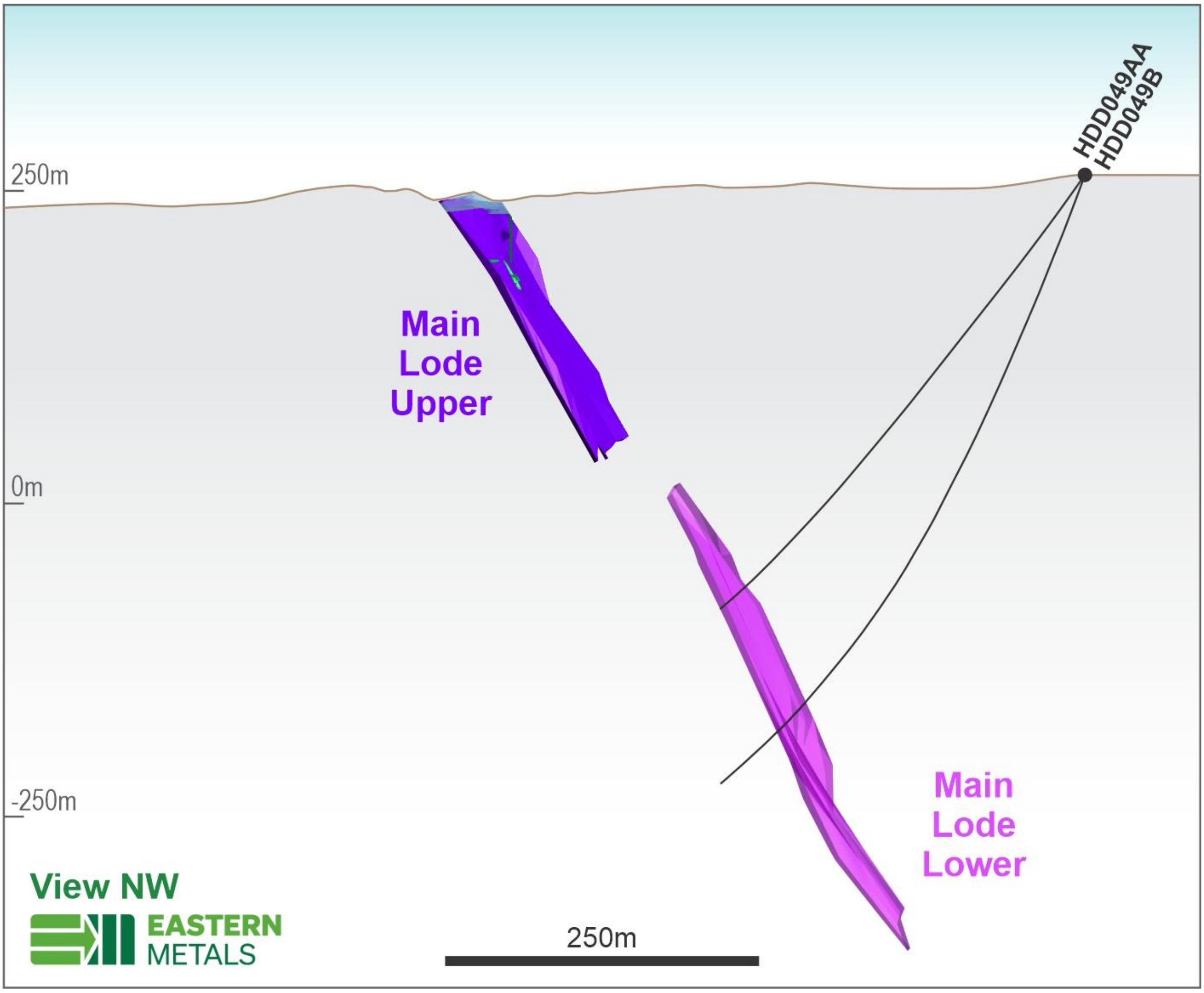

Figure 11 *Drill hole traces HDD049AA and HDD049B, Home of Bullion.*

THOMSON PROJECT

The Thomson Project in New South Wales consists of two exploration licences, EL 9194 Harrier and EL 9190 Falcon, approximately 250km northwest of Cobar. The Company's targets within the Thomson Project tenements are copper-gold and lead-zinc-silver deposits similar to the Great Cobar and CSA Copper-Gold Mine, and the Endeavour Lead-Zinc Mine.

The targets are "discrete" magnetic anomalies caused by some localized geological feature of possible orebody scale including:

- Bullseye anomalies that could be due to steeply-dipping, pipe-like sulphide bodies, similar to the upper part of the Endeavor Pb-Zn-Ag deposit;
- Strike-limited, more linear magnetic anomalies, that could be due to more tabular bodies, such as the deeper parts of the Endeavor Pb-Zn-Ag deposit; and
- More complex magnetic anomalies that could be due to pipe-like of tabular bodies, disturbed by magnetic or non-magnetic intrusives.

Drilling by previous explorers has either been mis-targeted or too shallow to satisfactorily test the anomalies.

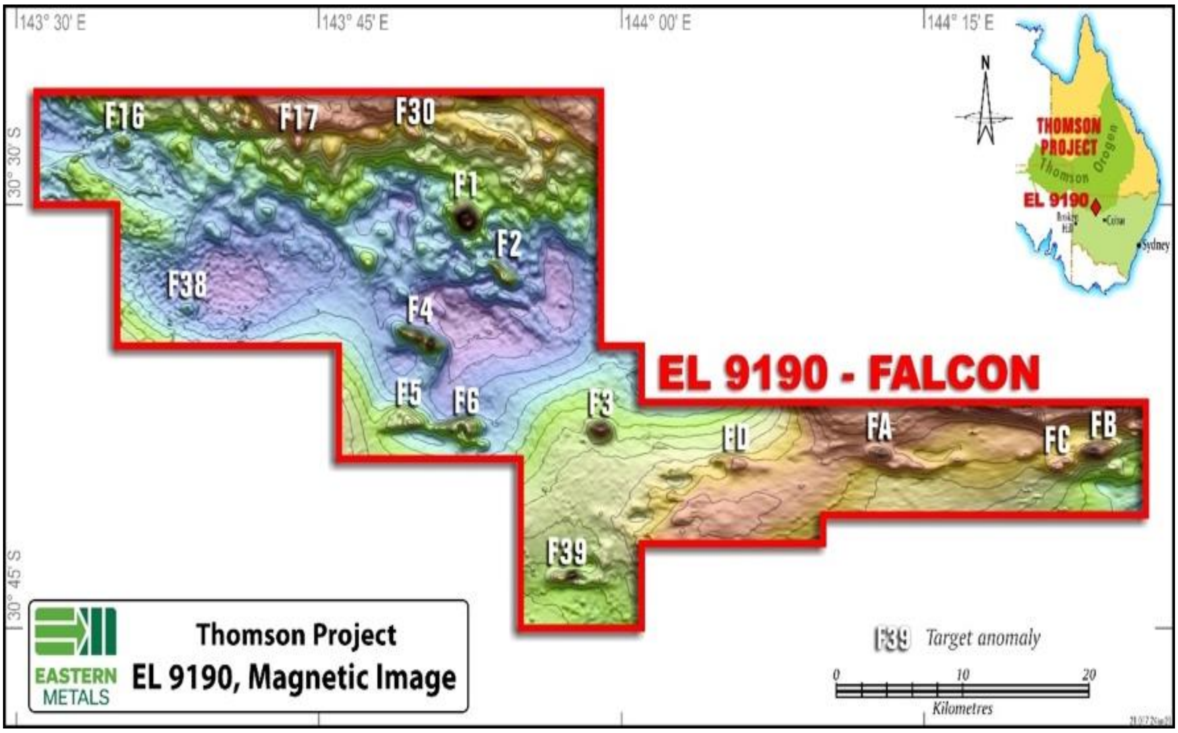

Figure 12 *EL9190 "Harrier" showing magnetic targets.*

No field work was undertaken at the Thomson Project during the reporting period, however, meetings were held with the landholders with the first of six Land Access and Compensation Agreements signed. Eastern Metals has designed drilling programs and is seeking funding partners to undertake this work.

CORPORATE

Eastern Metals commenced trading on the ASX on 25 October under the code EMS. The Company's IPO was fully subscribed and raised $6 million through the issue of 30 million shares at $0.20 per share with an additional 10 million unlisted three-year options with an exercise price of $0.30 issued on a 1 for 3 basis, giving the Company a market capitalisation of approximately $10.9 million at the offer price.

During the June quarter, Eastern Metals executed the Asset Sale Agreement with Bowgan Minerals Limited, following entering into a Binding Heads of Agreement, to acquire the portfolio of significant exploration assets located in the Arunta pegmatite province in the Northern Territory. The acquisition included tenure immediately adjacent to and along trend from the Company's Home of Bullion Copper Mine, which demonstrates excellent potential for copper-gold mineralisation. The broader tenement package is prospective for base metals, lithium, REEs and gold.

The key terms of the acquisition included consideration of $150,000, made up of $50,000 in cash and the allotment of 408,163 fully paid EMS shares, issued at a price of $0.245 per share. The issue price of $0.245 per share was the 30-day VWAP of the Company's shares traded prior to the acquisition and is a 22.5% premium to the Company's October 2021 IPO price. The shares issued as part of the acquisition will be escrowed for 12 months from the date of issue. Consideration will be paid upon transfer of the tenements, and/or legal interest, to the Company which is expected in the September quarter CY2023.

Eastern Metals also entered into a Services Agreement for an entity related to Dr Jason Berton, a Non-Executive Director of the Company, to provide 3D geological modelling services for the Company's Arunta Project. The agreement was on normal commercial terms, including a rate of $1,000 per day excluding GST, and can be terminated with notice of one month.

The Company incurred a $2,941,615 loss after tax for the year ended 30 June 2022 ($445,453 loss for the period ended 30 June 2021).

Change in Accounting Policy

The Company's financial report has been prepared on the basis of an application of a voluntary change in accounting policy relating to intangible expenditure.

The previous accounting policy capitalised and carried forward mining, exploration and evaluation expenditure as an asset, when rights to tenure of an area of interest were current and costs were expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale.

The new accounting policy is to charge exploration and evaluation expenditure against profit and loss as incurred except for acquisition costs and for expenditure incurred after a decision to proceed to development is made, in which case the expenditure would be capitalised as an asset.

Refer to Note 2 and Note 12 of the consolidated financial report for further information on this change.

Events Subsequent to the Reporting Date

There are no matters or circumstances that have arisen since the end of the year which significantly affected, or may significantly affect, the operations of the Company, the results of these operations or the Company's state of affairs in future financial years.

Significant changes in the state of affairs

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

Likely developments and expected results of operations

The Company intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental Regulation

The Board believes that the Company has adequate systems in place for the management of its environmental requirements.

Based on results of enquiries made, the Directors are not aware of any significant breaches during the period covered by this report.

Directors' Meetings

During the year ended 30 June 2022, there were ten Board meetings and two Audit Committee meetings where Directors were eligible to attend and attended in person or by alternate during the financial year:

Director	Board Meetings		Audit Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Robert Duffin	10	10	2	2
Wayne Rossiter	10	10	-	-
Gary Jones	3	3	-	-
Cathy Moises	7	7	2	2
Jason Berton	7	7	2	2

EASTERN METALS

Movements in Securities Held by Directors

The relevant interest of each director in the Company's ordinary fully paid shares and options over shares issued by the Company, at the date of this report is as follows:

Shares

2022

Director	Balance of Shares at 1 July 2021 Number	Share Splits Number	Shares issued during the period Number	**Balance of Shares at the date of the Directors' Report or date of resignation, as applicable Number**
Robert Duffin (appointed 2 September 2020)	2,500,000	-	11,666,667	**14,166,667**
Wayne Rossiter (appointed 2 September 2020)	2,500,000	-	-	**2,500,000**
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	2,500,000	-	-	**2,500,000**
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	-	-	**-**
Jason Berton (appointed 26 July 2021)	-	-	-	**-**

2021

Director	Shares issued at 2 September 2020 Number	Share Splits Number	Shares issued during the period Number	Balance of Shares at the date of the Directors' Report (15 Oct 2021) or date of resignation, as applicable Number
Robert Duffin (appointed 2 September 2020)	1	2,499,999	11,666,667	14,166,667
Wayne Rossiter (appointed 2 September 2020)	1	2,499,999	-	2,500,000
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	1	2,499,999	-	2,500,000
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	-	-	-
Jason Berton (appointed 26 July 2021)	-	-	-	-

Options Exercise Price $0.30 Each Expiring After Three (3) Years Commencing 14 October 2021 (ASX escrowed to 14 October 2023)

2022

Director	Balance of Options at 1 July 2021	Options granted during the period	**Balance of Options at the date of the Directors' Report or date of resignation, as applicable**
	Number	Number	**Number**
Robert Duffin (appointed 2 September 2020)	1,000,000	-	**1,000,000**
Wayne Rossiter (appointed 2 September 2020)	4,000,000	-	**4,000,000**
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	1,000,000		**1,000,000**
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	1,000,000	**1,000,000**
Jason Berton (appointed 26 July 2021)	-	1,000,000	**1,000,000**

2021

Director	Balance of Options at 2 September 2020	Options granted during the period	Balance of Options at the date of the Directors' Report (15 Oct 2021) or date of resignation, as applicable
	Number	Number	Number
Robert Duffin (appointed 2 September 2020)	-	1,000,000	1,000,000
Wayne Rossiter (appointed 2 September 2020)	-	4,000,000	4,000,000
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	-	1,000,000	1,000,000
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	1,000,000	1,000,000
Jason Berton (appointed 26 July 2021)	-	1,000,000	1,000,000

Remuneration Report

This report outlines the remuneration arrangements in place for key management personnel of the Company. Remuneration is referred to as compensation throughout this report.

Remuneration Policy

Directors and key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company.

Compensation levels for key management personnel of the Company will be competitively set to attract and retain appropriately qualified and experienced Directors, executives and future executives. Current remuneration levels are driven largely by the requirement to conserve cash within the Company. There were no remuneration consultants used to set the remuneration of key management personnel.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the Company's performance
- the Company's performance including:
  - the Company's earnings;
  - the growth in the Company's share price and delivering constant returns on shareholder wealth; and
  - the amount of incentives within each key management person's compensation.

Compensation packages will include a mix of fixed and variable compensation, and short-term and long-term performance-based incentives.

In addition to their salaries, the Company also provides non-cash benefits to its key management personnel, and where applicable, contributes to the individual's elected post-employment superannuation plan on their behalf.

Contract Terms and Conditions

The determination of Directors' remuneration is made by the Board having regard to the current position of the Company, in that it is as yet not in production and continues to preserve cash as much as possible.

The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company.

The Board reviews remuneration to reflect current industry norms, and determines remuneration policies and practices generally, reviews and makes specific decisions on the remuneration packages and other terms of employment of its directors and senior executives.

No Director remuneration package includes terms for redundancy, retirement (excluding statutory superannuation) or termination benefits. No such amounts were accrued or paid for any Director during the current financial year.

Since 30 June 2022, the Company has entered into a services agreement for an entity related to Dr Jason Berton to provide 3D geological modelling services for the Company's Arunta Project. The agreement was on normal commercial terms, including a rate of $1,000 per day excluding GST, and can be terminated with notice of one month.

Terms of Employment

During the year ended 30 June 2022, 3,550,000 (2021: 6,000,000) unquoted options were granted by the Company, in accordance with the Company’s employee share and option plan:

1. 3,250,000 (2021: 5,000,000) options expire on 14 October 2024 and are ASX escrowed to 14 October 2023; and
2. A further 300,000 options were granted and not ASX escrowed. These options expire on 17 February 2025.

Each option is exercisable into one Company ordinary fully paid share for an exercise price of $0.30.

Other than as disclosed in this report, there are no entitlements for the Company’s option holders to participate in new issues of capital which may be offered to the Company’s existing ordinary shareholders.

The Company prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

Options Issued to Directors or Executives

Options were previously granted to Directors, or their nominees, in lieu of market related cash remuneration. The options were granted at no cost to the recipient.

There are no entitlements for the Company’s option holders to participate in new issues of capital, which may be offered to the Company’s existing ordinary shareholders.

No options were exercised by Directors during the financial year ended 30 June 2022 (2021 Nil).

The Company prohibits those that are granted unvested or restricted share-based payments, as part of their remuneration, from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangement has been prohibited by law since 1 July 2011.

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Unquoted Options Granted as Remuneration

The movement during the year in the number of unquoted options of the Company granted as remuneration, held, directly, indirectly or beneficially, by each specified Director including their personally related entities, is as follows:

2022

Director	Balance of Options at 1 July 2021	Options granted during the period	**Balance of Options at 30 June 2022 or date of resignation, as applicable**
	Number	Number	**Number**
Robert Duffin (appointed 2 September 2020)	1,000,000	-	**1,000,000**
Wayne Rossiter (appointed 2 September 2020)	4,000,000	-	**4,000,000**
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	1,000,000		**1,000,000**
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	1,000,000	**1,000,000**
Jason Berton (appointed 26 July 2021)	-	1,000,000	**1,000,000**

2021

Director	Balance of Options at 2 September 2020	Options granted during the period	Balance of Options at 30 June 2021
	Number	Number	Number
Robert Duffin (appointed 2 September 2020)	-	1,000,000	1,000,000
Wayne Rossiter (appointed 2 September 2020)	-	4,000,000	4,000,000
Gary Jones (appointed 2 September 2020 and resigned 13 August 2021)	-	1,000,000	1,000,000
Cathy Moises (appointed 26 July 2021 resigned 28 September 2022)	-	-	-
Jason Berton (appointed 26 July 2021)	-	-	-

Options Vesting Profiles

Details of vesting profiles of the options granted as remuneration to each key management person of the Company and each of the named key management persons are detailed below:

Director	Grant Date	Expiry date	Number	Vested at the end of the reporting period 2022 %	Vested at the end of the reporting period 2021 %	Lapsed during the reporting period 2022 %	Lapsed during the reporting period 2021 %
2022							
Robert (Bob) Duffin	21 April 2021	14 Oct 2024	**1,000,000**	**100%**	100%	-	-
Wayne Rossiter	21 April 2021	14 Oct 2024	**4,000,000**	**100%**	100%	-	-
Cathy Moises	9 July 2021	14 Oct 2024	**1,000,000**	**100%**	-	-	-
Jason Berton	9 July 2021	14 Oct 2024	**1,000,000**	**100%**	-	-	-
Gary Jones (resigned 13 August 2021)	21 April 2021	14 Oct 2024	**1,000,000**	**100%**	100%	-	-
2021							
Robert (Bob) Duffin	21 April 2021	14 Oct 2024	1,000,000	100%	100%	-	-
Wayne Rossiter	21 April 2021	14 Oct 2024	4,000,000	100%	100%	-	-
Cathy Moises	-	-	-	-	-	-	-
Jason Berton	-	-	-	-	-	-	-
Gary Jones (resigned 13 August 2021)	21 April 2021	14 Oct 2024	1,000,000	100%	100%	-	-

Key Financial Statistics

	2022	2021
	$	$
Loss for the financial year attributable to owners of the Company	**2,941,615**	445,453
Working capital surplus / (deficit) at 30 June	**3,499,445**	(155,451)
Net assets / (net asset deficiency) at 30 June	**4,330,794**	(29,058)
Shares on issue at 30 June	**54,542,667**	7,500,000
Share price at 30 June	**$0.12**	Not applicable
Market capitalisation at 30 June	**6,545,120**	Not applicable
	Number	Number
	%	%
Loss on net assets / (net asset deficiency)	**67.9**	(1,533.0)
	$	$
Options benefits of key management persons	**209,050**	627,150
Other compensation of key management persons	**283,391**	-
Total compensation of key management persons for the financial year	**492,441**	627,150

Directors' Remuneration for the year ended 30 June 2022

Details of the nature and amount of each major element of remuneration of each Director of the Company and other key management personnel of the Company are:

Director		Short-term					Post-employment	Other long term	Termination benefits	Share-based payments	**Total**	Proportion of remuneration performance related	Value of options as proportion of remuneration
		Salary & fees	Consulting fees	Cash bonus	Non-monetary benefits	Total	Superannuation benefits			Options[1]			
		$	$	$	$	$	$	$	$	$	**$**		
Robert (Bob) Duffin	**2022**	**45,844**	**-**	-	-	**45,844**	**-**	-	-	**63,876**	**109,720**	**58.22%**	**58.22%**
	2021	-	-	-	-	-	-	-	-	40,649	40,649	100.00%	100.00%
Wayne Rossiter	**2022**	**144,038**	**-**	-	-	**144,038**	**14,404**	**-**	-	**255,506**	**413,948**	**61.72%**	**61.72%**
	2021	-	-	-	-	-	-	-	-	162,594	162,594	100.00%	100.00%
Cathy Moises (appointed 26 July 2021)	**2022**	**31,175**	**-**	-	-	**31,175**	**3,117**	**-**	-	**104,525**	**138,817**	**75.30%**	**75.30%**
	2021	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Jason Berton (appointed 26 July 2021)	**2022**	**32,625**	**-**	-	-	**32,625**	**-**	-	-	**104,525**	**137,150**	**76.21%**	**76.21%**
	2021	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Gary Jones (resigned 13 August 2021)[2]	**2022**	**-**	**12,188**	**-**	-	**12,188**	**-**	-	-	**63,876**	**76,064**	**83.98%**	**83.98%**
	2021	-	-	-	-	-	-	-	-	40,649	40,649	100.00%	100.00%
Total compensation	**2022**	**253,682**	**12,188**	**-**	-	**265,870**	**17,521**	**-**	**-**	**592,308**	**875,699**	**67.64%**	**67.64%**
	2021	-	-	-	-	-	-	-	-	243,892	243,892	100.00%	100.00%

Remuneration Report End

[1] The fair value of the options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

[2] In accordance with section 228 of the *Corporations Act 2001* (Cth), Mr Jones remained a related party for 6 months after his resignation as a director of the Company.

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Shares Under Option

Each option offers the holder the right to be issued one ordinary fully paid Company share upon payment of the exercise price to the Company.

2022

Expiry date	Exercise Price	Options outstanding 1 July 2021	Options granted during the period	Options exercised during the period	Options outstanding at the date of this Directors' Report
		Number	Number	Number	Number
14 October 2024	$0.30	6,000,000	18,250,000	-	24,250,000
17 February 2025	$0.30	-	300,000	-	300,000
		6,000,000	**18,550,000**	**-**	**24,550,000**

2021

Expiry date	Exercise Price	Options outstanding at 2 September 2020	Options granted during the period	Options exercised during the period	Options outstanding at the date of the Directors' Report (15 Oct 2021)
		Number	Number	Number	Number
14 October 2024	$0.30	-	14,250,000	-	14,250,000
17 February 2025	$0.30	-	-	-	-
		-	14,250,000	-	14,250,000

Indemnification and Insurance of Officers and Auditor

Indemnification and Insurance

The Company indemnifies current and former Directors and Officers for any loss arising from any claim by reason of any specified act committed by them in their capacity as a Director or Officer (subject to certain exclusions as required by law).

The Company has paid insurance premiums in respect of directors' and officers' liability. Insurance cover relates to liabilities that may arise from their position (subject to certain exclusions as required by law).

Details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance are not disclosed. Such disclosure is prohibited under the terms of the policy.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

Audit Services

During the year ended 30 June 2022, the Company expensed an amount of $36,250 ($25,000 for the period ended 30 June 2021) payable to its auditor, RSM Australia Partners, for audit services provided to the Company and Eastern Metals Limited.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 28 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in Note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of the Company's Auditor RSM Australia Partners.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* (Cth) is set out on page 60.

Previously Reported Information

Information in this report references previously reported exploration results, including information extracted from Eastern Metals Limited's Prospectus dated 18 August 2021.

The Prospectus and other information are available to view on the Eastern Metals Limited website www.easternmetals.com.au or on the ASX website www.asx.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Signed in accordance with a resolution of the Board of Directors.

Robert (Bob) Duffin
Chairman
Sydney
30 September 2022

EASTERN METALS

Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June 2022

	Note	**Year ended 30 June 2022** **$**	Period 2 September 2020 to 30 June 2021 $
Other Income		**362**	55
Expenses			
Exploration & evaluation expenses	12	**(1,420,865)**	-
Administration expenses	25	**(708,883)**	(201,616)
Share based payments expense	6	**(812,229)**	(243,892)
Total expenses		**(2,941,977)**	(445,508)
Loss before income tax		**(2,941,615)**	(445,453)
Income tax benefit	26	**-**	-
Net loss attributable to the members of the Company		**(2,941,615)**	(445,453)
Other comprehensive income, net of income tax		**-**	-
Total comprehensive loss for the year		**(2,941,615)**	(445,453)
		Cents	Cents
Loss per share – basic	27	**(6.56)**	(10.41)
Loss per share - diluted	27	**(6.56)**	(10.41)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022	30 June 2021
		$	$
Current assets			
Cash and cash equivalents	9	**3,886,004**	380,602
Trade and other receivables	10	**137,525**	4,156
Total current assets		**4,023,529**	384,758
Exploration and evaluation assets	12	**662,718**	86,393
Tenement deposits		**117,069**	40,000
Plant and Equipment	13	**51,562**	-
Total non-current assets		**831,349**	126,393
Total assets		**4,854,878**	511,151
Current liabilities			
Trade and other payables	11	**524,084**	540,209
Total current liabilities		**524,084**	540,209
Total non-current liabilities		**-**	-
Total liabilities		**524,084**	540,209
Net asset surplus / (deficiency)		**4,330,794**	(29,058)
Equity			
Issued capital	6	**7,145,203**	3
Converting note	6	**-**	200,000
Share based payment reserve	6	**1,526,483**	243,892
Capital raising costs		**(953,824)**	(27,500)
Accumulated losses		**(3,387,068)**	(445,453)
Net equity / (deficiency)		**4,330,794**	(29,058)

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

Year Ended 30 June 2022

	Note	Ordinary fully paid shares $	Converting Note $	Accumulated Losses $	Share based payment reserve $	Share Issue Costs $	**Total Equity $**
Balance at 2 September 2020	6	3	-	-	-	-	**3**
Net loss attributable to the members of the Company		-	-	(445,453)	-	-	**(445,453)**
Other comprehensive income for the period, net of tax		-	-	-	-	-	**-**
Total comprehensive income for the period		-	-	(445,453)	-	-	**(445,453)**
Contributions of equity, net of transaction costs	6	-	200,000	-	-	(27,500)	**172,500**
Equity settled share-based payments for the period	6	-	-	-	243,892	-	**243,892**
		-	200,000	-	243,892	(27,500)	**416,392**
Balance at 30 June 2021		3	200,000	(445,453)	243,892	(27,500)	**(29,058)**
Balance at 1 July 2021	6	3	200,000	(445,453)	243,892	(27,500)	**(29,058)**
Net loss attributable to the members of the Company		-	-	(2,941,615)	-	-	**(2,941,615)**
Other comprehensive income for the year, net of tax		-	-	-	-	-	**-**
Total comprehensive income for the year		-	-	(2,941,615)	-	-	**(2,941,615)**
Contributions of equity, net of transaction costs	6	7,145,200	(200,000)	-	-	(455,961)	**6,489,239**
Equity settled share-based payments for the year	6	-	-	-	1,282,591	(470,363)	**812,228**
		7,145,200	(200,000)	-	1,282,591	(926,324)	**7,301,467**
Balance at 30 June 2022		**7,145,203**	**-**	**(3,387,068)**	**1,526,483**	**(953,824)**	**4,330,794**

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

EASTERN METALS

Statement of Cash Flows

Year Ended 30 June 2022

	Note	**Year ended 30 June 2022 $**	Period 2 September 2020 to 30 June 2021 $
Cash flows used in operating activities			
Receipts from customers		**362**	55
Payments for exploration and evaluation assets written off		**(1,134,535)**	
Payments to suppliers and employees		**(589,469)**	(119,847)
Net cash used in operating activities	7	**(1,723,642)**	(119,792)
Cash flows used in investing activities			
Payments for exploration and evaluation assets capitalised	8	**(637,948)**	(39,965)
Payments for tenement deposits		**(77,069)**	(30,000)
Payments for plant and equipment	8	**(61,298)**	-
Net cash used in investing activities		**(776,315)**	(69,965)
Cash flows from financing activities			
Proceeds from shares issued	6	**6,000,000**	-
Proceeds from share applications	11	**-**	420,000
Payments for capital raising costs	8	**(490,487)**	-
Proceeds from related party converting note	6	**500,000**	200,000
Repayments of related party advances	24	**(4,154)**	(49,641)
Net cash generated from financing activities		**6,005,359**	570,359
Net increase in cash and cash equivalents		**3,505,402**	380,602
Opening Cash and cash equivalents at 1 July (2021: 2 September 2020)		**380,602**	-
Closing Cash and cash equivalents at 30 June	9	**3,886,004**	380,602

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Financial Statements

Year Ended 30 June 2022

General Information

The financial statements cover Eastern Metals Limited ("the Company") as an individual entity. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

A description of the nature of the Company'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, 30 September 2022.

The Notes to the financial statement are set out in the following main sections:

Notes to the Financial Statements (continued)

Section A – Key Financial Information and Preparation Basis

This section sets out the basis upon which the Company's financial statements have been prepared as a whole and explains the results and performance of the Company that the Directors consider most relevant in the context of the operations of the entity.

1. Statement of Compliance

The Company's financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001* (Cth). The Company's financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

2. Change in Accounting Policy

The Company's financial report has been prepared on the basis of an application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The previous exploration and evaluation expenditure accounting policy was to capitalise and carry forward mining, exploration and evaluation expenditure as an asset when rights to tenure of the area of interest are current and costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale.

The new accounting policy is to charge exploration and evaluation expenditure against profit and loss as incurred except for acquisition costs and for expenditure incurred after a decision to proceed to development is made, in which case the expenditure would be capitalised as an asset.

These changes are included in the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows.

The new accounting policy was adopted on 30 June 2022.

The Board of Directors considers the change in accounting policy results in financial statements providing more reliable and relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance and cash flows.

As a result of the change in accounting policy, $1,420,865 was written off during the year ended 30 June 2022.

Refer to Note 12 for further information on the effects of this and full details of the new accounting policy.

Other than the voluntary change in accounting policy relating to exploration and evaluation assets, the accounting policies set out below have been applied consistently to all periods presented in the financial report for the purposes of the Australian Accounting Standards.

3. Historical cost convention

The financial report is prepared on the historical cost basis other than share-based transactions that are assessed at fair value.

4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company's operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the reporting period but may impact profit or loss and equity. Refer to Note 6 for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

5. Going Concern

The Board has prepared these Financial Statements on a going concern basis having consideration of the factors below:

- On 18 August 2021 the Company issued a Prospectus for the offer (**Offer**) for a minimum of 22,500,000 Shares at an issue price of $0.20 each to raise $4,500,000 (Minimum Subscription) and a maximum of 30,000,000 Shares at an issue price of $0.20 each to raise up to $6,000,000 (Maximum Subscription). One attaching option was offered to be issued for each three Shares issued.
- The Company successfully raised the Maximum Subscription of $6,000,000 before transaction costs and was admitted to the Official List of ASX and its ordinary fully paid shares were quoted, effective 25 October 2021.

6. Capital and Reserves

Ordinary shares are classified as equity.

Notes to the Financial Statements (continued)

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

Share capital

Ordinary shares issued and fully paid	Note	Date	Number of shares	Issue Price per share	$
Balance		2 September 2020	3	$1.00	3
Share split		1 January 2021	6,749,997	-	-
Share split		19 March 2021	750,000	-	-
Balance		30 June 2021	7,500,000		3
Balance		1 July 2021	7,500,000		3
Share issues to unrelated parties	11	26 July 2021	5,250,000	$0.08	420,000
Share issue for the Company's unrelated corporate adviser fees		26 July 2021	126,000	$0.20	25,200
Share issue for conversion of convertible note by a related party	24	26 July 2021	11,666,667	$0.06	700,000
Share issue (Initial Public Offering)		11 October 2021	30,000,000	$0.20	6,000,000
Balance		**30 June 2022**	**54,542,667**		**7,145,203**

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Ordinary shares have no par value.

No dividends have been declared or paid by the Company during or since the end of the financial year.

The Company's Board may resolve that the whole or any portion of profits, reserve or other account which is available for distribution, be distributed to shareholder in the same proportions in which they would be entitled to receive it if distributed by way of dividend, or in accordance with relevant terms of issue of any shares or securities.

If the Company is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories, as the liquidator thinks fit, in specie or in kind, any part of the assets of the Company, and may vest any part of the assets of the Company in trustees for the benefit of all or any of the contributories as the liquidator thinks fit.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

Converting Note

On 6 March 2021 REC Investment Management Pty Limited (**REC**), a company related to the Company's Director Robert Duffin, subscribed for a converting note issued by the Company. The principal amount of the note was $700,000 maturing 30 June 2021. The Note terms include that it automatically converts into the Company's ordinary fully paid shares for the price of $0.06 per share upon the Company's initial public offer, completion of an offer to acquire all the Company's shares, sale of the Company's business and assets, or REC gives notice of conversion, unless agreed otherwise. To this extent, the converting note has been disclosed as equity.

	Note	**2022** **$**	2021 $
Balance at 1 July (2021: 2 September 2020)		**200,000**	-
Subscriptions during the period		**500,000**	200,000
Repayment on 26 July 2021 by issue of 11,666,667 ordinary fully paid shares for $0.06 per share	24	**(700,000)**	-
Balance at 30 June		**-**	200,000

Options

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the year ended 30 June 2022 there were no shares issued on the exercise of options (Nil for the period ended 30 June 2021). 18,550,000 unquoted options were granted during the year ended 30 June 2022 (6,000,000 options were granted during the period ended 30 June 2021).

Details of options over ordinary shares in the Company that were granted, exercised, vested and expired during the financial year are as follows:

Year ended 30 June 2022

Unquoted options – each with a $0.30 exercise price.

Grant Date	Expiry Date	ASX Escrow Expiry	Balance at 1 July 2021 Unvested Number	Granted during the year Number	Vested during the year	**Balance at 30 June 2022** **Vested** **Number**
21 April 2021	14 October 2014	14 October 2023	6,000,000	-	6,000,000	**6,000,000**
9 July 2021	14 October 2014	14 October 2023	-	3,750,000	3,750,000	**3,750,000**
11 October 2021	14 October 2014	14 October 2023	-	4,500,000	4,500,000	**4,500,000**
11 October 2021	14 October 2014	Not applicable	-	10,000,000	10,000,000	**10,000,000**
17 February 2022	17 February 2025	Not applicable	-	300,000	300,000	**300,000**
			6,000,000	**18,550,000**	**24,550,000**	**24,550,000**

Notes to the Financial Statements (continued)

Year ended 30 June 2021

Unquoted options – each with a $0.30 exercise price.

Grant Date	Expiry Date	ASX Escrow Expiry	Balance at 2 September 2020	Granted during the period	Vested during the period	**Balance at 30 June 2021 Unvested**
			Number	Number	Number	**Number**
21 April 2021	14 October 2014	14 October 2023	-	6,000,000	-	**6,000,000**
			-	**6,000,000**	**-**	**6,000,000**

Options expenses for the year ended 30 June 2022 totalled $1,282,591 ($243,892 for the period ended 30 June 2021).

Share Based Payment Reserve

	Number of Options Granted	$
Balance at 2 September 2020	-	-
Equity settled share-based payments for the period		
Share based payments expense	6,000,000	243,892
Share based payments capital raising costs	-	-
Balance at 30 June 2021	6,000,000	243,892
Balance at 1 July 2021	6,000,000	243,892
Equity settled share-based payments for the year		
Share based payments expense	4,050,000	812,228
Share based payments capital raising costs	4,500,000	470,363
	8,550,000	1,282,591
Balance at 30 June 2022	**14,550,000**	**1,526,483**

Unlisted Options

The fair value of the unlisted options was calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense in each reporting period.

Fair value at grant date	Share price at grant date	Grant date	Exercise price per option	Expected volatility (weighted average)	Risk free interest rate (based on government bonds)	Dividend yield
$0.104525	$0.200	21 April 2021	$0.30	98.1%	0.10%	0.00%
$0.104525	$0.200	9 July 2021	$0.30	98.1%	0.10%	0.00%
$0.104525	$0.200	11 October 2021	$0.30	98.1%	0.10%	0.00%
$0.104525	$0.200	11 October 2021	$0.30	98.1%	0.10%	0.00%
$0.123339	$0.225	17 February 2022	$0.30	98.1%	0.30%	0.00%

The Company's accounting policy for the treatment of equity-settled share-based payment arrangements granted to employees

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and consultants is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Capital and Reserves Management

The Company's objectives when managing capital and reserves are to safeguard the Company's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital and reserve structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. The Company's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Company's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Company is not subject to externally imposed capital requirements.

7. Cash Flow Reconciliation

	Note	2022	2021
Cash flows from operating activities		**$**	$
Net loss attributable to members of the Company		**(2,941,615)**	(445,453)
Less: Non-cash expenditure			
Options expense	6	**812,229**	243,892
Share issue for the Company's unrelated corporate adviser fees		**25,200**	-
Depreciation expense		**4,472**	-
Exploration and evaluation assets previously reported as cash outflow from investing activities		**58,145**	-
		(2,041,569)	(201,561)
Plus / (Less) Changes in working capital:			
Increase in other receivables		**(121,082)**	(3,308)
Increase in accounts payable and accruals		**439,009**	85,077
Net cash used in operating activities		**(1,723,642)**	(119,792)

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8. Non-cash investing and financing activities

	Note	2022 $	2021 $
Exploration and Evaluation Assets			
Non-cash additions to exploration and evaluation assets			
(Decrease) / increase in accounts payable and accruals		**(3,478)**	46,428
Impact of the change in accounting policy at 30 June 2021		**(58,145)**	-
Cash additions to exploration and evaluation assets		**637,948**	39,965
Additions to exploration and evaluation assets	12	**576,325**	86,393
Plant and Equipment			
Non-cash additions to plant and equipment			
Increase in other receivables		**(5,264)**	-
Cash additions to plant and equipment		**61,298**	-
Additions to plant and equipment	13	**56,034**	-
Share Issue costs			
Non-cash additions to share issue costs			
Increase in other receivables		**(7,026)**	-
(Decrease) / Increase in accounts payable and accruals		**(27,500)**	27,500
Share based payments capital raising costs	6	**470,363**	-
		435,837	27,500
Cash additions to share issue costs		**490,487**	-
Additions to share issue costs		**926,324**	27,500

9. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents comprise the below.

	2022 $	2021 $
Cash on hand	**3,886,004**	380,602
Cash and cash equivalents in the statements of cash flows	**3,886,004**	380,602

10. Current Assets Trade and Other Receivables

Other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are stated at amortised cost less any allowance for expected credit losses. (see Note 20).

	2022 $	2021 $
Current		
Goods and services tax receivable	**133,281**	4,156
Prepayments	**4,244**	-
	137,525	4,156

11. Current Liabilities Trade and Other Payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these transactions are measured at amortised cost.

	Note	2022 $	2021 $
Current			
Trade creditors		**432,592**	-
PAYG withholding amounts payable		**61,767**	-
Amount payable to a related party	24	**-**	4,154
Share application funds payable		**-**	420,000
		494,359	424,154
Accruals		**29,725**	116,055
		524,084	540,209

12. Exploration and Evaluation Assets

Exploration and evaluation costs are stated at cost less accumulated amortisation and impairment losses (see Note 20).

	2022 $	2021 $
Tenement acquisition costs	**662,718**	86,393
	662,718	86,393

Effective 1 July 2021, the treatment of exploration and evaluation expenditure as it related to AASB 6 Exploration for and Evaluation of Mineral Resources was changed. As a result of the change, the mining, exploration and evaluation costs previously capitalised by the Company, excluding acquisition costs, are now expensed in the period the expenditure is incurred. Refer to Note 2 for further details of this change in accounting policy.

As a result of the change in accounting policy, $1,420,865 was written off during the year ended 30 June 2022.

The following table summarises the adjustments made to the statement of profit and loss and other comprehensive income and statement of financial position on implementation of the new accounting policy.

	Exploration and evaluation costs $	Deferred Tax Liability $	**Accumulated Losses $**
Balances at 30 June 2021, as previously reported	86,393	(22,462)	**63,931**
Impact of the change in accounting policy at 30 June 2021	(58,145)	15,118	**(43,027)**
Restated balances at 30 June 2021	28,248	(7,344)	**20,904**
Balance at 30 June 2022, as previously reported	2,083,583	(520,896)	**1,562,687**
Impact of the change in accounting policy at 30 June 2021	(58,145)	15,118	**(43,027)**
Decrease in tax rate to 25.0% (2021: 26.0%)	-	(582)	**(582)**
Impact of the change in accounting policy during the year ended 30 June 2022	(1,362,720)	340,680	**(1,022,040)**
	(1,420,865)	355,216	**(1,065,649)**
Restated balances at 30 June 2022	**662,718**	**(165,680)**	**497,038**

The effects on the consolidated statement of profit or loss and other comprehensive income were as follows:

For the year ended 30 June 2022	**$**
Increase in exploration and evaluation expenditure	**1,420,865**
Increase in prima facie income tax benefit at a tax rate of 25.0%	**355,216**
Decrease in deferred tax liability	**(355,216)**
Increase in loss for the period	**1,420,865**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Note	**2022 $**	2021 $
Cost			
Opening balance		**86,393**	-
Additions	8	**576,325**	86,393
Closing balance		**662,718**	86,393
Amortisation			
Opening balance		**-**	-
Additions		**-**	-
Closing balance		**-**	-
Carrying amounts			
Opening balance		**86,393**	-
Closing balance		**662,718**	86,393

The Company's accounting policy for the treatment of its exploration and evaluation costs is in accordance with the following requirements.

Exploration and evaluation assets are measured at cost.

The accounting policy is to charge exploration and evaluation expenditure against profit and loss as incurred; except for acquisition costs and for expenditure incurred after a decision to proceed to development is made, in which case the expenditure would be capitalised as an asset.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the entity has obtained the legal rights to explore an area are recognised in profit or loss. When a licence is relinquished or a project abandoned, the related costs are recognised in the statement of comprehensive income.

An exploration and evaluation asset is only recognised in relation to an area of interest if the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and
(b) at least one of the following conditions is also met:
   (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
   (ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and revaluation expenditure to mining property and development assets within property, plant and equipment.

13. Plant and Equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 20).

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Subsequent costs

The Company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line or diminishing value bases over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current financial year are as follows:

- Plant and equipment **1 to 5 years**

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Plant and Equipment consist of:

	2022	2021
	$	$
Plant and equipment - at cost	**56,034**	-
Less: Depreciation	**(4,472)**	-
	51,562	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Plant and Equipment consist of:

	Note	**2022**	2021
		$	$
Cost			
Balance at opening		**-**	-
Additions	8	**56,034**	-
Balance at closing		**56,034**	-
Depreciation			
Balance at opening		**-**	
Depreciation charge for the year	25	**(4,472)**	-
Balance at closing		**(4,472)**	-
Carrying amounts			
At opening		**-**	-
At closing		**51,562**	-

14. Segment Reporting

An operating segment is a component of the Company that engages in business activities whose operating results are reviewed regularly by the Company's Board and for which discrete financial information is available.

For the year ended 30 June 2022, the Company did not trade and had a single operating segment.

Business and geographical segments

The results and financial position of the Company's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Company's product and services and geographical areas are detailed below.

Products and services

The Company currently provides no products for sale.

Geographical areas

The Company's activities are located solely in Australia.

15. Commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the New South Wales Government. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

As at 30 June 2022, these obligations are not provided for in the financial report and are payable as follows:

Exploration expenditure commitments	**2022**	2021
	$	$
Within one year	**936,740**	755,500
One year or later and not later than five years	**1,230,500**	1,230,500
Later than five years	**-**	-
	2,167,240	1,986,000

16. Contingencies

There are no contingent liabilities at 30 June 2022 (2021 Nil).

17. Subsequent Events

There are no matters or circumstances that have arisen since the end of the year which significantly affected, or may significantly affect, the operations of the Company, the results of these operations or the Company's state of affairs in future financial years.

Section B – Risk and Judgement

This section outlines the key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period. This section also outlines the significant financial risk the Company is exposed, to which the Directors would like to draw the attention of the readers.

18. Financial Risk Management

Overview

This Note presents information about the Company's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Presently, the Company is in exploration phase, therefore does not earn revenue from sales and therefore has no accounts receivables. At the reporting date, there were no significant credit risks in relation to trade receivables.

Cash and cash equivalents

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	**Carrying Amount**	
		2022	2021
		$	$
Current			
Cash and cash equivalents	9	**3,886,004**	380,602
Trade and other receivables	10	**133,281**	4,156
		4,019,285	384,758

Impairment losses

	2022	**2021**
	$	**$**
Neither past due nor impaired	-	-
Past due 1 – 30 days	-	-
Past due 31 – 90 days	-	-
Past due 91 + days	-	-
	-	-

Based on historic default rates, the Company believes that no impairment allowance is necessary.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The decision on how the Company will raise future capital will depend on market conditions existing at that time.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to currency risk and at the reporting date the Company holds no financial assets or liabilities which are exposed to foreign currency risk.

Interest rate risk

The Company is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures. The Company adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over three-month rolling periods.

Profile

At the reporting date the interest rate profile of the Company's and the Company's interest-bearing financial instruments was:

	Interest rate 2022	**Carrying amount 2022**	Interest rate 2021	Carrying amount 2021 $
Variable rate instruments				
Financial assets	**-**	**4,019,285**	-	384,758
Financial liabilities	**-**	**(494,359)**	-	(424,154)
	-	**3,524,926**	-	(39,396)

Fair value sensitivity analysis for fixed rate instruments

The Company does not have, and therefore does not account for any financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the reporting period would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Variable rate instruments	
	2022	2021
Profit or loss	**$**	$
100bp increase	**-**	-
100bp decrease	**-**	-

19. Fair value versus carrying amounts

The fair values of financial instruments equate with the carrying amounts shown in the statement of financial position.

20. Impairment

The carrying amounts of the Company's assets other than deferred tax assets (see Note 26), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income unless the asset has been re-valued previously in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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21. Financial Instruments

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

	Effective interest rate %	**Total $**	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
2022							
Financial assets	-	**4,019,285**	**4,019,285**	**-**	**-**	**-**	**-**
Financial liabilities	-	**(494,359)**	**(494,359)**	**-**	**-**	**-**	**-**
		3,524,926	**3,524,926**	**-**	**-**	**-**	**-**
2021							
Financial assets	-	384,758	384,758	**-**	**-**	**-**	**-**
Financial liabilities	-	(424,154)	(424,154)	**-**	**-**	**-**	**-**
		(39,396)	(39,396)	-	-	-	-

Section C – Key Management Personnel and Related Party Disclosures

This section includes information about key management personnel's remunerations, related parties information and any transactions key management personnel or related parties may have had with the Company during the period.

22. Key Management Personnel Expenses

The following related party transaction charges for Directors' benefits, were made with the Group on normal terms and conditions and in the ordinary course of business:

	Year ended 30 June 2022 $	Period 2 September 2020 to 30 June 2021 $
Short term benefits	**265,870**	-
Superannuation benefit	**17,521**	-
Share based payments	**592,308**	243,892
	875,699	243,892

23. Key Management Personnel Disclosures

Individual Directors and executive compensation disclosures

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures are required by Corporation Regulation 2M.3.03.

Apart from the details disclosed in this Note, no Director has entered into a material contract with the Company during the financial year and there were no material contracts involving Directors' interests existing at year-end.

Directors' transactions with the Company or its controlled entities

There are no amounts payable to Directors and their Director related entities for unpaid Directors' fees, statutory superannuation owed to each Director's superannuation fund, and consulting fees at the reporting date.

24. Related Party Disclosures

During the year ended 30 June 2022, the Company's directors and entities related to the Company's Directors, lent the Company funds and made expenditure on the Company's behalf.

Details of expenditure incurred, reimbursed and outstanding are as follows:

Director	Amount payable by the Company at 1 July 2021 (2021: 2 September 2020)		Expenditure paid on the Company's behalf and advanced during the period	Cash advanced to the Company during the period	Repayments made during the period	Amount payable by the Company at 30 June	
2022	Amount payable $	Converting Note $	$	$	$	Amount payable $	Converting Note $
Robert Duffin	**4,154**	**200,000**	**-**	**495,846**	**(700,000)**	**-**	**-**
Wayne Rossiter	-	-	-	-	-	-	-
Gary Jones	-	-	-	-	-	-	-
Cathy Moises	-	-	-	-	-	-	-
Jason Berton	-	-	-	-	-	-	-
2021							
Robert Duffin	-	-	53,795	150,359	-	4,154	200,000
Wayne Rossiter	-	-	22,500	-	(22,500)	-	-
Gary Jones	-	-	154	-	(154)	-	-
Cathy Moises	-	-	-	-	-	-	-
Jason Berton	-	-	-	-	-	-	-

Notes to the Financial Statements (continued)

Section D – Other Disclosures

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Company but must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* (Cth) or the Corporations Regulations.

25. Administration Expenses

	Note	**Year ended 30 June 2022** **$**	Period 2 September 2020 to 30 June 2021 $
Accounting fees		**(27,658)**	(19,986)
Audit fees		**(36,250)**	(25,000)
Computer software & support costs		**(5,877)**	(5,460)
Consulting expenses		**(143,255)**	(33,217)
Depreciation	13	**(4,472)**	-
Directors' fees		**(74,559)**	-
Insurance		**(38,691)**	-
Investor Relations		**(71,112)**	-
Legal expenses		**(67,736)**	(116,872)
Other costs		**(13,934)**	(1,081)
Regulation and Compliance		**(106,529)**	-
Salaries and Wages		**(331,305)**	-
Salaries and Wages Recovery		**237,967**	-
Subscriptions		**(10,107)**	-
Travel		**(15,365)**	-
Total Administration expenses		**(708,883)**	(201,616)

26. Income Tax

Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets recorded at each reporting date are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax expense/ income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the financial statements of the Company.

The Company recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the Company will be available against which the asset can be utilised.

Notes to the Financial Statements (continued)

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the Company.

Numerical reconciliation between tax benefit and pre-tax net loss

	Year ended 30 June 2022	Period 2 September 2020 to 30 June 2021
	$	$
Net loss attributable to the members of the Company	**(2,941,615)**	(445,453)
Prima facie Income tax benefit at a tax rate of 25.0% (2021: 26.0%)	**735,404**	115,817
Permanent differences		
Options expense	**(203,057)**	(63,412)
Capital expenditure deductible	**24,173**	1,430
	556,520	53,835
Temporary differences	**153,331**	(8,792)
Decrease in income tax benefit due to:		
Income tax losses not recognised	**(707,780)**	(45,043)
Decrease in tax rate to 25.0% (2021: 26.0%)	**(2,071)**	-
Income tax benefit on pre-tax net loss	**-**	-

Temporary differences

		2021
		$
Deferred Tax Liability	**153,331**	22,462
Deferred Tax Asset	**-**	(31,254)
	153,331	(8,792)

Unrecognised deferred tax assets

Revenue tax losses	**3,004,365**	173,245

The tax losses do not expire under current legislation though these losses are subject to testing under loss recoupment rules in order for them to be utilised. Deferred tax assets have not been recognised in respect of this item because, at this time, it is not probable that future taxable profit will be available against which the benefits can be offset.

At 30 June 2022, the Company had no franking credits available for use in subsequent reporting (2021 Nil).

27. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the Company for the financial year, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue. Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

The calculation of basic and diluted loss per share for the year ended 30 June 2022 was based on the net loss attributable to ordinary shareholders of $2,941,615 (2021 $445,453) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2022 of 44,862,915 (2021 4,278,975) calculated as follows:

	2022	2021
	$	$
Net loss attributable to the members of the Company	**(2,941,615)**	(445,453)
Weighted average number of ordinary shares		
Undiluted Number of Shares	**Number**	Number
Issued ordinary shares at beginning of the period	**7,500,000**	3
Effect of share split 1 January 2021	**-**	4,023,177
Effect of share split 19 March 2021	**-**	255,795
Effect of share issues 26 July 2021	**15,828,668**	-
Effect of share issue 11 October 2021	**21,534,247**	-
Weighted average number of ordinary shares used in calculating basic and diluted profit per share	**44,862,915**	4,278,975
	Cents	Cents
Loss per share – basic	**(6.56)**	(10.41)
Loss per share – diluted	**(6.56)**	(10.41)

20,175,068 potential shares were excluded from the calculation of diluted loss per share because they are antidilutive for the year ended 30 June 2022 (2021 1,390,728 potential shares) as the Company is in a loss position.

28. Auditor's Remuneration

	2022	2021
	$	$
Auditor of the Company - RSM Australia Partners		
Review of the interim financial report 31 December	**10,000**	-
Audit of the annual financial report 30 June	**26,250**	25,000
	36,250	25,000
Income tax and BAS returns preparation, review and lodgement	**3,475**	-
	39,725	25,000

29. Financing Income

Interest revenue is recognised as interest accrues using the effective interest method.

30. GST

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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

31. New Accounting Standards

A number of new standards, amendments to, or interpretations of standards are effective for annual periods beginning 1 January 2021. These new standards and amendments have been applied in preparing these financial statements and none of them have had a significant effect on the financial statements of the Company.

This table lists the recent changes to the Standards that are required to be applied for 30 June 2022 year ends:

New pronouncements that must be applied for 30 June 2022 year-ends	Effective date[3]
AASB 2020-8 *Amendments to AASs – Interest Rate Benchmark Reform – Phase 2*	1 January 2021
AASB 2021-3 *Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not- for-Profit Tier 2 Entities*	1 July 2021
AASB 2020-2 *Amendments to AASs – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*	1 July 2021
AASB 2020-7 *Amendments to AASs – COVID-19-Related Rent Concessions: Tier 2 Disclosures*	1 July 2021
AASB 2020-9 *Amendments to AASs – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*	1 July 2021
AASB 2021-1 *Amendments to AASs – Transition to Tier 2: Simplified Disclosures for Not- for- Profit Entities*	1 July 2021
AASB 2022-2 *Amendments to AASs – Extending Transition Relief under AASB 1*	30 June 2022[4]
AASB 2022-4 *Amendments to AASs – Disclosures in Special Purpose Financial Statements (SPFS) of Certain For-Profit Private Sector Entities*	30 June 2022[5]
AASB 2020-3 *Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments* ▸ *Amendment to AASB 1, Subsidiary as a First-time Adopter*	1 January 2022

[3] Effective for annual reporting periods beginning on or after this date, unless separately noted.
[4] Effective for annual reporting periods ending on or after this date.
[5] Effective for annual reporting periods ending on or after this date.

New pronouncements that must be applied for 30 June 2022 year-ends	Effective date[3]
▸ *Amendments to AASB 3, Reference to the Conceptual Framework*	
▸ *Amendment to AASB 9, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	
▸ *Amendments to AASB 116, Property, Plant and Equipment: Proceeds before Intended Use*	
▸ *Amendments to AASB 137, Onerous Contracts – Cost of Fulfilling a Contract*	
▸ *Amendment to AASB 141, Taxation in Fair Value Measurements*	
AASB 2021-7 *Amendments to AASs – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2022
AASB 2022-3 *Amendments to AASs – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*	1 July 2022
AASB 17 *Insurance Contracts*	1 January 2023
AASB 2020-1 *Amendments to AASs – Classification of Liabilities as Current or Non-current*	1 January 2023
AASB 2021-2 *Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023
▸ *Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2*	
▸ *Amendments to AASB 108*	
AASB 2021-5 *Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
AASB 2021-6 *Amendments to AASs – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*	1 January 2023
AASB 2022-1 Amendments to AASs – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
AASB 2014-10 *Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2025

32. Current and non-current classification

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

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

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes End

Directors' Declaration

1. In the opinion of the Directors of Eastern Metals Limited ("the Company"):

   (a) the Company's financial statements and notes that are set out on pages 31 to 58 and the Remuneration Report on pages 23 to 27 in the Directors' Report are in accordance with the *Corporations Act 2001* (Cth), including:

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

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

      (iii) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and

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

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and Chief Financial Officer for the financial period ended 30 June 2022.

Signed in accordance with a resolution of the Directors.

Robert (Bob) Duffin
Chairman
Sydney
30 September 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Eastern Metals Limited for the year ended 30 June 2022, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM Australia Partners

GNS

Gary N Sherwood
Partner

Sydney, NSW
Dated: 30 September 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
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www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Eastern Metals Limited

Opinion

We have audited the financial report of Eastern Metals Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

RSM

Key Audit Matter	How our audit addressed this matter
Browns Reef and Barrow Creek Project Acquisitions ***Refer to Note12***	
During the financial year ended 30 June 2022, Eastern Metals has entered into a Sale Agreement to acquire Browns Reef and Barrow Creek projects for a purchase consideration of $600,000. • We consider these transactions to be a key audit matter due to the materiality of the transaction and the fact that exploration asset acquisition are non-routine and can be technically complex. In addition, we consider the carrying amount of these assets under AASB6 Exploration for and Evaluation of Mineral Resources to be a Key Audit Matter due to the judgements involved in assessing potential impairment including: • the Group's ability and intention to continue to explore the area. • the existence of any impairment indicators (such as the potential that mineral reserves and resources may not be commercially viable for extraction, or that the carrying value of the assets may not be recovered through sale or successful development) – and if so, those applied to determine and quantify any impairment loss. • whether exploration activities have reached the stage at which the existence of an economically recoverable reserve may be determined.	Our audit procedures included the following: Our audit procedures included, among others: • Obtaining and reviewing the Asset Sale Deed to obtain an understanding of the transaction and the key terms of the agreement. • Tracing the cash payments in relation to this transaction to the bank statements. • Evaluating the accounting treatment and related accounting entries for the assets acquired having consideration of the terms of the agreement. • Inspecting the title documents of the acquired tenements. • Inspecting that the right to tenure of the areas of interest was current through confirmation with the relevant authorities. • Assessing the Company's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included an assessment of the Company's future cash flow forecasts, and enquiry of management and the Board of Directors as to the intentions and strategy of the Company. • Assessing if there is any facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. as contemplated in AASB 6, Exploration for and Evaluation of Mineral Resources. • Assessing the adequacy of the disclosures in the financial statements.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 12 in the financial statements	
The Statement of Profit or Loss and Other Comprehensive Income reflects exploration & evaluation expenses of $1,420,865 for the year ended 30 of June 2022. The exploration & evaluation expenses are considered to be a Key Audit Matter due to the materiality of the expenditure relative to total expenses. The Company's policy is to charge exploration and evaluation expenditure against profit and loss as incurred except for acquisition costs and for expenditure incurred after a decision to proceed to development is made, in which case the expenditure would be capitalised as an asset. This represents a change in accounting policy. The previous exploration and evaluation expenditure accounting policy was to capitalise and carry forward mining, exploration and evaluation expenditure as an asset when rights to tenure of the area of interest are current and costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale.	Our audit procedures in relation to the carrying value of exploration & evaluation expenditure included: • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation. • Evaluating the new accounting policy to ensure it is in accordance with the requirements of the Australian Accounting Standards. • Assessing the adequacy of the disclosures in the financial statements in relation to the change in accounting policy.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Share-Based Payments
Refer to Note 6 in the financial statements</td></tr>
<tr><td>During the year, the Company issued 8,550,000 options as share-based payment arrangements as contemplated in AASB 2, Share-Based Payments. The credit to the share-based payment reserve in relation to these options was $1,282,591 with $812,228 being expensed and $470,363 accounted far as share issue costs.

We consider this to be a key audit matter because of:
the complexity of the accounting required to value the instruments;
the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply;
the variety of conditions associated with each instrument; and
the non-routine nature of the transactions.</td><td>Our audit procedures included, among others:
Making enquiries of management, about the nature of and the rationale behind the instruments issued.
Reviewing the terms and conditions of the instruments issued.
Reviewing the valuation methodology to ensure it is in compliance with AASB 2.
Verifying the mathematical accuracy of the underlying model.
Testing the inputs to the valuation model for reasonableness by critically evaluating the key assumptions used, considering the market, the grant-date share price and current-date share price, the expected volatility in the share price, the vesting period, and the number of instruments expected to vest.
Recalculating the value of the share-based payment expense to be recognised and the reserve balance, for accuracy, factoring in any cancellations, modifications, expiry, or vesting.
Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and the 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 Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 29 of the directors' report for the year ended 30 June 2022.

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

Responsibilities

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

RSM

RSM Australia Partners

Sherwood GNS

Gary N Sherwood

Sydney, NSW

Dated: 30 September 2022

Additional Shareholder Information

Shares

Subject to any rights or restrictions for the time being attached to any class or classes of shares and to the Company's constitution:

1. On a show of hands, every person present in the capacity of a member or a proxy, attorney or representative (or in more than one of those capacities) has one vote; and
2. On a poll, every person present who is a member a proxy or who has cast a direct vote, an attorney or representative has:
    a. for each fully paid share that the person holds or represents - one vote; and
    b. for each share other than a fully paid share that the person holds or represents - that proportion of one vote that the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

At 28 September 2022, issued capital was 54,542,667 ordinary fully paid shares held by 532 holders:

Class of shares	If escrowed, end of escrow period	Number of Shares
Quoted ordinary fully paid shares	Not applicable	38,656,250
Unquoted ordinary fully paid shares	14 October 2023 (ASX escrow)	15,886,417
Total		**54,542,667**

20 Largest Holders by Name of Ordinary Shares and their Share Holdings at 28 September 2022

Rank	Name	Number of Shares	% of Issued Capital
1	REC INVESTMENT MANAGEMENT PTY LTD	11,666,667	21.39%
2	IRRAWADDY INVESTMENTS PTY LTD <DUFFIN FAMILY A/C>	2,500,000	4.58%
3	AQUILINE NOMINEES PTY LTD <THE AQUILINE FAMILY A/C>	2,500,000	4.58%
4	GARY JAMES JONES	2,500,000	4.58%
5	MR PHILLIP RICHARD PERRY	1,629,237	2.99%
6	TWO TOPS PTY LTD	1,000,000	1.83%
7	FAIRBROTHER HOLDINGS PTY LTD	750,000	1.38%
8	CHOKSIFAMILY SUPER FUND PTY LTD <CHOKSI FAMILY SUPERFUND A/C>	715,000	1.31%
9	MR NICHOLAS JOHN AXAM	648,900	1.19%
10	INJI INVESTMENTS PTY LTD	600,000	1.10%
11	ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>	556,250	1.02%
12	MR SMIT DIPAKKUMAR NAYAK	510,401	0.94%
13	HAPPINESS INVESTMENTS PTY LTD <SUPER INVESTMENTS A/C>	504,336	0.92%
14	MR PAUL JAMES MADDEN	500,000	0.92%
15	OCEAN REEF HOLDINGS PTY LTD	500,000	0.92%
16	MR BRENDEN JOHN SPICER	416,576	0.76%
17	TIALING PTY LTD <TIALING SUPER FUND A/C>	400,000	0.73%
18	MR NATHAN CARATTI	400,000	0.73%
19	MR SYED MUSHLEH UDDIN	400,000	0.73%
20	HARBOUR VIEW CAPITAL PTY LTD	400,000	0.73%
	Top 20 holders of ORDINARY SHARES (TOTAL)	**29,097,367**	**53.33%**

Distribution of Share Holders and Share Holdings at 28 September 2022

Range	Holders	Total Shares	% Issued Share Capital
1-1,000	12	643	0.000
1,001-5,000	79	282,817	0.520
5,001-10,000	96	817,666	1.500
10,001-100,000	254	10,303,228	18.890
100,001-9,999,999,999	91	43,138,313	79.090
Totals	**532**	**54,542,667**	**100.000**

Unmarketable Parcels at 28 September 2022

	Minimum Parcel Size	Holders	Number of Shares
Minimum $ 500.00 parcel at $ 0.145 per share	3,448	46	83,447

Substantial Shareholders at 28 September 2022

	Number of Shares	Proportion of Issued Shares
Robert H Duffin and Pamela C Duffin (jointly)	14,166,667	25.8%

Unquoted Options

At 28 September 2022 there were 24,550,000 unquoted options with various expiry dates. Each have a $0.30 exercise price. Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

Grant Date	Vesting Date	Expiry Date	ASX Escrow Expiry	Balance at 30 June 2022
				Number
21 April 2021	14 October 2021	14 October 2014	14 October 2023	**6,000,000**
9 July 2021	14 October 2021	14 October 2014	14 October 2023	**3,750,000**
11 October 2021	14 October 2021	14 October 2014	14 October 2023	**4,500,000**
11 October 2021	14 October 2021	14 October 2014	Not applicable	**10,000,000**
17 February 2022	17 February 2022	17 February 2025	Not applicable	**300,000**
				24,550,000

Distribution of Option Holders and Option Holdings at 28 September 2022 ($0.30 Exercise Price)

Range	Holders	Total Options	% of Total Options
1-1,000	-	-	0.000
1,001-5,000	82	308,311	1.260
5,001-10,000	54	449,185	1.830
10,001-100,000	184	6,109,266	24.880
100,001-9,999,999,999	29	17,683,238	72.030
Totals	**349**	**24,550,000**	**100.000**

Mining Exploration Tenements

The Company holds the following exploration and mining licences.

Tenure	Location	Company's Interest	**Holder**	Status
EL23186	Barrow Creek, Northern Territory	100%	Company	Current
EL28615	Donkey Creek, Northern Territory	100%	Company	Current
EL32027	Home of Bullion, Northern Territory	100%	Company	Current
EL24253	Neutral Junction, Northern Territory	75.14%	Mithril[6]	Current
EL29475	Adnera, Northern Territory	100%	Company	Current
EL30797	Ooralingie, Northern Territory	100%	Company	Current
EL31292	Buggy Camp, Northern Territory	100%	Company	Current
EL6321	New South Wales	100%	Company	Current
EL9180	New South Wales	100%	Company	Current
EL9136	New South Wales	100%	Company	Current
EL9190	New South Wales	100%	Company	Current
EL9194	New South Wales	100%	Company	Current

Summary of the results of annual review of mineral resources

There are no material changes in the mineral resources holdings in the period between the date of annual review of the mineral resources and the date of this report (30 September 2022).

Mineral resources holdings

	Tonnes (kt)	**Density**	**Cu (%)**	**Zn (%)**	**Ag ppm**	**Pb (%)**	**Au ppm**	**Co (%)**
2022 Review								
Home of Bullion								
Indicated	470	3.6	2.8	3.4	56	1.6	0.30	0.03
Inferred	2,000	3.7	1.6	1.7	31	1.0	0.11	0.02
Total	**2,500**	**3.7**	**1.8**	**2.0**	**36**	**1.2**	**0.14**	**0.02**
2021 (refer Prospectus dated 18 August 2021)								
Home of Bullion								
Indicated	470	3.6	2.8	3.4	56	1.6	0.30	0.03
Inferred	2,000	3.7	1.6	1.7	31	1.0	0.11	0.02
Total	2,500	3.7	1.8	2.0	36	1.2	0.14	0.02

Use of Funds

Since its admission to the ASX's official list on 21 October 2021 and the date of this report (30 September 2022), the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

[6] Tenement held by Mithril Resources Limited (ASX: MTH) (**Mithril**). The 75.14% interest held by Bowgan in the Joint Venture is pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril Resources Ltd, Mega Hindmarsh Pty Ltd and Bowgan.

Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange. The Company's ASX code for quoted ordinary shares is EMS.

On-Market Buy Back

There is no on-market buy-back.

Corporate Governance Statement

The Company's Corporate Governance statement for the financial year ended 30 June 2022 is available for members to download and access from https://easternmetals.com.au/company/corporate-governance/