



**EASTERN  
METALS**

# Eastern Metals Limited

ABN 29 643 902 943

C/-Boardroom Pty Ltd

Level 8

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Sydney NSW 2000

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*Interim Financial Statements for the half  
year commencing 1 July 2022 and ended 31  
December 2022*

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## Corporate Directory

### Directors

Robert (Bob) Duffin – Executive Chairman

Dr Jason Berton – Independent Non-Executive Director

Mark Dugmore – Independent Non-Executive Director

Ian White – Independent Non-Executive Director

### Company Secretary and Chief Financial Officer

Ian Morgan

### Registered Office

Level 8, 210 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](mailto:info@easternmetals.com.au)

### Website

[www.easternmetals.com.au](http://www.easternmetals.com.au)

### Securities Exchange

Australian Securities Exchange (ASX)

ASX Code: EMS

### Securities Registry

Boardroom Pty Ltd

Level 8

210 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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## Directors' Report

The Directors present their report, together with the Interim Financial Statements of Eastern Metals Limited (Company) at the end of and during the half year ended 31 December 2022.

### Directors

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

Bob Duffin	Executive Chairman	Appointed 2 September 2020
Jason Berton	Non-Executive Director	Appointed 26 July 2021
Mark Dugmore	Non-Executive Director	Appointed 4 October 2022
Ian White	Non-Executive Director	Appointed 4 October 2022
Cathy Moises	Non-Executive Director	Appointed 26 July 2021 resigned 28 September 2022
Wayne Rossiter	CEO & Managing Director	Appointed 2 September 2020 resigned 30 November 2022

### Review of Operations and Outlook<sup>1</sup>

#### Overview and Strategy

##### *Cobar Project*

##### *Browns Reef Evergreen Lode*

- High-grade zinc assay results received from all holes drilled during second diamond drilling program at the Evergreen discovery at Browns Reef including 1m @ 16.45% Zn in BRD021.
- Significant mineralised intervals are:
  - 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.

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<sup>1</sup> Refer to the Company's Prospectus dated 18 August 2021, and Quarterly Activity Reports lodged 31 October 2022 (September 2022 Quarter) and 31 January 2023 (December 2022 Quarter)

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## Directors' Report (continued)

- The Evergreen lode zone has been identified over a strike length of more than 150m and vertical depth of 300m and remains open along strike in both directions, and at depth.
- A detailed gravity survey focussed to the west and north of the Evergreen Lode discovery was completed.
- Regional gravity data suggests a strong possibility that a similar structural feature exists on the western side of the interpreted syncline but is not covered by a detailed gravity survey.
- A gravity survey was conducted over the Browns Reef tenement.
- Metallurgical test work conducted by a previous owner on two composite samples from diamond drill core at Browns Reef has shown that high grade zinc and lead concentrates with good metal recoveries expected.
- Future exploration includes a drilling program which is expected to result in the estimation of a JORC 2012-compliant mineral resource estimate for the Evergreen zone at Browns Reef, as well as exploration elsewhere on the tenement.
- EL6321 Browns Reef has renewed for a further six years.

### *Arunta Project*

#### *Home of Bullion*

- Phase 1 of the resource expansion drilling program at the Home of Bullion copper mine in Northern Territory was completed with high-grade assays up to 9.6% Cu from three diamond drill holes for a total of 1,572.5m.
- High grade copper assay results received for hole HDD049B, located approximately 40m beyond the existing resource in the lower main lode.
- Significant mineralised intervals include HDD049B: 10.4m @ 1.58% Cu, 1.91% Zn, 0.99% Pb, 38.85 g/t Ag and 0.26 g/t Au from 540m downhole including 1.75 @ 5.46% Cu, 7.37% Zn, 3.64% Pb, 142.89 g/t Ag and 0.83 g/t Au from 548.65m which included 0.4m at 9.55% Cu in hole HDD049B and 1.0m @ 0.03% Cu, 3.44% Zn, 3.09% Pb, 19.5 g/t Ag and 0.04 g/t Au from 495m downhole in hole HDD049AA.
- The current Home of Bullion total resource estimate of 2.5 mt averaging 1.8% Cu, 2.0% Zn, 36g/t Ag, 1.2% Pb and 0.14g/t Au is being revised to take these intersections into account.

#### *Lithium Exploration*

- Initial lithium exploration reconnaissance program completed over a small area of priority interest
- The program involved wide spaced (500m) traverse lines in two areas of initial interest where granites and/or pegmatite have been reported.
- The program identified areas where characteristic milky-white quartz outcrop and scattered float exists – this being a common feature observed on named LCT-type pegmatite occurrences within the Barrow Creek pegmatite field.
- Several areas for follow-up exploration were identified at Prospect D on EL23186 and in the north of EL32027.

### *Thomson Project*

Eastern Metals has assembled a very comprehensive data package for the Thomson Project and has commenced a marketing program to a select group of mining companies known to be interested in the discovery of large scale but blind copper or other base metal deposits, plus or minus gold.

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## Directors' Report (continued)

### Other

Acquisition of five exploration licences in the Northern Territory from Bowgan Minerals was completed during the quarter. EMS is now the registered holder of these five tenements and has a legal ~75% joint venture interest in a sixth tenement held by Mithril Resources (ASX: MTH).

### Corporate

- Wayne Rossiter resigned as Managing Director and Chief Executive Officer of the Company to pursue other opportunities.
- Non-Executive Chairman Robert (Bob) Duffin is acting as Executive Chairman until a search process for a new Managing Director and Chief Executive Officer has been completed.
- Mark Dugmore and Ian White have been appointed as Independent Non-Executive Directors to the Board of the Company, and Cathy Moises resigned as a Director of the Company.
- \$1,750,394 in cash as of 31 December 2022.
- The Company incurred a \$1,728,646 loss after tax (2021: \$1,312,959) for the half year ended 31 December 2022.

### Events Subsequent to the Reporting Date

There are no matters or circumstances that have arisen since the end of the half 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 periods.

### Rounding Off

The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and as such, amounts in the Interim Financial Statements and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

### Previously Reported Information

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

The Prospectus is available to view on the Eastern Metals Limited website [www.easternmetals.com.au](http://www.easternmetals.com.au) or on the ASX website [www.asx.com.au](http://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.



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Robert (Bob) Duffin  
Chairman  
Sydney  
13 March 2023

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# Statement of Profit or Loss and Other Comprehensive Income

Half Year Ended 31 December 2022

	Note	31 December 2022	31 December 2021
		\$	\$
<b>Income</b>			
Other Income		-	362
Total income		-	362
<b>Expenses</b>			
Exploration & evaluation expenses		(1,102,741)	(153,946)
Administration expenses	C1	(605,909)	(384,148)
Share based payments expenses	A6	(19,996)	(775,227)
Total expenses		(1,728,646)	(1,313,321)
<b>Loss before income tax</b>		<b>(1,728,646)</b>	<b>(1,312,959)</b>
Income tax benefit		-	-
<b>Net loss attributable to the members of the Company</b>		<b>(1,728,646)</b>	<b>(1,312,959)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the half year</b>		<b>(1,728,646)</b>	<b>(1,312,959)</b>
Loss per share – basic	C3	(0.03)	(0.04)
Loss per share - diluted	C3	(0.03)	(0.04)

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 31 December 2022

	Note	31 December 2022	30 June 2022
		\$	\$
Current assets			
Cash and cash equivalents		1,750,394	3,886,004
Trade and other receivables		90,387	137,525
Total current assets		1,840,781	4,023,529
Exploration and evaluation assets	A10	840,148	662,718
Tenement deposits		117,069	117,069
Plant and equipment		50,255	51,562
Total non-current assets		1,007,472	831,349
Total assets		2,848,253	4,854,878
Current liabilities			
Trade and other payables		126,109	524,084
Total current liabilities		126,109	524,084
Total non-current liabilities		-	-
Total liabilities		126,109	524,084
<b>Net assets</b>		<b>2,722,144</b>	<b>4,330,794</b>
Equity			
Issued capital	A6	7,245,203	7,145,203
Share based payment reserve	A6	1,546,479	1,526,483
Capital raising costs		(953,824)	(953,824)
Accumulated losses		(5,115,714)	(3,387,068)
<b>Net equity</b>		<b>2,722,144</b>	<b>4,330,794</b>

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



# Statement of Changes in Equity

Half year Ended 31 December 2022

	Note	Ordinary fully paid shares	Converting Note	Accumulated Losses	Share Based Payment Reserve	Capital Raising Costs	Total Equity
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		3	200,000	(445,453)	243,892	(27,500)	(29,058)
Net loss attributable to the members of the Company		-	-	(1,312,959)	-	-	(1,312,959)
Other comprehensive income for the half year, net of tax		-	-	-	-	-	-
Total comprehensive income for the half year		-	-	(1,312,959)	-	-	(1,312,959)
Contributions of equity, net of transaction costs		7,145,200	(200,000)	-	-	(455,961)	6,489,239
Equity settled share-based payments for the half year	A6	-	-	-	1,245,590	(470,363)	775,227
Balance at 31 December 2021	A6	7,145,203	-	(1,758,412)	1,489,482	(953,824)	5,922,449
Balance at 1 July 2022		7,145,203	-	(3,387,068)	1,526,483	(953,824)	4,330,794
Net loss attributable to the members of the Company		-	-	(1,728,646)	-	-	(1,728,646)
Other comprehensive income for the half year, net of tax		-	-	-	-	-	-
Total comprehensive income for the half year		-	-	(1,728,646)	-	-	(1,728,646)
Contributions of equity, net of transaction costs		100,000	-	-	-	-	100,000
Equity settled share-based payments for the half year	A6	-	-	-	19,996	-	19,996
Balance at 31 December 2022	A6	<b>7,245,203</b>	-	<b>(5,115,714)</b>	<b>1,546,479</b>	<b>(953,824)</b>	<b>2,722,144</b>

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

# Statement of Cash Flows

Half year Ended 31 December 2022

	Note	31 December 2022	31 December 2021
		\$	\$
Cash flows used in operating activities			
Receipts from customers		-	362
Payments to suppliers and employees		<b>(2,055,027)</b>	(502,736)
Net cash used in operating activities		<b>(2,055,027)</b>	(502,374)
Cash flows used in investing activities			
Payments for exploration and evaluation assets		<b>(77,429)</b>	(607,595)
Payments for tenement deposits		-	(10,000)
Purchases of plant and equipment		<b>(3,154)</b>	(36,115)
Net cash used in investing activities		<b>(80,583)</b>	(653,710)
Cash flows from financing activities			
Proceeds from loans	B3	-	500,000
Proceeds from share issues		-	6,000,000
Payments for capital raising costs		-	(490,486)
Net cash generated from financing activities		-	6,009,514
Net (decrease) / increase in cash and cash equivalents		<b>(2,135,610)</b>	4,853,430
Opening cash and cash equivalents		<b>3,886,004</b>	380,602
Closing cash and cash equivalents		<b>1,750,394</b>	5,234,032

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

# Notes to the Interim Financial Statements

## Half year Ended 31 December 2022

### General Information

The Interim Financial Statements cover Eastern Metals Limited (Company) as an individual entity. The Interim 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 Interim Financial Statements.

The Interim Financial Statements were authorised for issue, in accordance with a resolution of Directors, 13 March 2023.

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

Section A – Key Financial Information and Preparation Basis

Section B – Key Management Personnel and Related Party Disclosures

Section C – Other Disclosures

### Section A – Key Financial Information and Preparation Basis

A. This section sets out the basis upon which the Company's Interim 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.

#### A1. *Reporting Entity*

The Company is a company domiciled in Australia. These interim financial statements ("Interim Financial Statements") as at and for the interim half year ended 31 December 2022 comprise only the Company, which has no subsidiaries.

The Company is an early-stage mineral exploration company.

#### A2. *Basis of Preparation*

The Interim Financial Statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

They do not include all the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial report for the year ended 30 June 2022.

The Interim Financial Statements were approved by the Board of Directors on 13 March 2023.

The Company is not of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and, in accordance with the Class Order, amounts in the Interim Financial Statements and Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

# Notes to the Interim Financial Statements

## A3. *Historical cost convention*

The Interim Financial Statements are prepared on the historical cost basis other than share-based transactions that are assessed at fair value.

## A4. *Critical accounting judgements, estimates and assumptions*

The preparation of the Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Interim 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 half year are discussed below.

## A5. *Going Concern*

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half year ended 31 December 2022, the Company incurred a net loss of \$1,728,646 (2021: \$1,312,959) and had operating cash outflows of \$2,055,027 (2021: \$502,374). As at 31 December 2022 the Company had cash and cash equivalents of \$1,750,394 (June 2022: \$3,886,004) and net assets of \$2,722,144 (June 2022: \$4,330,794).

Included in the Company's net loss is exploration & evaluation expenses totalling \$1,102,741 (2021: \$153,946), which is expensed in accordance with the Company's accounting policy.

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, mining, exploration and evaluation costs, excluding acquisition costs, were expensed in the half year the expenditure was incurred.

Management continues to preserve operating cash. Current cash levels are sufficient to fund ongoing operations. The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value through development and/or sale of its projects that are under development.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Company has funded its activities through issuance of equity securities and it is expected that the Company will be able to fund its future activities through further issuances of equity securities or sale of assets;
- The directors believe that the Company has the ability to successfully develop and extract value through development and/or sale of its projects that are under development; and
- The directors believe there is sufficient cash available for the Company to continue operating

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## Notes to the Interim Financial Statements

until it can raise sufficient further capital to fund its ongoing activities within the forecast period of one year from the date of these accounts.

### A6. *Capital and Reserves*

Ordinary shares are classified as equity.

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

#### *Share capital*

Ordinary shares issued and fully paid	Date	Number of shares	Issue Price per share	\$
Balance	30 June 2021	7,500,000		<b>3</b>
Shares issued for cash	26 July 2021	5,250,000	\$0.08	<b>420,000</b>
Shares issued for capital raising fee	26 July 2021	126,000	\$0.20	<b>25,200</b>
Shares issued to repay converting note	26 July 2021	11,666,667	\$0.06	<b>700,000</b>
Shares issued for cash (IPO)	11 October 2021	30,000,000	\$0.20	<b>6,000,000</b>
Balance	31 December 2021	54,542,667		<b>7,145,203</b>
Balance	30 June 2022	54,542,667		<b>7,145,203</b>
Shares issued as part consideration for Neutral Junction Project acquired from Bowgan Minerals Limited	31 October 2022	408,163	\$0.245	<b>100,000</b>
<b>Balance</b>	<b>31 December 2022</b>	<b>54,950,830</b>		<b>7,245,203</b>

#### *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 on 30 June 2021. On 26 July 2021, the Note converted into the Company's ordinary fully paid shares for the price of \$0.06 per share upon REC giving notice of conversion.

#### *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.

## Notes to the Interim Financial Statements

During the half year ended 31 December 2022 there were no shares issued on the exercise of options (2021: Nil). 2,000,000 unquoted options were granted during the half year ended 31 December 2022 (2021: 18,250,000) All options outstanding have an exercise price of \$0.30 each.

Issue Date	Vesting Date	ASX Escrow Expiry Date	Option Expiry Date	Number of Options
21 Apr 2021	21 Oct 2021	14 Oct 2023	14 Oct 2024	<b>6,000,000</b>
As at 30 June 2021				<b>6,000,000</b>
9 Jul 2021	21 Oct 2021	14 Oct 2023	14 Oct 2024	<b>3,750,000</b>
11 Oct 2021	11 Oct 2021	14 Oct 2023	14 Oct 2024	<b>4,500,000</b>
11 Oct 2021	11 Oct 2021	Not applicable	14 Oct 2024	<b>10,000,000</b>
As at 31 December 2021				<b>24,250,000</b>
17 Feb 2022	17 Feb 2022	Not applicable	17 Feb 2025	<b>300,000</b>
As at 30 June 2022				<b>24,550,000</b>
7 Dec 2022	7 Dec 2022	Not applicable	7 Dec 2025	<b>666,666</b>
7 Dec 2022	7 Dec 2023	Not applicable	7 Dec 2025	<b>666,666</b>
7 Dec 2022	7 Dec 2024	Not applicable	7 Dec 2025	<b>666,668</b>
<b>As at 31 December 2022</b>				<b>26,550,000</b>

## Notes to the Interim Financial Statements

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

Grant Date	Expiry Date	ASX Escrow Expiry	Vesting Date	Balance at 1 July		Granted during the half year	Vested during the half year	Balance at 31 December	
				Vested Number	Unvested Number			Vested Number	Unvested Number
<b>Half year ended 31 December 2022</b>									
21 Apr 2021	14 Oct 2024	14 Oct 2023	21 Oct 2021	6,000,000	-	-	-	<b>6,000,000</b>	-
9 Jul 2021	14 Oct 2024	14 Oct 2023	21 Oct 2021	3,750,000	-	-	-	<b>3,750,000</b>	-
11 Oct 2021	14 Oct 2024	14 Oct 2023	11 Oct 2021	4,500,000	-	-	-	<b>4,500,000</b>	-
11 Oct 2021	14 Oct 2024	Not applicable	11 Oct 2021	10,000,000	-	-	-	<b>10,000,000</b>	-
17 Feb 2022	17 Feb 2025	Not applicable	17 Feb 2022	300,000	-	-	-	<b>300,000</b>	-
7 Dec 2022	7 Dec 2025	Not applicable	7 Dec 2022	-	-	666,666	666,666	<b>666,666</b>	-
7 Dec 2022	7 Dec 2025	Not applicable	7 Dec 2023	-	-	666,666	-	-	<b>666,666</b>
7 Dec 2022	7 Dec 2025	Not applicable	7 Dec 2024	-	-	666,668	-	-	<b>666,668</b>
				<b>24,550,000</b>	-	<b>2,000,000</b>	<b>666,666</b>	<b>25,216,666</b>	<b>1,333,334</b>
<b>Half year ended 31 December 2021</b>									
21 Apr 2021	14 Oct 2024	14 Oct 2023	21 Oct 2021	-	6,000,000	-	6,000,000	6,000,000	-
9 Jul 2021	14 Oct 2024	14 Oct 2023	21 Oct 2021	-	-	3,750,000	3,750,000	3,750,000	-
11 Oct 2021	14 Oct 2024	14 Oct 2023	11 Oct 2021	-	-	4,500,000	4,500,000	4,500,000	-
11 Oct 2021	14 Oct 2024	Not applicable	11 Oct 2021	-	-	10,000,000	10,000,000	10,000,000	-
				-	6,000,000	18,250,000	24,250,000	24,250,000	-

Options expenses for the half year ended 31 December 2022 totalled \$19,996 (2021: \$775,227).

# Notes to the Interim Financial Statements



## Share Based Payment Reserve

	Number of Options Granted	\$
Balance at 1 July 2021	6,000,000	243,892
Equity settled share-based payments for the half year		
Share based payments expense	-	383,258
Share based payments expense	3,750,000	391,969
	3,750,000	775,227
Share based payments capital raising costs	4,500,000	470,363
Free attaching options granted (IPO – 1 option for every 3 shares)	10,000,000	-
	18,250,000	1,245,590
Balance at 31 December 2021	24,250,000	1,489,482
Balance at 1 July 2022	24,550,000	1,526,483
Equity settled share-based payments for the half year		
Share based payments expense	2,000,000	19,996
<b>Balance at 31 December 2022</b>	<b>26,550,000</b>	<b>1,546,479</b>

### Share 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.

	31 December 2022	31 December 2021
Fair value at grant date	\$0.0272	\$0.104525
Share price at grant date	\$0.094	\$0.20
	Number of Options	Number of Options
Grant dates		
9 July 2021	-	3,750,000
11 October 2021	-	14,500,000
7 December 2022	2,000,000	-
Total	2,000,000	18,250,000
Exercise price per option	\$0.30	\$0.30
Expected volatility (weighted average)	84.2%	98.1%
Risk free interest rate (based on government bonds)	3.07%	0.10%
Dividend yield	0.00%	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



## Notes to the Interim Financial Statements

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.

### A7. Dividends

No dividends were paid by the Company during the half year to 31 December 2022 (2021: \$Nil).

### A8. Exploration 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.

Details of mining tenements held at 31 December 2022 are:

Tenement	Current Area	Area Units	Expiry Date	Commitment \$
<b>Exploration Licence NT</b>				
EL23186	28	blocks	14/07/2024	585,150
EL28615	4	blocks	31/10/2023	8,165
EL29475	25	blocks	14/01/2023	42,550
EL30797	38	blocks	11/11/2023	48,300
EL31292	22	blocks	12/01/2023	27,025
EL32027	25	blocks	24/07/2025	31,050
<b>Exploration Licence NSW</b>				
EL6321	10	Unit	19/10/2028	2,000,000
EL9136	84	Unit	15/04/2024	100,000
EL9180	122	Unit	21/05/2024	25,000
EL9190	437	Unit	7/06/2023	500,000
EL9194	54	Unit	7/06/2026	25,000
				<b>3,392,240</b>

### Expenditure requirements for tenements

	<b>31 December 2022</b>	30 June 2022
	\$	\$
Within one year	<b>626,040</b>	936,740
One year or later and not later than five years	<b>766,200</b>	1,230,500
Later than five years	<b>2,000,000</b>	-
Total	<b>3,392,240</b>	2,167,240

All the Company's licences are in good standing at the date of this report.

### A9. Contingencies

There are no contingent liabilities at 31 December 2022 (2021: Nil).

# Notes to the Interim Financial Statements

## A10. *Exploration and Evaluation Assets*

Exploration and evaluation costs are stated at cost less accumulated amortisation and impairment losses.

	\$
Balance 1 July 2021	86,393
Additions during the half year	706,743
Balance at 31 December 2021	<u>793,136</u>
Balance 1 July 2022	<b>662,718</b>
Additions during the half year	<b>177,430</b>
Balance at 31 December 2022	<u><b>840,148</b></u>

## A11. *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 half year ended 31 December 2022, the Company 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.

## A12. *Subsequent Events*

There are no matters or circumstances that have arisen since the end of the half 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 periods.

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# Notes to the Interim Financial Statements

## Section B – Key Management Personnel and Related Party Disclosures

B. 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 half year.

### B1. *Key Management Personnel Expenses*

There are no key management personnel expenses for the half year ended 31 December 2022 other than the expenses reported below in Note B3.

### B2. *Key Management Personnel Disclosures*

#### *Individual Directors and executive compensation disclosures*

Information regarding individual Director and executive 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 half year and there were no material contracts involving Directors' interests existing at period-end.

#### *Directors' transactions with the Company or its controlled entities*

Apart from the details disclosed in Note B3 below, 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.

### B3. *Related Party Disclosures*

The following related party transaction charges for Directors' fees, consulting fees and loan advanced to the Company were made with the Company on normal terms and conditions and in the ordinary course of business:

	Transaction Value for half year ended 31 December \$	Balance Outstanding as at 31 December \$	Terms
<b>31 December 2022</b>			
<i>Cash Remuneration</i>			
Directors' fees	76,904	38,452	Payable on demand
Salaries, including superannuation	292,317	-	
Consulting Fees	-	-	
	<b>369,221</b>	<b>38,452</b>	
<i>Non-cash Remuneration</i>			
Share based payments	19,996	-	

# Notes to the Interim Financial Statements

	Transaction Value for half year ended 31 December \$	Balance Outstanding as at 31 December \$	Terms
<b>31 December 2021</b>			
<i>Cash Remuneration</i>			
Directors' fees	19,432	-	Payable on demand
Salaries, including superannuation	52,235	19,973	
Consulting Fees	4,688	-	
	<b>76,355</b>	<b>19,973</b>	
<i>Non-cash Remuneration</i>			
Share based payments	592,308	-	
<i>Financing on behalf of the Company</i>			
Converting note drawdown by the Company	500,000	-	
Cash advance	-	-	
Expenditure incurred on the Company's behalf	-	<b>4,154</b>	Payable on demand

#### B4. *Directors' Equity Securities*

##### *Unlisted Options*

On 7 December 2022, a total of 2,000,000 unlisted options were granted to Directors. The options were granted at no cost to the recipient. The fair value of the options at the grant date is determined using the Black Scholes model. Refer Note A6 for more details.

The options expense from options granted to Directors, for the half year to 31 December 2022, totals \$19,996 (2021: \$209,050).

No terms of equity settled share-based payment transactions (including options granted as compensation to key management persons) have been altered or modified by the issuing entity during the half year.

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.

# Notes to the Interim Financial Statements

## Section C – Other Disclosures

C. 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.

### C1. Administration Expenses

	31 December 2022	31 December 2021
	\$	\$
Accounting fees	(23,878)	(25,676)
Audit fees	(15,007)	(10,000)
Compliance costs (general meetings, ASIC, ASX, Company Secretary)	(120,399)	(113,078)
Consulting expenses	(70,632)	(88,310)
Depreciation	(4,462)	(481)
Director fees, salaries, and superannuation expenses	(369,221)	(74,052)
Non Director salaries and superannuation expenses	(102,653)	(28,620)
Direct salaries transferred to exploration costs	159,000	60,959
Insurance expenses	(22,797)	(26,093)
Legal expenses	(14,143)	(67,736)
Other costs	(21,717)	(11,061)
	(605,909)	(384,148)

### C2. Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the Company's financial statements as at and for the year ended 30 June 2022.

### C3. Loss per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the Company for the half 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.

## Notes to the Interim Financial Statements

The calculation of basic and diluted loss per share for the half year ended 31 December 2022 was based on the net loss attributable to ordinary shareholders of \$1,728,646 (2021: \$1,312,959) and a weighted average number of ordinary shares outstanding during the half year ended 31 December 2022 of 54,677,982 (2021: 35,340,986) calculated as follows:

	<b>2022</b>	2021
	\$	\$
Net loss attributable to the members of the Company	<b>(1,728,646)</b>	(1,312,959)
<i>Weighted average number of ordinary shares</i>		
Undiluted Number of Shares	<b>Number</b>	Number
Issued ordinary shares at beginning of the half year	<b>54,542,667</b>	7,500,000
Shares Issued 31 October 2022	<b>135,315</b>	-
Shares issued 26 July 2021	-	14,634,464
Shares issued 11 October 2021	-	13,206,522
Weighted average number of ordinary shares used in calculating basic and diluted profit per share	<b>54,677,982</b>	35,340,986
	\$	\$
Loss per share – basic	<b>(0.03)</b>	(0.04)
Loss per share – diluted	<b>(0.03)</b>	(0.04)

24,810,870 potential shares (2021: 15,949,728) were excluded from the calculation of diluted loss per share because they are antidilutive for the half year ended 31 December 2022 as the Company is in a loss position.

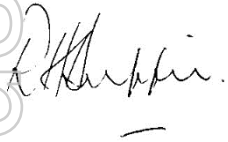
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## Directors' Declaration

In the opinion of the directors of Eastern Metals Limited:

- (a) the condensed financial statements and notes set out on pages 7 to 22 are in accordance with the *Corporations Act 2001*, including:
- i. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the interim period 1 July 2022 to 31 December 2022; and
  - ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

Signed in accordance with a resolution of the directors:



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Robert (Bob) Duffin  
Chairman  
Sydney  
13 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF

### EASTERN METALS LIMITED

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eastern Metals Limited which comprises the of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

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

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eastern Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



### *Independence*

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

### *Conclusion*

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

- (a) giving a true and fair view of the company's position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**RSM AUSTRALIA PARTNERS**



**C J Hume**  
Partner

Sydney, NSW  
Dated: 13 March 2023

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Eastern Metals Limited for the half year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



**RSM AUSTRALIA PARTNERS**



**C J HUME**  
Partner

Sydney, NSW  
Dated: 13 March 2023