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**ACN 651 575 898  
& Controlled Entities**

## **Interim Financial Report**

**For The Half Year Ended 31 December 2022**

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# Directors' Report

This financial report includes the consolidated financial statements and notes of Narryer Metals Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

## Directors

Mr Richard Bevan	Non-Executive Chairperson and Director
Mr Gavin England	Managing Director
Mr Damon O'Meara	Non-Executive Director
Mr Phil Warren	Non-Executive Director

## Review of Operations

Narryer Metals Limited (Narryer or Company) (ASX:NYM) is a nickel-copper-platinum-group-elements and rare earth elements (Ni-Cu-PGE-REE) exploration company with three wholly owned projects (Narryer, Ceduna and Sturt Projects) in strategic geological domains in Australia and an option to acquire 100% of the Rocky Gully rare REE project, in southern Western Australia. During the period, the Company applied for an additional REE project in the great southern region of Western Australia (Corackerup Project).

The Company's focus during the Period was its maiden drill program at the Narryer Project's Mt Nairn tenements, targeting for Ni-Cu-PGE mineralisation and REE. In addition, further assaying for REE at the Rocky Gully Project, identified high grade total REE and magnet REE in saprolite. Work also continued at Ceduna, with over 300 drill holes tested with portable XRF for REE, finding several key targets.



## Narryer Project – Western Australia

The Narryer Project covers >2,000 km<sup>2</sup> of tenure in the Murchison region of Western Australia and consists of the Mt Nairn and the Mt Gould Projects. Mafic- ultramafic intrusives have been identified by previous explorers and the Geological Survey of WA in the Narryer Terrane, Yilgarn Craton. Narryer Metals is targeting chonolith-style Ni-Cu-PGE and layered PGE-Ni-Cu-(Cr) mineralisation<sup>1</sup>. Exploration has been a priority of the Company in 2022 exploration activities undertaken include airborne magnetic and radiometrics, a large EM survey (completed June 2022)<sup>2</sup>, and a subsequent heritage survey and soil sampling program in this period. In addition, the maiden drill program at Mt Nairn was implemented and concluded by calendar-year end<sup>3</sup>. REE exploration also occurred, with targets identified through a stream sediment program during the period. The Narryer Project tenure was extended with an application for a 63-block tenement (E20/1052) at Beringarra.

1 Investor Presentation – February 2023 released to the ASX 7 February 2023

2 Narryer Metals Limited ASX announcement 20 June 2022

3 Narryer Metals Limited ASX announcement 31 October 2022, and Investor Presentation – February 2023 released to the ASX 7 February 2023

# Directors' Report

## Rocky Gully

Narryer announced on 19 September 2022, that the Company had entered an option agreement to acquire 100% ownership of the Rocky Gully REE project<sup>4</sup>. Historic exploration drilling shows significant REE mineralisation in saprolite. Previous explorers also suggested the presence of a carbonatite, with the Company further examining. Other work of the area shows good prospectivity for both magmatic and lateritic Ni-Cu-Co mineralization<sup>5</sup>.

The project comprises two exploration tenements (EL 70/5037 and EL 70/6140) covering 78 km<sup>2</sup>, hosted in the Proterozoic western Albany-Frazer Mobile Belt). The project is located on farming and plantations land, approximately 43 km west of Mt Barker and 80 km north-west of the port town of Albany.

## Ceduna and Sturt Projects

The Sturt and Ceduna Projects comprise of six exploration tenements in the Gawler Craton of South Australia. The Ceduna project covers more than 3,200km<sup>2</sup> of tenure. The projects primarily target magmatic hosted Ni-Cu-Co-PGE-REE mineralisation. Data derived from previous exploration and new government-funded geological studies of the Gawler Craton has helped identify underexplored prospective mafic-ultramafic intrusive along major crustal structures, similar in characteristic to both Julimar (SW Yilgarn) and Nova Bollinger (Albany Frazer Belt) deposits in Western Australia<sup>6</sup>. Historic drilling in the project area has shown evidence Ni sulphide mineralisation and anomalous PGE mineralisation<sup>7</sup>. Work on the South Australian exploration tenements during the Period has included portable XRF sampling of historic drill samples stored at the State Core Library, for clay-hosted REE mineralisation. Over 300 drillholes were tested at the Ceduna Project and 50 drillholes at the Sturt Project. The portable XRF is being used as a preliminary screen, with further quantification of results from selected samples using conventional XRF analysis at ALS Laboratories, Adelaide. At the Ceduna Project, over 1,956 portable XRF analysis were completed and ~ 480 samples send to the laboratory for analysis. The results of this work have been recently announced<sup>8</sup>, with several REE targets were identified, with 45 drillholes containing intervals between 500 to 2484 ppm TREO and Sc up to 590 ppm.

## Corackerup Project

Narryer has also applied for additional tenements (E70/6368, E70/6369, E70/6370 and E70/6371) in the Great Southern region of Western Australia (Corackerup Project). The Corackerup Project is located 75 km NE of Mount Barker and covers a large holding of 568 km<sup>2</sup> and targets weathered granites and gneisses of the Southwest Yilgarn Terrane, for ionic clay hosted REE mineralisation.

## Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Gavin England, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Dr England is Managing Director of Narryer Metals Limited. Dr England has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr England consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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4 Narryer Metals Limited ASX announcement 19 September 2022

5 Narryer Metals Limited ASX announcements 3 November 2022 and 22 November 2022

6 Narryer Metals Limited ASX announcement 26 May 2022

7 Narryer Metals Limited ASX announcement 1 August 2022

8 Narryer Metals Limited ASX announcement 7 February 2023

# Directors' Report

## Significant Change in State of Affairs

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

## Matters Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

## Compliance statement

The information in this report that relates to Exploration Results for the Narryer Project, Ceduna and Sturt Projects, Corackerup and Rocky Gully Project is extracted from the ASX Announcements listed below which are available on the Company website [www.narryer.com.au](http://www.narryer.com.au) and the ASX website (ASX code: NYM):

Date	Announcement Title
20 June 2022	Completion of Mt Nairn Airborne EM Survey
26 July 2022	Drilling Targets defined at Narryer NI-CU-PGE Project
1 August 2022	Ceduna Project Rare Earths Testing Begins
19 September 2022	Narryer identified significant REE Project at Rocky Gully
3 November 2022	Narryer to Commence Testwork at Rocky Gully REE Project, WA
22 November 2022	High grade intercept at Rocky Gully REE Project WA
7 February 2023	Rare Earths Mineralisation Identified at Ceduna Project, SA
7 February 2023	Investor Presentation - February 2023

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 and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirm that form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

# Directors' Report

## Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.



**Richard Bevan**

Non-Executive Chairperson and Director

Perth, Western Australia, 15 March 2023

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## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF NARRYER METALS LIMITED

As lead auditor for the review of Narryer Metals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



**Jarrad Prue**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth, 15 March 2023

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Narryer Metals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Narryer Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

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

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



### **Responsibility of the directors for the 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 for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group'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*.

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.

**BDO Audit (WA) Pty Ltd**

BDO  


**Jarrad Prue**

**Director**

Perth, 15 March 2023

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2022

	Note	Period ended 31 December 2022 \$	Period ended 31 December 2021 \$
<b>Revenue from continuing operations</b>			
Interest received & other income		5,700	-
Administration expenses	2	(97,801)	(57,709)
Public company expenses	2	(143,593)	(182,319)
Marketing expenses		(45,489)	(5,416)
Exploration expenses	2	(1,347,990)	(112,839)
Share based payment expense	13	(6,414)	(425,367)
Employee benefit expenses	2	(225,575)	-
<b>Loss before income tax</b>		<b>(1,861,162)</b>	<b>(783,650)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(1,861,162)</b>	<b>(783,650)</b>
<b>Other comprehensive loss for the period, net of tax</b>		<b>(1,861,162)</b>	<b>(783,650)</b>
<b>Total comprehensive (loss) for the period</b>		<b>(1,861,162)</b>	<b>(783,650)</b>
<b>Total comprehensive (loss) is attributable to:</b>			
Owners of Narryer Metals Limited		(1,861,162)	(783,650)
		<b>(1,861,162)</b>	<b>(783,650)</b>
<b>(Loss) per share from continuing operations attributable to the ordinary equity holders of Narryer Metals Limited:</b>			
Basic and diluted (loss) per share (cents)	3	(3.91)	(5.93)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	December 2022 \$	June 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,310,870	3,907,792
Trade and other receivables	6	123,672	119,116
<b>Total current assets</b>		<b>2,434,542</b>	<b>4,026,908</b>
<b>Non-current assets</b>			
Exploration and evaluation asset	7	386,291	386,291
Property Plant and Equipment		9,683	-
<b>Total non-current assets</b>		<b>395,974</b>	<b>386,291</b>
<b>TOTAL ASSETS</b>		<b>2,830,516</b>	<b>4,413,199</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and other payables	8	448,446	176,382
<b>Total current liabilities</b>		<b>448,446</b>	<b>176,382</b>
<b>TOTAL LIABILITIES</b>		<b>448,446</b>	<b>176,382</b>
<b>NET ASSETS</b>		<b>2,382,070</b>	<b>4,236,818</b>
<b>EQUITY</b>			
Issued capital	9	5,579,123	5,579,123
Reserves	10	1,710,988	1,704,574
Accumulated losses		(4,908,041)	(3,046,879)
<b>TOTAL EQUITY</b>		<b>2,382,070</b>	<b>4,236,818</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

	Issued Capital	Option and Performance Rights Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	5,579,123	1,704,574	(3,046,879)	4,236,818
Loss for the period	-	-	(1,861,162)	(1,861,162)
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>(1,861,162)</b>	<b>(1,861,162)</b>
<b>Transactions with owners, recorded directly in equity</b>				
Share based payments	-	6,414	-	6,414
<b>Balance at 31 December 2022</b>	<b>5,579,123</b>	<b>1,710,988</b>	<b>(4,908,041)</b>	<b>2,382,070</b>

	Issued Capital	Option and Performance Rights Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	1,000	-	(14,842)	(13,842)
Loss for the period	-	-	(783,650)	(783,650)
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>(783,650)</b>	<b>(783,650)</b>
<b>Transactions with owners, recorded directly in equity</b>				
Contribution of equity, net of costs	1,365,396	36,550	-	1,401,946
<b>Balance at 31 December 2021</b>	<b>1,366,396</b>	<b>36,550</b>	<b>(798,492)</b>	<b>604,454</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(244,949)	(354,803)
Interest received		5,700	-
Exploration and evaluation expenditure		(1,327,990)	-
<b>Net cash outflow from operating activities</b>		<b>(1,567,238)</b>	<b>(354,803)</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant, and equipment		(9,683)	-
Payments of capitalised exploration and evaluation expenditure		(20,000)	-
<b>Net cash outflow from investing activities</b>		<b>(29,683)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from share issue		-	582,633
<b>Net cash inflow from financing activities</b>		-	<b>582,633</b>
Net increase/(decrease) in cash and cash equivalents		(1,596,922)	227,830
Cash and cash equivalents at beginning of the financial period		3,907,792	-
<b>Cash and cash equivalents at end of the period</b>	5	<b>2,310,870</b>	<b>227,830</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 1. Summary of significant accounting policies

### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New and amended standards adopted by the entity

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Statement of Compliance

The interim financial statements were authorised for issue on 14 March 2023.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### (b) Use of estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

### Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

### Share based payment transactions

The Group 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 of options is determined using the Black-Scholes option pricing model. The fair value of performance rights with market-based conditions is determined using the trinomial barrier model, whilst non-market conditions are valued with reference to the underlying share price.

### Going concern

For the half-year ended 31 December 2022 the Group recorded a loss before tax of \$1,861,162 (2021: \$783,650) and had net cash outflows from operating activities of \$1,567,238 (2021: \$354,803). These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on securing additional funding and/or from asset sales in order for the Group to continue to fund its operational activities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## Going concern (continued)

The half-year financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors of Narryer Metals Limited have assessed the cash flow requirements for the 12 month period from the date of this report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements;
- The level of the Group's expenditure can be managed;
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.

The Board and Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half-year financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

## 2. Material profit and loss items for the Period

Profit/(Loss) for the period includes the following items:

	2022	2021
	\$	\$
<b>Employee benefit expenses:</b>		
Employee wages and directors fees	204,050	-
Other employee expenses (including superannuation)	21,525	-
<b>Total employee benefits expense</b>	<b>225,575</b>	-
<b>Public Company expenses</b>		
Accounting expenses	36,800	51,185
ASX expenses	24,668	5,000
Corporate advisory expenses	-	30,000
Company secretarial expenses	63,000	10,000
Share registry expenses	7,704	-
Legal expenses	9,262	84,828
Other expenses	2,159	1,306
<b>Total public company expenses</b>	<b>143,593</b>	<b>182,319</b>
<b>Administration expenses:</b>		
Insurance	39,376	32,420
Rent	10,600	-
Consulting Fees	-	20,780
Travel	17,664	2,623
Subscriptions	5,226	-
Other administration expenses	24,935	1,886
<b>Total administration expense</b>	<b>97,801</b>	<b>57,709</b>
<b>Exploration expenses:</b>		
Tenement management expenses	80,670	41,495
Exploration consulting expenses	96,403	65,621
Drilling	316,221	-
Other exploration expenses	854,696	5,723
<b>Total exploration expense</b>	<b>1,347,990</b>	<b>112,839</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 3. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Potential ordinary shares are not considered dilutive, thus diluted (loss) per share is the same as basic (loss) per share.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

<b>Basic and diluted profit/(loss) per share</b>	<b>2022</b>	<b>2021</b>
Loss used to calculate basic and diluted profit/(loss) per share	(1,861,162)	(783,650)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(3.91)	(5.93)
	<b>2022</b>	<b>2021</b>
<b>Weighted average number of ordinary shares</b>	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	47,550,001	13,213,132

## 4. Dividends paid or proposed

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## 5. Cash and cash equivalents

	<b>31 December 2022</b>	<b>30 June 30 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Cash at bank and in hand	2,310,870	3,907,792
<b>Total cash and cash equivalent</b>	<b>2,310,870</b>	<b>3,907,792</b>

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

## 6. Trade and other receivables

	<b>31 December 2022</b>	<b>30 June 30 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST receivable	109,634	105,078
Other receivables	14,038	14,038
<b>Total trade and other receivables</b>	<b>123,672</b>	<b>119,116</b>

### Past due but not impaired

The Group did not have any receivables that were past due as at 31 December 2022. The Group did not consider a credit risk on the aggregate balances as at 31 December 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 7. Exploration and evaluation expenditure

	31 December 2022 \$	30 June 30 2022 \$
Opening balance	386,921	99,741
Acquisition of Leasingham Project	-	286,550
<b>Total exploration and evaluation expenditure</b>	<b>386,291</b>	<b>386,291</b>

## 8. Trade and other payables

	31 December 2022 \$	30 June 30 2022 \$
<b>Current</b>		
Trade creditors	421,097	142,243
Other payables	27,349	34,139
<b>Total Trade and Other Payables</b>	<b>448,446</b>	<b>176,382</b>

## 9. Issued capital

### (a) Issued and fully paid

	31 December 2022		30 June 2022	
	\$	No.	\$	No.
Ordinary shares	5,579,123	47,550,001	5,579,123	47,550,001
	<b>5,579,123</b>	<b>47,550,001</b>	5,579,123	47,550,001

### (b) Movement reconciliation

Ordinary Shares		No. of Shares	\$
<b>Opening balance at 1 July 2021</b>		<b>47,550,001</b>	<b>5,579,123</b>
Elimination of existing legal acquiree (Narryer Minerals Pty Ltd)	2 September 2021	(1,000)	-
Shares of legal acquirer (Narryer Metals Limited)	2 September 2021	1	-
Issue of shares for Narryer Minerals acquisition	2 September 2021	9,470,000	-
Issue of shares for Leasingham acquisition	2 September 2021	2,500,000	250,000
Shares issued as repayment of existing loan	2 September 2021	500,000	50,000
Settlement of existing loan capital contribution	2 September 2021	-	57,396
Issue of founder shares	9 September 2021	1,330,000	133,000
Shares issued under the initial seed raise	15 September 2021	3,250,000	325,000
Shares issue under the second seed raise	15 October 2021	5,500,000	550,000
Issue of IPO placement shares	14 April 2022	25,000,000	5,000,000
Share issue costs		-	(787,237)
<b>Closing Balance at 30 June 2022</b>		<b>47,550,001</b>	<b>5,579,123</b>
<b>Opening balance at 1 July 2022</b>		<b>47,550,001</b>	<b>5,579,123</b>
No change to issued capital		-	-
<b>Closing Balance at 31 December 2022</b>		<b>47,550,001</b>	<b>5,579,123</b>

- c) The share capital of the Group as at 31 December 2022 was 47,550,001 ordinary shares. 17,062,501 shares of the Group were subject to 24 months escrow from issue date at 31 December 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 9. Issued capital (continued)

### d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

Unissued ordinary shares of Narryer Metals Limited under option and performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
14 April 2022	5 years from issue date	Nil	-	4,710,000
2 Sep 2021	4 years from issue date	\$0.30	3,500,000	-
14 April 2022	5 years from issue date	\$0.30	3,500,000	-
14 April 2022	5 years from issue date	\$0.30	2,500,000	-
8 Nov 2022	3 years from issue date	Nil	-	500,000
			<b>9,500,000</b>	<b>5,210,000</b>

### e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 31 December 2022 was \$1,986,096 and the net decrease in cash held during the period was \$1,596,922.

The Group had at 31 December 2022 \$2,310,870 of cash and cash equivalents.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 10. Reserves

### (a) Equity settled share-based payments reserves

	31 December 2022		30 June 2022	
	\$	No.	\$	No.
Option reserve	868,444	9,500,000	868,444	9,500,000
Performance rights reserve	842,544	5,210,000	836,130	4,710,000
	<b>1,710,988</b>	<b>14,710,000</b>	1,704,574	14,210,000

### (b) Movement reconciliation

#### Performance Rights

	31 December 2022 No.	31 December 2022 \$
<b>Balance at the end of the year – 30 June 2022</b>	4,710,000	-
Balance at the beginning of the year– 1 July 2022	-	-
Performance rights granted to Employees as part of remuneration package <sup>(i)</sup>	500,000	842,544
<b>Balance at the end of the period – 31 December 2022</b>	<b>5,210,000</b>	<b>842,544</b>

#### Options

	31 December 2022 No.	31 December 2022 \$
<b>Balance at the end of the year – 30 June 2022</b>	9,500,000	868,444
Balance at the beginning of the year – 1 July 2022	9,500,000	868,444
<b>Balance at the end of the period – 31 December 2022</b>	<b>9,500,000</b>	<b>868,444</b>

(i) Refer to note 13 for further details on performance rights issued during the period.

## 11. Financial instruments

### Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

### (a) Market risk

#### (i) Interest Rate Risk

The Group hold cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

#### (ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the period ended 31 December 2022 and had minimal exposure to foreign exchange risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 11. Financial instruments (continued)

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	31 December 2022 \$	30 June 2022 \$
Cash and cash equivalents AA-	2,310,870	3,907,792
<b>Total</b>	<b>2,310,870</b>	<b>3,907,792</b>

### (c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

31 December 2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>Financial liabilities</b>							
Other payables	27,349	-	-	-	-	27,349	27,349
Trade creditors	421,097	-	-	-	-	421,097	421,097
<b>Total financial liabilities</b>	<b>448,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448,446</b>	<b>448,446</b>

30 June 2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>Financial liabilities</b>							
Other payables	27,243	-	-	-	-	27,243	27,243
Trade creditors	142,243	-	-	-	-	142,243	142,243
<b>Total financial liabilities</b>	<b>169,486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169,486</b>	<b>169,486</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 12. Operating segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operates within the mineral exploration industry within Australia.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Group has only one operating segment, being exploration, and the segment operations and results are the same as the Group results.

## 13. Share based payments

Share based payments during the period ended 31 December 2022 are summarised below.

### (a) Recognised share-based payment expense

	31 December 2022 \$	31 December 2021 \$
Expense arising from equity settled share-based payment transactions	6,414	425,367

### (b) Securities granted during the period

Performance rights granted during the period ended 31 December 2022 as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date
A	Employee performance rights	8 Nov 2022	200,000	Nil – convertible to ordinary shares on achievement of performance conditions	8 Nov 2025
B	Employee performance rights	8 Nov 2022	200,000	Nil – convertible to ordinary shares on achievement of performance conditions	8 Nov 2025
C	Employee performance rights	8 Nov 2022	100,000	Nil – convertible to ordinary shares on achievement of performance conditions	8 Nov 2025

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 13. Share based payments (continued)

The performance conditions for the Performance Rights are set out below:

Tranche	Performance Milestones
A	12 months continuous employment (from employment start date 14 April 2022)
B	24 months continuous employment (from employment start date 14 April 2022)
C	The Company's shares having a 20 day volume weighted average price of at least \$0.30 and 12 months continuous employment (from employment start date 14 April 2022)

Tranches A and B performance rights have been valued on the share price at the grant date.

Tranche C Performance Rights were valued using a Monte Carlo Model with the following inputs with the expense recognised on issue:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)	Value Recognised 31 December 2022 (\$)
A	Nil	8 Nov 2022	100%	3.50%	8 Nov 2025	\$0.115	\$0.115	\$23,000	\$3,340
B	Nil	8 Nov 2022	100%	3.50%	8 Nov 2025	\$0.115	\$0.115	\$23,000	\$1,670
C	Nil	8 Nov 2022	100%	3.50%	8 Nov 2025	\$0.115	\$0.097	\$9,670	\$1,404

## 14. Commitments and contingent liabilities

There are no other new commitments or contingencies, other than the commitments that existed as at 30 June 2022 that the Group has entered into during the period under review.

## 15. Related party disclosure

### (a) Parent entity

Narryer Metals Limited is the ultimate Australian parent entity.

### (b) Subsidiaries

The consolidated financial statements include the financial statements of Narryer Metals Limited and the subsidiaries listed in the following table.

	Country of Incorporation	31 December 2022 % Equity Interest	Principal Activity
Narryer Minerals Pty Ltd	Australia	100	Operating subsidiary
Leasingham Metals Pty Ltd	Australia	100	Operating subsidiary
Rarity Minerals Pty Ltd	Australia	100	Operating subsidiary

### (c) Key management personnel compensation

There were no other material changes to the Group's related party transactions to those disclosed in the 30 June 2022 Annual Report.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2022

## 16. Events after the reporting date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

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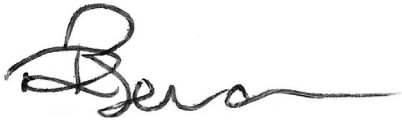


# DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



**Mr Richard Bevan**  
Non-Executive Director

Perth, 15 March 2023

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